



Our Company was incorporated as Stove Kraft Private Limited on June 28, 1999 with a certificate of incorporation issued by the Registrar of Companies, Bangalore, Karnataka ("RoC") as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the extraordinary general meeting held on May 28, 2018 and the name of our Company was changed to Stove Kraft Limited. A fresh certificate of incorporation consequent upon change of name was issued by the RoC on August 13, 2018. For further details in relation to the change in the name and the registered address of our Company, see "History and Certain Corporate Matters" on page 132.

Registered and Corporate Office: 81/1, Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk, Ramanagar District, 562 112, Karnataka, India

Tel: +91 80 2801 6222; **Fax:** +91 80 2801 6209

Contact Person: Shashidhar SK, Chief Financial Officer, Company Secretary and Compliance Officer; **E-mail:** cs@stovekraft.com; **Website:** www.stovekraft.com

Corporate Identity Number: U29301KA1999PLC025387

OUR PROMOTERS: RAJENDRA GANDHI AND SUNITA RAJENDRA GANDHI

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF STOVE KRAFT LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹[●] MILLION ("OFFER") COMPRISING OF A FRESH ISSUE OF [●] EQUITY SHARES AGGREGATING UP TO ₹1,450.00 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 7,163,721 EQUITY SHARES COMPRISING OF UP TO 640,906 EQUITY SHARES BY OUR PROMOTER, RAJENDRA GANDHI, UP TO 250,000 EQUITY SHARES BY OUR PROMOTER, SUNITA RAJENDRA GANDHI ("PROMOTER SELLING SHAREHOLDERS"), UP TO 1,311,205 EQUITY SHARES BY SEQUOIA CAPITAL INDIA GROWTH INVESTMENT HOLDINGS I ("SCI-GIH") AND UP TO 4,961,610 EQUITY SHARES BY SCI GROWTH INVESTMENTS II ("SCI"), TOGETHER WITH SCI-GIH, "INVESTOR SELLING SHAREHOLDERS" (THE INVESTOR SELLING SHAREHOLDERS TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS"), AND SUCH OFFERED SHARES, THE "OFFERED SHARES") AGGREGATING UP TO ₹[●] MILLION ("OFFER FOR SALE"). THE OFFER WILL CONSTITUTE [●]%, OF THE POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND, DISCOUNTS (IF ANY) AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], ALL EDITIONS OF [●] AND [●] EDITION OF [●] (WHICH ARE WIDELY CIRCULATED ENGLISH, HINDI AND KANNADA DAILY NEWSPAPERS RESPECTIVELY, KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED ("SEBI ICDR REGULATIONS").

In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to SCSBs, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 41 of the SEBI ICDR Regulations and is being made in compliance with Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Category"), provided that our Company and Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds only at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, such number of Equity Shares representing 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by the SCSBs to participate in the Offer. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" on page 325.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value of our Equity Shares. The Offer Price as determined and justified by our Company and the Selling Shareholders, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations and as stated under "Basis for Offer Price" on page 82) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 14.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms that only statements specifically made or confirmed expressly by such Selling Shareholder in this Draft Red Herring Prospectus solely to the extent of information specifically pertaining to itself and its respective portion of the Offered Shares are true and correct. The Selling Shareholders assume no responsibility for any other statements, including, *inter alia*, any of the statements made by or relating to the Company or its business in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on Stock Exchanges. Our Company has received an 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 459.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

Edelweiss Financial Services Limited 14th Floor, Edelweiss House Opp CST Road, Kalina Mumbai 400 098 Maharashtra, India Tel: + 91 22 4009 4400 Fax: +91 22 4086 3610 E-mail: skl.ipo@edelweissfin.com Investor grievance e-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Kunal Malkan/Jay Mehta SEBI Registration No.: INM0000010650	IDFC Bank Limited Naman Chambers, C – 32, G Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 7132 5500 Fax: +91 22 4222 2088 E-mail: skl.ipo@idfcbank.com Investor Grievance e-mail: mb.ig@idfcbank.com Website: www.idfcbank.com Contact Person: Akshay Bhandari / Krishnakant Jaju SEBI Registration No.: MB/INM000012250	JM Financial Limited 7th Floor, Chenergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 6630 3030 Fax: +91 22 6630 3330 Email: skl.ipo@jmfml.com Investor grievance e-mail: grievance.idb@jmfml.com Website: www.jmfml.com Contact Person: Prachee Dhuri SEBI Registration No.: INM000010361	Karvy Computershare Private Limited Karvy Selenium, Tower B Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad 500 032 Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 E-mail: stovekraft.ipo@karvy.com Investor grievance e-mail: einward.ris.ipo@karvy.com Website: www.karvy.com Contact Person: M. Murali Krishna SEBI Registration No.: INR000000221

BID/ OFFER PROGRAMME

BID/ OFFER OPENS ON	[●] ⁽¹⁾	BID/ OFFER CLOSING ON	[●] ⁽²⁾
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(1) Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date; and

(2) Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act or regulation, rules, guidelines and policies as amended from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail. The words and expressions used but not defined herein shall have the meaning as is assigned to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder, unless the context otherwise indicates or implies.

Notwithstanding the foregoing, the terms not defined but used in “Our Business”, “Statement of Tax Benefits”, “Financial Statements”, “Outstanding Litigation and Material Developments” and “Main Provisions of Articles of Association” on pages 114, 85, 161, 296 and 365, respectively, shall have the meanings ascribed to such terms in these respective sections.

General Terms

Term	Description
“our Company”, “the Company”, or “the Issuer”	Stove Kraft Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 81/1, Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk, Ramnagar District 562 112, Karnataka, India
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company

Company and Selling Shareholders Related Terms

Term	Description
Articles of Association/ AoA	Articles of Association of our Company, as amended
Associate or “our Associate”	Pigeon Appliances Private Limited
Audit Committee	The audit committee of our Board. For further details, see in “Our Management” on page 139
Board/ Board of Directors	Board of Directors of our Company, including a duly constituted committee thereof
Baddi facility	Our facility situated at village Buranwala, Tehsil Baddi, Himachal Pradesh
Bengaluru facility	Our facility situated at Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk, Karnataka
CCD	Compulsorily convertible debentures of our Company of nominal value ₹10 each
Class A Equity Shares	Class A Equity Shares issued to SCI and SCI-GIH pursuant to (i) Investment Agreement dated February 2, 2010 entered into between our Company, our Promoters, Atul Jindal, Stovekraft India, SME Growth Fund and SCI, as amended by amendment agreement dated March 18, 2010 entered into between our Company, our Promoters, Atul Jindal, Stovekraft India, SME Growth Fund and SCI; and (ii) Series B Investment Agreement dated September 13, 2013 between our Company, our Promoters, Stovekraft India, SCI and SCI-GIH
CSR Committee	The corporate social responsibility committee of our Board. For further details, see in “Our Management” on page 139
Director(s)	The director(s) on our Board
ESOP Plan	Employee Stock Option Plan 2018 of our Company
Equity Shares	Equity Shares of our Company of face value of ₹10 each
Executive Director	Executive director of our Company
F&S	Frost and Sullivan (India) Private Limited
F&S Report	Industry report prepared by F&S titled “Kitchen Appliances Market in India”, dated August 1, 2018
Independent Director(s)	Directors on the Board of our Company who are eligible to be appointed as independent directors as per Section 149(6) of the Companies Act, 2013
Investor Selling Shareholders	SCI and SCI-GIH
IPO Committee	The committee constituted by our Board in our Offer. For further details, see “Our Management” on page 139
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in “Our Management” on page 139
Managing Director/MD	The managing director of our Company, Rajendra Gandhi
Memorandum of Association/ MoA	Memorandum of association of our Company, as amended

Term	Description
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board. For further details, see “ <i>Our Management</i> ” on page 139
Offered Shares	Up to 4,961,610 Equity Shares offered by SCI as per its board resolution dated September 21, 2018, up to 1,311,205 Equity Shares by SCI-GIH as per its board resolution dated September 21, 2018, up to 640,906 Equity Shares by Rajendra Gandhi in the Offer for Sale as per letter dated September 20, 2018, 2018 and up to 250,000 Equity Shares by Sunita Rajendra Gandhi in the Offer for Sale as per letter dated September 20, 2018
Promoters	The promoters of our Company namely, Rajendra Gandhi and Sunita Rajendra Gandhi
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details, see “ <i>Our Promoter and Promoter Group</i> ” on page 154
Promoter Selling Shareholders	Rajendra Gandhi and Sunita Rajendra Gandhi, Promoters of our Company
Registered Office and Corporate Office	The registered and corporate office of our Company located at 81/1, Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk, Ramnagar District 562 112, Karnataka, India
Registrar of Companies/ RoC	Registrar of Companies, Karnataka situated at Bengaluru
Restated Consolidated Financial Statements	The restated consolidated financial statements of our Company for the Fiscals 2018, 2017, 2016, 2015 and 2014 (presented in accordance with Ind AS) which comprises the restated consolidated statement of assets and liabilities, the restated consolidated statement of profit and loss, the restated consolidated cash flow statement and the restated consolidated statement of change in equity and notes thereto.
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements
Restated Standalone Financial Statements	The restated standalone financial statements of our Company for the Fiscals 2018, 2017, 2016, 2015 and 2014 (presented in accordance with Ind AS); which comprises the restated standalone statement of assets and liabilities, the restated standalone statement of profit and loss, the restated standalone cash flow statement and the restated consolidated statement of change in equity and notes thereto
Sequoia	SCI and SCI-GIH
SCI	SCI Growth Investments II
SCI-GIH	Sequoia Capital India Growth Investment Holdings I
Selling Shareholders	The shareholders of our Company who are selling their Equity Shares in the Offer for Sale namely, Rajendra Gandhi, Sunita Rajendra Gandhi, SCI and SCI-GIH
Shareholders	Equity shareholders of our Company from time to time
Statutory Auditors	Statutory auditors of our Company, namely, Deloitte Haskins & Sells, Chartered Accountants
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of the Board. For further details, see in “ <i>Our Management</i> ” on page 139

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary(ies) to a Bidder as proof of registration of the Bid/ Bid cum Application Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the respective portion of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus who has a Bid for an amount of at least ₹ 100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs
Anchor Investor Application Form	Form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bidding Date	The day, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Escrow Account	Account opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/NECS/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid

Term	Description
Anchor Investor Form	The form used by an Anchor Investor to Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs
Anchor Investor Pay-in Date	In case of the Anchor Investor Offer Price being higher than the Anchor Investor Allocation Price, the date as mentioned in the CAN but not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion or [●] Equity Shares which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising an SCSB to block the Bid Amount in the relevant ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications made thereto as permitted under SEBI ICDR Regulations
ASBA Bidder(s)	Bidders (other than Anchor Investors) in the Offer who intend to submit their Bid through the ASBA process
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to make Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), the Public Offer Account Bank(s) and the Refund Bank(s)
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in “Offer Procedure” on page 325
Bid(s)	An indication to make an offer during the Bid/ Offer Period by a Bidder (other than Anchor Investor), or on the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Bid cum Application Form to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form The term “Bidding” shall be construed accordingly
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and [●] editions of the Kannada daily newspaper [●] (Kannada being the regional language of Karnataka where our Registered Office is located), each with wide circulation, the extended Bid/ Offer Closing Date shall also be notified on the website and terminals of the Syndicate Members. Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations which shall also be notified by advertisement in the same newspapers where the Bid/ Offer Opening Date was published, in accordance with the SEBI ICDR Regulations
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder as the case may be, upon submission of the Bid
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context may require
Bid Lot	[●] Equity Shares
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, which shall be notified in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●], and [●] editions of the Kannada daily newspaper [●], (Kannada being the regional language of Karnataka where our Registered Office is located), each with wide circulation and in case of any revision, the extended Bid/ Offer Opening Date also to be notified on the website and terminals of the Syndicate Members
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e. Designated Branches for SCSBs, Specified Locations for the Syndicate, Brokers Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made

Term	Description
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer namely, Edelweiss Financial Services Limited, IDFC Bank Limited and JM Financial Limited
Broker Centres	Broker centers notified by the Stock Exchanges where Bidders can submit ASBA Forms to Registered Brokers The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted (including any revisions thereof)
Cash Escrow Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), Public Offer Bank, the Syndicate Members and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996 and registered with SEBI, who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/ CFD/ POLICYCELL/ 11/ 2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of the BSE and the NSE
Cut-Off Price	Offer Price, which shall be any price within the Price Band finalised by our Company and the Selling Shareholders, in consultation with the BRLMs Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders such as their respective addresses, occupation, PAN, name of the Bidder's father/ husband, investor status, MICR Code and bank account details
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and https://www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Anchor Investor Escrow Account, and instructions are given to the SCSBs to transfer funds from the ASBA Accounts, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus, and the aforesaid transfer and instructions shall be issued only after finalization of Basis of Allotment in consultation with the Designated Stock Exchange
Designated Intermediaries	Collectively, Syndicate, sub-syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs, who are authorised to collect ASBA Form from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where ASBA Bidders can submit the ASBA Forms. The details of such Designated RTA locations, along with names and contact details of the RTAs are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated September 27, 2018, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Edelweiss	Edelweiss Financial Services Limited
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Eligible NRIs	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
Escrow Collection Bank(s)	A bank, which is a clearing member and registered with SEBI as a banker to an offer and with whom the Escrow Account will be opened, in this case being [●]
First/ sole Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of Equity Shares

Term	Description
Fresh Issue	The fresh issue of up to [●] Equity Shares aggregating up to ₹1,450.00 million by our Company for subscription pursuant to the terms of the Red Herring Prospectus
General Information Document/ GID	The General Information Document for investing in public issues, prepared and issued in accordance with the circular (CIR/ CFD/ DIL/ 12/ 2013) dated October 23, 2013 notified by SEBI, and updated pursuant to the circular (CIR/ CFD/ POLICYCELL/ 11/ 2015) dated November 10, 2015, the circular (CIR/ CFD/ DIL/ 1/ 2016) dated January 1, 2016 and (SEBI/ HO/ CFD/ DIL/ CIR/ P/ 2016/ 26) dated January 21, 2016 and SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018 notified by SEBI and included in “Offer Procedure” on page 325
IDFC Bank	IDFC Bank Limited
JM Financial	JM Financial Limited
Monitoring Agency	[●]
Mutual Fund Portion	5% of the QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only, on a proportionate basis subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	Proceeds of the Fresh Issue less our Company’s share of the Offer related expenses For further information about use of the Offer proceeds and the Offer expenses, see “Objects of the Offer” on page 77
QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders	All Bidders, that are not QIBs or Retail Individual Investors, who have Bid for Equity Shares for an amount of more than ₹ 200,000 but not including NRIs other than Eligible NRIs
Non-Institutional Portion	The portion of the Offer being not more than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes FPIs, VCFs, NRIs and FVCIs
Offer	The initial public offer of up to [●] Equity Shares for cash at a price of ₹ [●], aggregating up to ₹ [●] million comprising the Fresh Issue and the Offer for Sale
Offer Agreement	The agreement dated September 27, 2018 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 640,906 Equity Shares by our Promoter, Rajendra Gandhi, up to 250,000 Equity Shares by our Promoter, Sunita Rajendra Gandhi, up to 4,961,610 Equity Shares by SCI and up to 1,311,205 Equity Shares by SCI-GIH aggregating up to ₹ [●] million in terms of the Red Herring Prospectus For further details in relation to Selling Shareholders, see “The Offer” on page 59
Offer Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs on the Pricing Date in accordance with the Book-Building Process and in terms of the Red Herring Prospectus
Offer Proceeds	Proceeds of the Offer that are available to our Company and the Selling Shareholders
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs and will be advertised at least five Working Days prior to the Bid/ Offer Opening Date, in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and [●] edition of the Kannada daily newspaper [●] (Kannada being the regional language of Karnataka where our Registered Office is situated), each with wide circulation at least five Working Days prior to the Bid/ Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company and the Selling Shareholders, in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	Account(s) to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Anchor Investor Escrow Account and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	The bank(s) with whom the Public Offer Account(s) shall be opened and maintained in this case being [●]

Term	Description
QIB Portion	Portion of the Offer (including the Anchor Investor Portion) amounting to at least 75% of the Offer being [●] Equity Shares, which shall be available for allocation to QIBs, including the Anchor Investors, subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be allotted and the size of the Offer (including any addenda or corrigenda thereto) and which shall be registered with the RoC at least three Working Days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Refunds through electronic transfer of funds	Refunds through NACH, direct credit, NEFT, RTGS or unblocking ASBA Accounts, as applicable
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate having terminals at any of the Broker Centres and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The agreement dated September 27, 2018, entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer/ Registrar	Karvy Computershare Private Limited
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/ CFD/ POLICYCELL/ 11/ 2015 dated November 10, 2015 issued by SEBI
Retail Individual Bidder(s)/ Retail Individual Investor(s)/ RII(s)/ RIB(s)	Bidders (including HUFs applying through their kartas and Eligible NRIs) whose Bid Amount for Equity Shares in the Offer is not more than ₹ 200,000 in any of the bidding options in the Offer
Retail Portion	The portion of the Offer being not more than 10% of the Offer or [●] Equity Shares, available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable QIB Bidders and Non-Institutional Bidders are not allowed to lower or withdraw their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Share Escrow Agent	Share Escrow agent appointed pursuant to the Share Escrow Agreement, in this case being, [●]
Share Escrow Agreement	The agreement dated [●] amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the deposit of the Offered Shares by the Selling Shareholders in a share escrow account and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms a list of which is included in the ASBA Form
Stock Exchanges	BSE and NSE
Sub-Syndicate centres	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect Bid cum Application Forms and Revision Forms
Syndicate Agreement	The agreement dated [●] amongst the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date but prior to filing of Prospectus
Working Day	All days other than second and fourth Saturdays of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) the time period between the announcement of Price Band and the Bid/ Offer Closing Date, 'Working Day' shall mean all days, except all Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business; and (b) the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on

Term	Description
	the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/ HO/ CFD/ DIL/ CIR/ P/ 2016/ 26 dated January 21, 2016

Technical/ Industry Related Terms/ Abbreviations/ Terms relating to our business

Term	Description
BPL	Below Poverty Line
C&F	Carrying and Forwarding
CRM	Customer Relationship Management
DMS	Distributor management system
OEM	Original Equipment Manufacturer
ID	Identification
LED	Light-Emitting Diode
LPG	Liquid Petroleum Gas
R&D	Research and development
SMS	Short Message Service

Conventional and General Terms or Abbreviations

Term	Description
₹ / Rs./ Rupees/ INR	Indian Rupees, the official currency of the Republic of India
AGM	Annual general meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS/ Accounting Standards	Accounting standards issued by the Institute of Chartered Accountants of India
BIS	Bureau of Indian Standards
BSE	BSE Limited
CAGR	$(\text{Ending value/beginning value})^{(1/\text{no. of periods})}-1$, unless specifically stated
Category II FPI	FPIs registered as “Category II foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Category III FPI	FPIs registered as “Category III foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules made thereunder
Depositories	Collectively, the NSDL and the CDSL
Depositories Act	The Depositories Act, 1996, read with regulations thereunder
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India
DP ID	Depository Participant’s Identification
DP/ Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Revenue from operations – (cost of materials consumed + excise duty + purchases of stock-in-trade + Changed in inventories of finished goods, stock-in-trade and work-in-progress + Employee benefits expenses+ other expenses), unless specifically stated
ECB	External Commercial Borrowing
EGM	Extraordinary general meeting
EPS	Earnings Per Share
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended, read with rules and regulations thereunder
“Fiscal” or “Financial Year” or “Fiscal Year” or “FY”	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations

Term	Description
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross Domestic Product
GIR	General Index Register
GoI/ Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961, read with rules thereunder
India	Republic of India
Ind AS	Indian Accounting Standards (Ind AS)
Indian Accounting Standard Rules	The Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
IPO	Initial public offering
IRDA	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information technology
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum Of Understanding
Mn/ mn	Million
N.A./ NA	Not Applicable
NAV	Net Asset Value
NACH	National Automated Clearing House
Net Worth	The aggregate value of the paid up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement, at the end of the year
NEFT	National Electronic Fund Transfer
NR	Non-Resident
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
RoNW	Return on net worth, computed as (net profit/(loss) after tax, as re-stated for the year, attributable to equity shareholders)/ Net Worth (excluding revaluation reserve) as re-stated at the end of the year
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended

Term	Description
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended
Securities Act	U.S. Securities Act, 1933
SIDBI	Small Industries Development Bank of India
State Government	The government of a state in India
Systemically Important NBFC	A non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
TAN	Tax deduction account number
U.S./ USA/ United States	United States of America
USD/ US\$	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Draft Red Herring Prospectus to “India” are to the Republic of India, all references to “USA”, “US” and “United States” are to the United States of America.

Unless the context requires otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial and other data

Unless stated otherwise or unless the context requires otherwise, and to the extent applicable, the financial data in this Draft Red Herring Prospectus is derived from our Restated Financial Statements prepared in accordance with the Companies Act and Ind AS and restated in accordance with the SEBI ICDR Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals and all percentage figures, unless otherwise specified, have been rounded off to the second decimal place and accordingly there may be consequential changes in this Draft Red Herring Prospectus on account of rounding adjustments.

Our Company’s Fiscal commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular “Fiscal”, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

There are significant differences between Indian GAAP, Ind AS, and IFRS. Our Company does not provide reconciliation of its financial information to IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, the Indian GAAP, Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Our annual financial statements for periods subsequent to April 01, 2016, have been prepared and presented in accordance with Ind AS. Given that Ind AS differs in many respects from Indian GAAP, our financial statements prepared and presented in accordance with Ind AS may not be comparable to our historical financial statements prepared under the Indian GAAP. See *“Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors’ assessment of our financial condition”* on page 35.

On February 16, 2015, the MCA issued the Ind AS Rules for the purpose of enacting changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The Ind AS Rules provide that the financial statements of the companies to which they apply shall be prepared in accordance with the Indian Accounting Standards converged with IFRS, although any company may voluntarily implement Ind AS for the accounting period beginning from April 01, 2015. Pursuant to SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016, our restated financial information for the Fiscals 2018, 2017, 2016, 2015 and 2014 included in this Draft Red Herring Prospectus has been prepared under the Ind AS.

Unless the context otherwise requires, any percentage amounts, as set forth in *“Risk Factors”*, *“Our Business”* and *“Management’s Discussion and Analysis of Financial Conditions and Results of Operations”* on pages 14, 114 and 280 respectively, and elsewhere in this Draft Red Herring Prospectus, to the extent applicable, have been calculated on the basis of our Restated Financial Statements prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to the Indian Rupee, the official currency of the Republic of India.
- “US\$” or “USD” are to the United States Dollar, the official currency of the United States of America.
- “Euro” or “EUR” or “€” are to Euro, the official currency of the European Union.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million” or “billion” units, or in absolute number where the number have been too small to present in million unless as stated, otherwise, as applicable. One million represents 1,000,000, one billion represents 1,000,000,000 and one crore represents 10,000,000. However, figures sourced from third party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded off to such number of decimal points as prescribed in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the USD (in Rupees per USD):

Currency	Exchange rate as on:				
	As on March 31, 2014 ⁽¹⁾ (₹)	As on March 31, 2015 (₹)	As on March 31, 2016 (₹)	As on March 31, 2017 (₹)	As on March 31, 2018(1) (₹)
1 USD	60.10	62.59	66.33	64.84	65.04

(Source: RBI website)

(1) In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders or the BRLMs or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “Risk Factors - Third party industry and industry-related statistical data in this Draft Red Herring Prospectus may be incomplete, incorrect or unreliable” on page 28. Accordingly, investment decisions should not be based solely on such information.

The sections “Summary of Industry”, “Summary of our Business”, “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” of this Draft Red Herring Prospectus contain data and statistics from the report titled “Kitchen Appliances Market in India” prepared by F&S, dated August 1, 2018, which is subject to the following disclaimer:

“This independent market research study on the “Kitchen Appliances Market in India” has been prepared for Stove Kraft Limited in relation to an initial public offering (“IPO”) in connection with its listing on the leading stock exchange(s). This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Frost & Sullivan’s estimates and assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain. Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. This Frost & Sullivan report is prepared for the Company’s internal use, submission, and sharing with the relevant parties as well as for inclusion in the Offer Documents, in full or in parts as may be decided by the Company”

In accordance with the SEBI ICDR Regulations, “Basis for Offer Price” on page 82 includes information relating to our listed industry peers. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, and SEBI Listing Regulations, as applicable, our Company may be required to undertake an annual updation of the disclosures made in the Red Herring Prospectus to be filed and make it publicly available in the manner specified by SEBI.

Time

Unless otherwise stated, all references to time in this Draft Red Herring Prospectus are to Indian Standard Time.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. For the reasons described below, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Therefore, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and its ability to respond to them, its ability to successfully implement its strategy, its growth and expansion, technological changes, its exposure to market risks, general economic and political conditions in India and globally which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes and changes in competition in its industry. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Adverse outcome of the litigation involving our marquee brand “Pigeon”;
- Reliance on our brand portfolio, and our ability to successfully maintain and promote our brand portfolio;
- Dependence on third parties for the distribution and sale of our products;
- Reliance on third party OEMs for the sourcing of some of our products;
- Inability to expand into new geographic regions and markets; and
- Inability to compete with increasing competition from companies and local firms with products similar to ours

For further discussion of factors that could cause the actual results to differ from the expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 14, 114 and 280, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with regulatory requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments from the date of registration of the Red Herring Prospectus with the RoC until the receipt of final listing and trading approvals from the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision in our Equity Shares. If any one or a combination of the following risks actually occur, our business, prospects, financial condition and results of operations could suffer and the trading price of our Equity Shares could decline and you may lose all or part of your investment. The risks described below are not the only ones relevant to us or our Equity Shares or the industry and regions in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. To obtain a more detailed understanding of our Company, prospective investors should read this section in conjunction with the sections titled “Our Business” “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 114, 88 and 280, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in this Offer. Potential investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Please see “Forward-Looking Statements” on page 13.

Unless specified or quantified in the relevant risks factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Consolidated Financial Statements.

You should carefully consider all the information in this Draft Red Herring Prospectus, including this section, “Industry Overview”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 88, 161 and 280, respectively, before making an investment in the Equity Shares. In this section, any reference to the “Company” “we”, “us” or “our” refers to Stove Kraft Limited, unless otherwise specified. Unless otherwise stated, the financial information of our Company used in this section has been derived from our Restated Consolidated Financial Statement. Unless noted otherwise, some of the information in this section is obtained or extracted from F&S Report on our request.

INTERNAL RISK FACTORS

Risks Relating to our Business and our Industry

- 1. The trademark for our marquee brand ‘Pigeon’ is the subject matter of litigation, and there can be no assurance that we will be able to protect the trademark in the future.***

Our Company had registered the ‘PIGEON’ trademark in different classes in 2003 and 2005. In 2003, pursuant to an oral understanding with PAPL, our Associate Company, our Company permitted PAPL to manufacture certain products such as mixers and grinders under the *Pigeon* brand for our Company. However, PAPL continued to manufacture under the ‘PIGEON’ without any authorisation, therefore in 2015, our Company terminated the oral arrangement with PAPL demanding them to stop manufacture of any item under the *Pigeon* brand at once. In 2015, our Company filed a suit before the Additional and Sessions City Civil Judge, at Bengaluru, for seeking perpetual injunction from passing off and infringement of the ‘PIGEON’ trademark, for the classes registered by us in 2003 and 2005, in relation to unauthorized sale and manufacture of PIGEON branded products by PAPL. Our Company was granted a temporary injunction in the said suit and PAPL has been restrained from using the ‘PIGEON’ trademark for, *inter-alia*, the manufacture and sale of kitchen electrical and non-electrical appliances. The matter is currently pending, and there can be no assurance that the final judgement of the court will be favourable to us. For details in relation to the suit, see “*Outstanding Litigation and Other Material Developments*” on page 296. Further, there can be no assurance that we will be able to successfully protect the trademark against any claims made in the future, and in the event that there is an adverse claim or judgment passed against us in the future in relation to the trademarks, we may be unable to use the brand name or derive the benefits associated with the goodwill of the brand name, which could have a material adverse effect on our business, financial condition and results of operations. In Fiscal 2018, *Pigeon* branded products contributed 88.84% to our overall sales. As such, in the event that we are unable to successfully protect the ‘PIGEON’ trademark, it may have an adverse impact on our business condition and results of operations. Further, in the past, certain of our trademark applications have been opposed by third parties before the trademark registry. For details in relation to the applications made for registration of trademarks, see “*Government and Other Approvals*” on page 301.

- 2. We source our raw materials from third parties with whom we do not have long term contract or price guarantees.***

Our business operations are significantly dependent on local third parties at all stages of product development and sales. Further, we import some of our raw material, such as glasses components, aluminum, steel and from foreign suppliers. In Fiscal 2018, we imported raw material worth ₹180.18 million. Our principal raw materials, aluminium, aluminium derivatives and steel, are sourced from third party suppliers, and purchased on a purchase order basis. We also source certain equipment such as roller coating line and channel making machine of LPG unit from foreign suppliers. In the event of a discontinuation or closure of the foreign suppliers for these equipment, we may not be able to source identical raw materials and equipment from local sources which may lead to increase in production costs and consequently affect the pricing of our products. Non-availability of such raw materials of identical quality from local suppliers may lead to deterioration in quality of such products, which may lead loss of our reputation. The quality of our products is primarily derived from the quality of our raw materials, and any deterioration in the quality of raw materials supplied to us will have an adverse effect on the quality of our products, market reputation and sales volumes. There can be no guarantee that we will be able to maintain our current line-up of suppliers or adequate supply of such raw materials at all times. We source our raw materials on the basis of purchase orders, and do not have long term contracts with our raw material suppliers. An unforeseen shortage of raw materials in the future may adversely impact our results of operations. Additionally, the prices of our primary raw materials are volatile and fluctuate based on a number of factors outside our influence, including the price of steel and aluminium. During Fiscals 2018, 2017 and 2016, our cost of goods sold (aggregate of cost of materials consumed, purchase of stock in trade and changes in inventories of finished goods, work-in-progress and stock-in-trade) was 67.85%, 69.93% and 73.67% of our total revenue from operations, respectively. We depend on a limited number of raw material suppliers for all of our raw material requirements, and there can be no assurance that we will continue to be able to source our raw materials from such suppliers in the future in the amounts required for our manufacturing purposes, or at all. In the event that one or more of our suppliers discontinues the supply of raw materials to us, there is a change in terms which are less favourable to us, we may not be able to find a new supplier to meet our raw material requirements. Further, there can be no assurance that the price of our raw materials will not increase in the future or that we will be able to recover such increases in costs from our customers.

Additionally, prices of certain raw materials used in our products among our product portfolio, including steel and aluminium, are volatile and are subject to fluctuations arising from changes in domestic and international supply and demand, labour costs, competition, market speculation, government regulations and periodic delays in delivery. Rapid and significant changes in such raw materials may affect the production price and consequently the market price of these products. Additionally, we may be unable to pass the entire impact of the rise in the prices of raw materials to our customers, which may result in lower profit margins for our business. Further, any increase in the selling price of our products may adversely impact the demand for our products, our sales and consequently our profit margins.

3. *We rely heavily on our brand portfolio, and our inability to successfully maintain and promote our brand portfolio may adversely affect our results of operations.*

We believe that the market perception of our brands is one of the key factors for the sustained demand of our products amongst consumers. Our business performance is substantially dependent upon the continued success of our *Pigeon* and *Gilma* brands. We spent approximately ₹151.77 million and ₹161.73 million on our business promotion and advertisement expenses for the Fiscals 2017 and 2018, respectively. A brand's reputational value is based in large part on consumer perceptions, and even an isolated incident that causes harm, particularly one resulting in widespread negative publicity, could adversely influence consumer perceptions and erode consumer trust and confidence in the brand. We believe that continuing to develop awareness of our brands, through focused and consistent branding and marketing initiatives is important for our ability to increase our sales volumes and our revenues, grow our existing market share and expand into new markets and new product categories. Consequently, product defects, consumer complaints, or negative publicity or media reports involving us, or any of our brands or products or any specific product could harm our brands and reputation and may dilute the impact of our branding and marketing initiatives and adversely affect our business and prospects. Negative media coverage regarding the safety or quality of our products or any specific product, and the resulting negative publicity, could materially and adversely affect the level of consumer recognition of, and trust in us or our brands and our products. Any negative publicity or disputes involving our brands could materially adversely affect our business, financial condition and results of operations.

Currently, in addition to brick and mortar stores, we list our products on various e-commerce websites and our customers are increasingly using such platforms to provide feedback and information about products and store experiences, in a manner that can be quickly and broadly disseminated. Our brands could be damaged by any negative publicity on social media platforms or by claims or perceptions about the quality or safety of the products sold at our stores, regardless of whether such claims or perceptions are true. Any untoward incidents such as litigation or negative publicity, whether isolated or recurring and whether originating from us or otherwise, affecting our business, or suppliers, can significantly reduce our brand value and consumer trust.

We believe that a large part of the success of our brands is attributable to the after sales services provided by our in-house service personnel, and any deficiency in such after sales services may adversely impact the reputation of our brands. Further, we may not be able to collect customer feedback in an adequate or frequent manner, or implement it effectively to improve our products and services, which may adversely impact the development of products in the future for new product and market segments.

4. Our operations are significantly dependent on third parties for the distribution and sales of our products.

We are dependent on third parties in relation to our distribution and sales. All our products are distributed and sold through third party retail stores and other channels of retail, over which we have limited control. For instance, while we enter into agreements with C&F agents and distributors in the normal course of business, such agreements are typically not long-term contracts, and there can be no assurance that our products will continue to have the same geographical outreach as enjoyed presently. Further, we have limited control over the activities of our C&F Agents from the time that our products are transported to their warehouse, up to the stage of sale of the products. In the event that the C&F Agents are unable to accommodate all our products as per the demand of our products for a particular region, or if there are any accidents at the stage of warehousing or transportation, the insurance obtained by the C&F Agents may not be sufficient to cover the losses suffered by us. We depend on third party logistics service providers for the transportation of raw materials to our manufacturing facilities, and for the distribution of finished products to C&F agents. Any disruption in the logistics, including at the level of the transportation agencies or the C&F agents, may impact our ability to reach the markets with our finished products within the desired timelines, which may adversely impact our business, financial condition and results of operations.

5. There are various proceedings involving our Company, our Promoters and our Director which if determined against us or our Promoters or our Director, may have an adverse effect on our business.

There are outstanding legal proceedings involving our Company and our Promoter, who is also the Managing Director, which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert management time and attention and consume financial resources in their defense or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally from our Company. Any unfavorable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. The list of such outstanding legal proceedings as on the date of this Draft Red Herring Prospectus are set out below:

Nature of cases	No. of cases	Total amount involved (in ₹ million)
Against our Company		
Criminal cases	2	-
Civil cases	1	8.09
Tax*	11	151.47
Actions by statutory and regulatory authorities	4	40.68
Against our Promoters		
Criminal cases	4	-
Civil cases	-	-
Actions by statutory and regulatory authorities	1	-
Against our Directors		
Criminal cases	4	-
Civil cases	-	-
Actions by statutory and regulatory authorities	1	-

*Other than the tax cases involving our Company, Stovekraft India, a partnership firm in which our Company and our Promoter, Rajendra Gandhi, hold 99% and 1% interest respectively, is involved in a direct tax case where the amount involved is ₹ 96.60 million

We cannot assure you that any of these matters will be decided in favour of our Company or in favour of our Promoter who is also our Managing Director or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings could have an adverse effect on our business, results of operations and reputation. For details, see “Outstanding Litigation and Material Developments” on page 296.

6. Our Promoter, Rajendra Gandhi, has been named as a respondent in certain criminal and civil proceedings.

Our Promoter, Rajendra Gandhi, has been named as a respondent in certain criminal and civil proceedings. For instance, in 2006, the Karnataka State Pollution Control Board (“KSPCB”) filed a criminal complaint against our Promoter, Rajendra Gandhi and our Company before the Additional Chief Metropolitan Magistrate, Bengaluru (“ACMM Court”) in relation to, *inter alia*, the alleged violation of section 21 of the Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”). The KSPCB has alleged that our Company operated its erstwhile facility situated at No. 28/1, Adjacent to AGS Layout, 3rd Main Road, Arehalli Village, Uttarahalli Hobli, Bengaluru without obtaining the requisite consents under Air Act. Further, criminal proceedings have also been initiated against our Promoter, Rajendra Gandhi by State of Karnataka at the instance of Deputy Director of Factories, Bangalore Division-3, Bangalore in relation to an accident at our Bengaluru facility, which caused injuries to our employee and by the Joint Commissioner of Central Excise-Legal, Bengaluru-III Commissionerate, before the Special Court for Economic Offence at Bangalore in relation to erstwhile proceedings initiated against our Company and our Promoter, Rajendra Gandhi, for the alleged contravention of the Central Excise Rules, 2002 and CENVAT Credit Rules, in relation to *inter alia*, alleged clandestine removals and regular availment of CENVAT credit. For further details in relation to

these matters, see “*Outstanding Litigation and Material Developments*” on page 296. The aforementioned proceedings against Rajendra Gandhi are currently pending, and there can be no assurance that the relevant judicial forums will dismiss the complaints or rule in favour of the respondents. Any conviction of Rajendra Gandhi or any decision which is not in favour of the persons named in the complaints for the alleged offences may lead to negative publicity and affect our business, reputation and results of operations. For further details, see “*Outstanding Litigation and Material Developments*” on page 296.

7. *We rely on third party OEMs for the sourcing of some of our products, which are not manufactured by us in India.*

We rely upon third-party OEMs for the sourcing of some of our products. For Fiscals 2018, 2017 and 2016, such traded products contributed 31.50%, 21.04% and 17.99% to our total revenues. While such traded products are manufactured on the basis of specifications provided by us and under the supervision and monitoring of our sourcing team, we have limited control over the manufacturing and quality control processes, and any defects discovered in such products may have an adverse impact on our brand reputation and results of operations.

8. *Expansion into new geographic regions and markets may subject us to various challenges.*

We intend to increase the sales and distribution of our products in Indian states where large markets exist for the segments in which we operate, as well as introduce new products and brands in the states where we currently operate. However, for the products manufactured and sold by us under our *Gilma* brand, we have limited experience and knowledge of operating in states outside of southern India, and our foray into new geographies, or into new brands or products in the existing geographies may be subject to high barriers to entry including existing competition, local laws and market dynamics. Further, we may not be able to effectively assess the level of promotional marketing required in a particular state, and the recognition of our brands and products in such states may not be in the manner or to the extent anticipated by us. Our expansion into new geographies may also be challenging on account of our lack of familiarity with the social, political, economic and cultural conditions of these new regions, language barriers, difficulties in staffing and managing such operations and the lack of brand recognition and reputation in such regions. We may also encounter other additional anticipated risks and significant competition in such markets. Due to our limited experience in undertaking certain types of markets or offering certain services, our entry into new business segments or new geographical areas may not be successful, which could hamper our growth and damage our reputation. We may be unable to compete effectively for products in these segments. Further, our new business or projects may turn out to be mutually disruptive and may cause an interruption to our business as a result. If we are unable to successfully execute our growth and expansion strategies, our business, prospects and results of operations could be materially and adversely affected.

9. *The BLACK + DECKER Brand License Agreement contains certain onerous provisions and a failure to comply with certain provisions could result in adverse consequences including an event of default.*

The BLACK + DECKER Brand License Agreement has been entered into between our Company and Stanley Black & Decker, Inc. and The Black and Decker Corporation (collectively referred to as “**B&D**”) in relation to licensing of certain proprietary trademarks held by B&D (“**Black + Decker Marks**”) to use such Black + Decker Marks for the purpose of manufacturing, distributing, marketing and selling blenders and juicers, breakfast appliances, small cooking appliances and small domestic appliances in India. Under the terms of the BLACK + DECKER Brand License Agreement, our Company is required to get all the products that it intends to sell under the Black + Decker Marks approved by B&D at the development stage and is also required to maintain certain quality standards, failing which B&D can unilaterally terminate the BLACK + DECKER Brand License Agreement. Additionally, our Company is required to achieve minimum total sales per year as laid out in the BLACK + DECKER Brand License Agreement, failing which B&D may at its sole discretion terminate the BLACK + DECKER Brand License Agreement. Further, in terms of the BLACK + DECKER Brand License Agreement we are, *inter alia*, required to submit to B&D a marketing plan for marketing of the BLACK + DECKER products. Additionally, in case we launch products comparable to products that are selling under the BLACK + DECKER Agreement, then we will be required to either maintain comparable or exceed quality standards of the manufacture of the products under the BLACK + DECKER Brand License Agreement. This may lead to the suppression of our own product range.

The BLACK + DECKER Brand License Agreement stipulates that B&D shall have no liability to our Company or any other person on account of any injury, loss or damage or any other liability, costs, etc. imposed upon our Company or any other person resulting from the production, use or sale of any licensed product, or any labelling, packaging, advertising or promotional activities with respect to the licensed products. Our Company has also agreed to indemnify B&D and its officers, agents, representatives, etc. against claims, demands, damages, liabilities, expenses, losses and costs, etc. arising out of the usage of the licensed products. In the event that we are not able to comply with the provisions of the BLACK + DECKER Brand License Agreement, including for any reason beyond our control, our business, financial condition and results of operations may get adversely impacted. Further, the BLACK + DECKER Brand License Agreement also imposes a non-compete obligation on our Company, and for the duration of the BLACK + DECKER Brand License Agreement and for a period of one year thereafter on prohibiting the sale of all the products licensed to our Company under brands which are competitive to the BLACK + DECKER brand. Our inability to manufacture and sell certain products under brands which may be considered ‘competitive’ with the Black + Decker Marks during the term of the agreement and after its expiry, may hamper our ability to cater to our existing customers

and also restrict our ability to develop and manufacture new product and product lines, which may have an adverse impact on our financial condition and results of operations.

10. *Our Promoter and Managing Director, Rajendra Gandhi, may be required to vacate his directorship from our Board.*

Our Associate, PAPL, has received a notice dated February 13, 2017 from the RoC under sections 92 and 96 read with section 403 of the Companies Act, 2013 in relation to the non-filing of annual returns by PAPL for Fiscal 2015. Our Promoter and Managing Director, Rajendra Gandhi, is one of the directors on the board of PAPL. Under section 164(2) of the Companies Act, 2013, any person who is or has been a director of a company which has not filed its financial statements or annual returns for any continuous period of three Fiscals, is ineligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date of failure of the company to make the filings. Pursuant to a reply dated May 16, 2017 to the RoC notice, the directors of PAPL have clarified to the RoC that the delay in filing of annual returns occurred due to a deadlock in management of PAPL, due to which the accounts were not finalized and the annual general meeting was not conducted. On April 17, 2018, Rajendra Gandhi received a notice from the RoC, asking him to show cause as to why PAPL should not be struck off under the provisions of the Companies Act, 2013. In response, a reply dated May 23, 2018, has been sent to the RoC, requesting the RoC to withdraw the notice. Further, the RoC was intimated that PAPL had approached the NCLT, Bengaluru bench in this regard, and a copy of the petition filed by PAPL before the NCLT was also submitted with the RoC. Our Company and our Promoter and Managing Director, Rajendra Gandhi subsequently also filed an interim application before the NCLT on May 30, 2018 praying NCLT to direct the ROC to maintain status quo by not striking off PAPL and to not disqualify Rajendra Gandhi from directorships of other companies, until the disposal of the main petition. The NCLT by an order on July 18, 2018 directed the ROC to maintain the status quo and not to disqualify Rajendra Gandhi until the disposal of the petition. For further details in relation to the petition, pending before the NCLT, see “*Outstanding Litigation and Other Material Developments*” on page 296.

While the matter is currently pending before the NCLT and the RoC, in the event that an adverse or a final order is passed by the NCLT and the interim stay is vacated/dismissed, the RoC may *inter alia*, include the name of our Managing Director, Rajendra Gandhi in the list of directors who are disqualified to be reappointed on the board of PAPL or to be appointed on the board of another company. Further, in terms section 167 of the Companies Act, in case of any director incurring disqualification under section 164(2) of the Companies Act, 2013, the office of such director is required to become vacant in all other companies. In the event, PAPL and its directors are held to be in violation of section 164(2) of the Companies Act, 2013, our Promoter and Managing Director, Rajendra Gandhi, may be required to vacate his directorship in our Company. Our Promoter and Managing Director, Rajendra Gandhi, is instrumental to the growth and operations of our Company, and his disqualification will have an adverse impact on our business, financial condition and results of operations.

11. *Our sales may be negatively impacted by increasing competition from companies and local firms with products similar to ours.*

The kitchen cookware appliance business and our associated retail business operates in a highly competitive environment. We compete with other retailers that market products similar to ours. We compete with national businesses that utilize a similar retail store strategy, as well as local unorganized kitchen cookware appliance manufacturers. The sales growth in the kitchen cookware appliances industry has encouraged the entry of many new competitors, new business models, and an increase in competition from established companies, many of whom are willing to spend significant funds and/ or reduce pricing in order to gain market share.

The competitive challenges facing us include:

- anticipating and quickly responding to changing consumer demands or preferences better than our competitors;
- fragmented market divided between big players accounting for about half of the market and small and regional players;
- maintaining favourable brand recognition and achieving customer perception of value;
- effectively marketing and competitively pricing our products to consumers in diverse market segments;
- effectively managing and controlling our costs and pricing to effectively compete with regional players;
- adopting a balance between high quality and pricing;
- effectively managing increasingly competitive promotional activity;
- effectively attracting new customers;

- developing new innovative shopping experiences in retail stores;
- developing innovative, high-quality products in colours and styles that appeal to consumers of varying age groups, tastes, regions, and in ways that favourably distinguish us from our competitors; and
- effectively managing our supply chain and distribution strategies in order to provide our products to our consumers on a timely basis and minimize returns, replacements and damaged products

In light of the many competitive challenges facing us, we may not be able to compete successfully. Increased competition could reduce our sales and impact our business condition and results of operations.

12. *Our manufacturing facilities are situated on land which may be subject to regulatory action and litigation.*

As of the date of this Draft Red Herring Prospectus, we have two manufacturing facilities, one in Bengaluru, Karnataka and the other at Baddi, Himachal Pradesh. Our manufacturing facility in Bengaluru is situated on several contiguous parcels of land, a majority of which are owned by our Company. However, there are certain land parcels in our Bengaluru Facility which are still held in the name of our Promoter, Rajendra Gandhi, which have not been transferred to our Company. Further, in respect of the land parcels comprising the Bengaluru Facility, as of the date of this Draft Red Herring Prospectus:

- certain land parcels within our factory premises, which are held by our Promoter, Rajendra Gandhi, have not been converted from agricultural use to non-agricultural use;
- certain land parcels which are held by our Company are yet to be registered in the name of our Company;
- our Company has received show cause notices from the Kanakapura Planning Authority (“KPA”) in relation to failure to obtain the requisite approvals from KPA for carrying our industrial development program on certain properties; and
- our Promoter, Rajendra Gandhi, has received a notice from the Tahsildar, Kanakapura Taluk, in relation to submitting proof of being an agriculturist in relation of holding certain land parcels which are marked for agricultural use and he has replied to this notice with the required documents

In the event that our Company or our Promoter, Rajendra Gandhi are held to be in violation of the aforementioned regulatory requirements, it may result in *inter alia*, the underlying land parcel being forfeited by the government authorities and the eviction of our Company from the premises. Further, it may result in an order against our Company to discontinue the use of the underlying land parcel and restoring the land to its original condition. While no part of the land for which we have received notices forms part of the factories in our manufacturing facilities, a substantial portion of our manufacturing activity is undertaken at our Bengaluru Facility, and for Fiscal 2018, it contributed 86.86% to our overall production volumes. There can be no assurance that the regulatory authorities will not pass an adverse order against our Company or our Promoter, Rajendra Gandhi, or that our Company or our Promoter may be able to obtain the requisite approvals within the prescribed timelines or at all. Any impact on the underlying lands on which our manufacturing facilities are built will have an adverse impact on our business, financial condition and results of operations. Further, in the event that we are required to set up our manufacturing facilities at any other place, we may not achieve the current economies of scale, and may incur high raw material cost, transportation cost, high rent, high warehouse charges, which in turn impact profitability.

13. *Due to the geographic concentration of our sales in the Southern regions of India, our results of operations and financial condition are subject to fluctuations in regional economic conditions.*

As of August 31, 2018, all of our 62 *Gilma* branded franchisee stores are located in south India. See “Our Business” on page 114. During Fiscals 2016, 2017 and 2018, the revenues from our sales in southern Indian states accounted for 66.90%, 67.81% and 61.54% respectively of our total income, respectively. Our concentration of sales in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions, which may adversely affect our business prospects, financial conditions and results of operations. Any adverse development that affects the performance of the showrooms located in these regions could have a material adverse effect on our business, financial condition and results of operations. Any event negatively affecting these states, including but not limited to economic downturn, natural disasters or political unrest, could have a material adverse effect on our business and results of operations.

14. *There may be a delay in production at, or shutdown of, any of our manufacturing facilities or at any of the third party manufacturing facilities we use for the sourcing of our products and packaging material.*

The success of our manufacturing activities depends *inter alia*, on the productivity of our workforce, compliance with regulatory requirements and the continued functioning of our manufacturing processes and machinery. Disruptions in our manufacturing activities could delay production or require us to shut down the affected manufacturing facility. Moreover, some of our products are permitted to be manufactured at only such facility which has received specific

approvals, and any shut down of such facility will result in us being unable to manufacture such product for the duration of such shut down. Such an event may result in us being unable to meet with our contractual commitments, which will have an adverse effect on our business, results of operation and financial condition. Any interruption at our manufacturing facilities, including natural or man-made disasters, workforce disruptions, regulatory approval delays, fire, failure of machinery or the failure of power sources such as electricity at our manufacturing facilities for a prolonged period could reduce our ability to meet the conditions of our contracts and earnings for the affected period, which could affect our business, prospects, results of operations and financial condition.

Further, all of our manufacturing activities are undertaken across two facilities, i.e. in Bengaluru, Karnataka and Baddi, Himachal Pradesh. A temporary or permanent shut down of either of our manufacturing facilities, the disruption of services at either of our manufacturing facilities, or our inability to acquire or establish additional manufacturing units may adversely impact our ability to continuously operate in a profitable manner, or at all.

Additionally, we rely on certain third party contract manufacturers outside India for the sourcing of several types of products such as LED lights, water bottles, flask, electric kettle, chimney, iron and chopper for our PIGEON brand. Further, we also rely on certain third party manufacturers in India for sourcing our packaging material. In the event that there are disruptions in the manufacturing facilities of such third party contract manufacturers, it will impact our ability to deliver such products and meet with our contractual commitments. If these third party manufacturing facilities cease to be available to us at costs acceptable to us or we experience problems with, or interruptions in, such services, and we are unable to find other facilities to provide similar manufacturing capacity on comparable terms and on a timely basis, our operations would be disrupted and our financial condition and results of operations could be adversely affected

15. *Our business is operating under various laws which require us to obtain approvals from the concerned statutory/regulatory authorities in the ordinary course of business and our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition.*

Our operations at our manufacturing facilities in Bengaluru, Karnataka and Baddi, Himachal Pradesh are subject to extensive government regulation and in respect of our existing operations, we are required to obtain and maintain various statutory and regulatory permits, certificates and approvals including, *inter alia*, environmental approvals, factories licenses, labour related, tax related approvals and mandatory certifications under the Bureau of Indian Standards Act, 2016. In addition, our sales office at Jaipur is subject to government regulation, for which we are required to obtain and maintain statutory and regulatory licenses, registrations and approvals, including those under the state-specific shops and establishments legislations and the state-specific municipalities/ municipal corporation legislations. For details in relation to the key regulations and laws applicable to our operations, see “*Regulations and Policies*” on page 128.

In respect of our manufacturing facilities, we have made applications for certain approvals. We have also made applications for trademark registrations and applications for renewal of trademark registrations under the Trade Marks Act, 1999. In respect of our sales office, we have not obtained the licenses and registrations under *inter alia* the Shops and Establishments Act and the respective Municipalities/ Municipal Corporation Act. Additionally, an application for renewal of authorisation for handling hazardous waste under the provisions of the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 is pending before the Karnataka State Pollution Control Board for our manufacturing unit situated in Bengaluru, Karnataka. There can be no assurance that the relevant authorities will issue such permits, approvals, licenses or registrations, in time or at all. Failure or delay in obtaining or maintaining or renew the required permits, approvals, licenses or registrations within applicable time or at all may result in interruption of the operations of our Company.

Further, the relevant authorities may also initiate penal action against our Company, restrain its operations, impose fines/ penalties or initiate legal proceedings for inability to obtain approvals in a timely manner or at all. Consequently, any failure or delay in obtaining such approvals could have a material adverse effect on the business, financial condition and profitability of our Company. For details of the applications for approvals made by our Company, see “*Government and Other Approvals – Approvals for which applications have been made*” on page 301. There can be no assurance that the relevant authorities will issue or renew any expired permits or approvals in time or at all. Failure or delay in obtaining approvals or failure by us to obtain, maintain or renew the required permits or approvals within applicable time or at all may result in interruption of our operations.

We cannot assure you that in the future, these approvals may not be suspended or revoked in the event of the regulations governing our business being amended or non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, or suffer disruption in our activities, any of which could adversely affect our business.

Additionally, if we fail to obtain or renew any applicable approvals, licenses, registrations and permits in a timely manner, we may not be able to undertake our business activities and expand our business operations, as planned, or at all, which could affect our business and results of operations. Conducting our business operations without holding the

relevant approval, license, registrations or permits may subject us to penalties. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which may be onerous and may require us to incur substantial expenditure. Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial and other conditions, profitability and results of operations.

16. *Our Group Company SAEPL is engaged primarily in manufacturing, importing and exporting of components for domestic and other appliances. Any conflict of interest which may occur between the business of SAEPL and us may adversely affect our business, prospects, results of operations and financial condition.*

SAEPL is engaged primarily in the business of manufacturing, importing and exporting of components for domestic and other appliances such as heating stoves for domestic application and jugs for consumer durables, a line of business similar to that of ours. Currently, SAEPL have not entered into any non-compete agreement with us. We will endeavour to take adequate steps to address any conflict of interest by adopting the necessary procedures and practices as permitted by applicable law, to address any conflict which may arise in the future. We cannot assure you that our Promoters will not favour the interests of SAEPL over our interests or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations.

17. *We have no control over our Associate, PAPL, and have not been able to obtain any information from PAPL for the purposes of the Offer for the purposes of this Draft Red Herring Prospectus.*

As of the date of this Draft Red Herring Prospectus, our Company has one associate company as defined under the Companies Act, 2013, namely PAPL. While our Company is one of the shareholders in PAPL, and one of our Promoters, Rajendra Gandhi, is a director on the board of directors of PAPL, in the past, we have not been able to communicate with, or obtain any information from PAPL. Further, as of the date of this Draft Red Herring Prospectus, there are certain proceedings involving our Company and PAPL which are ongoing, and during the pendency of which we may not be able to communicate with or obtain any information from PAPL for the purposes of the Offer. For further details, see “ – Our Promoter and Managing Director, Rajendra Gandhi, may be required to vacate his directorship from our Board.” and “Outstanding Litigation and Material Developments” on pages 18 and 296, respectively. On account of our inability to communicate with PAPL, we cannot assure you that (a) PAPL has not been refused listing of any securities at any time by any of the recognized stock exchanges in India or abroad; (b) any unsecured loans having been availed by PAPL, which may be recalled by the lenders at any time; and (c) PAPL will ensure compliance with Regulation 60 of the SEBI ICDR Regulations in relation to public communications, publicity materials, advertisements and research reports.

18. *We have entered into retail and franchisee agreements for the sale of our products, and such agreements may impose onerous conditions upon us.*

We do not own any retail stores, and the sale of our products is undertaken from brick and mortar retail outlets (organized and unorganized), multi-retail stores and online retail platforms. Further, the sale of our *Gilma* products is exclusively undertaken from *Gilma* branded franchisee stores. Our agreements with retailers and franchisees may impose conditions which are unfavourable to us, including, *inter alia*:

- the ability of the retailer to reject and return such products at our Company’s expense which do not conform to the agreed specifications in terms of packaging and labeling requirements specified by the retailer;
- our Company indemnifying the retailer, its affiliates, officers, directors and agents against any claim arising directly or indirectly from any death or injury to any person, damage to any property or any other damage or loss due to any defect in or use of the our products;
- the retailer not being liable to our Company for any consequential, special, punitive or indirect damages, including lost profits or opportunities;
- the retailer having the right to terminate the agreement at any time without assigning any reasons; and
- the obligation of our Company to pay defective/ return merchandise allowance, adequate to cover all costs associated with the returned merchandise incurred by the retailers.

In the past, there have been instances where retailers have imposed penalties on us for the delay in manufacture of certain products as per the specified timelines. In Fiscal 2018 we paid a total of ₹2.2 million for 24 instances of not manufacturing certain products as per specified timelines. In the event that any of the conditions as stated above, or any other condition specified in the respective retailer agreements are imposed upon us, it may result in an adverse impact on our business, prospects, financial condition and results of operations. Further, the activities of our franchisees could have a material adverse effect on our goodwill and our brands.

19. *If we are unable to service our debt obligations in a timely manner or to comply with various financial and other covenants and other terms and conditions of our financing agreements, it may adversely affect our business, prospects, results of operations and financial condition.*

As of August 31, 2018, our Company had total indebtedness in the form of short term and long term borrowings of ₹ 1,159.54 million. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flows may be used towards repayment of our existing debt, which will reduce the availability of our cash flows to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness is at variable interest rates;
- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and
- we may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions, in particular, we have certain foreign currency denominated borrowings that could be adversely affected in case of foreign exchange fluctuations.

For further details, see “*Financial Indebtedness*” on page 294.

Many of our financing agreements also include various conditions and covenants that require us to obtain consent of the lenders prior to carrying out certain activities or entering into certain transactions. Under these financing agreements, we also require consent of the lenders for undertaking an initial public offering of our Equity Shares including consequential corporate actions. As on the date of this Draft Red Herring Prospectus, we have received consents from all such lenders. Typically, restrictive covenants under our financing agreements relate to obtaining prior consent of the lender for, among others, change in the capital structure, change in management, amendment of constitutive documents, any merger, reorganization or similar action, and a failure to observe the restrictive covenants under our financing agreements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such facilities and the enforcement of any security provided. In the event of a breach or non-compliance of relevant terms of our financing arrangements, we may be required to seek waivers from the respective lenders for such breaches or non-compliances. Further, we are required to comply with certain financial covenants on an ongoing basis under our financing agreements, and the non-compliance with, or breach of, such financial covenants may result in an event of default under our financing agreements.

We cannot assure you that we will be able to obtain such amendments or waivers on satisfactory terms, or at all, and the relevant lenders could, inter-alia, impose penal and default interests, accelerate the maturity of our obligations and declare all amounts payable in respect of the facility to be due and payable immediately or otherwise on demand. Further, during any period in which we are in default, we may be unable to obtain further financing or any refinancing of our debt could be at higher rates of interest with more onerous covenants. In addition, lenders may be able to sell our assets charged under such financing arrangements to enforce their claims. Any acceleration of amounts due under such facilities may automatically trigger cross default provisions under our other financing agreements. We may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing agreements, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes, or if required, undertake a sale of our assets. For further details, see “*Financial Indebtedness*” on page 294. Any of these circumstances could adversely affect our business, credit rating, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

20. *There are certain restrictive covenants in the Investment Agreement, the non-compliance of which could have a material adverse effect on our business, results of operations and financial condition.*

Our Company and our Promoters have entered into an Investment Agreement with, *inter alia*, SCI and SCI-GIH. The Investment Agreement has covenants which, *inter alia*, required us to obtain consents from various regulatory authorities, terminate certain agreements with our existing vendors, issuance of additional shares to certain entities and re-execute all our dealership contracts. While we believe that we have complied with such covenants there can be no guarantee that SCI or SCI-GIH or any other party to the Investment Agreement would not initiate actions against us for breach of any of the covenants under the Investment Agreement which could consequently have a material adverse effect on our business, results of operations and financial condition. For further details in relation to the Investment Agreement, please see “*History and Certain Corporate Matters- Summary of Key Agreements and Shareholders’ Agreements*” on page 135.

21. *We have in the last 12 months issued Equity Shares at a price that could be lower than the Offer Price.*

As on date of this DRHP, no Equity Shares have been issued by our Company at a price that could be lower than the Offer Price during the last twelve months, except as disclosed below:

Date of Allotment	No. of Equity Shares	Face Value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of Consideration	Reason for Allotment
September 23, 2018	4,733,516	10	71.58	Cash	Conversion of CCDs
September 23, 2018	1,083,111	10	219.21	Cash	Conversion of CCDs

For further details regarding such issuances of Equity Shares, see "*Capital Structure—Notes to Capital Structure*" on page 67.

22. *We may be exposed to potential liabilities from any personal injury claims alleging any deficiency in our products or in counterfeit products of an inferior quality.*

Our business may be adversely affected by litigation and complaints from customers or government authorities resulting from deficiencies in our products. For instance, some of our customers have filed cases in relation to, *inter alia*, alleged defects in our products. We could also incur significant liabilities if a lawsuit or claim results in a decision against us and substantial litigation costs in relation to these lawsuits. For further details in relation to consumer claims filed against our Company, see "*Outstanding Litigation and Material Developments*" on page 296. Further, our business could be harmed in the event of the sale of any defective or misbranded product. Our products are also exposed to the risk of being counterfeited by third parties using or copying our packaging to sell their products. For instance, our Company has instituted proceedings against PAPL in relation to the unauthorised use of our 'PIGEON' trademark by PAPL. For further details, see "*Outstanding Litigation and Material Developments*" on page 296. These products may be formulated differently and may be of an inferior quality as compared to our products. However, we may be subject to potential liabilities, including reputational harm, in relation to such counterfeit products as well. For further details, see "*Outstanding Litigation and Material Developments*" and Risk Factor number 1 on pages 296 and 14 respectively.

23. *Our inability to manage our growth could disrupt our business and have an adverse effect on our profitability.*

Our growth strategies such as expanding into new geographies or expanding the brand portfolio through the launch of new products are subject to and involve risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans successfully, or complete them within the budgeted cost and timelines. Our success in implementing our growth strategies may be affected by:

- our ability to identify trends and demands in the kitchen appliances' industry, and develop new and more personalised and innovative products;
- our ability to identify new markets in different jurisdictions to expand to and distributors to partner with in such markets;
- acceptance by our target consumer base of our new products;
- our ability to maintain the quality of our products and provide continuous after sale services to our customers;
- our ability to increase our existing consumer base; and
- the general condition of the Indian and global economy

Further, implementing our strategies and managing growth of our business will impose a significant demand on our management time and other resources. On account of changes in market conditions, industry dynamics, changes in regulatory policies or any other relevant factors, our growth strategies and plans may undergo substantial changes and may even include limiting or foregoing growth opportunities if the situation so demands. Separately, our growth strategy involves adoption of advanced technologies to firm up our production processes, and expand our distribution and manufacturing initiative. We may be unable to identify, or implement new technologies associated with manufacture of kitchen and home care products in an optimal manner. Any inability on our part to manage our growth or implement our strategies effectively could have a material adverse effect on our business, results of operations and financial condition.

24. *Our retail business is subject to seasonal volatility, which may affect our results of operations and financial condition.*

Our business and the kitchen appliances industry in general is subject to seasonality. Generally, we witness an increase in sales in the second half of the Fiscal and sales generally decline during the first quarter of the Fiscal. Accordingly, our revenue in the first two quarters may not accurately reflect the revenue trend for the whole Fiscal. Our business is also affected by certain festivals which lead to an increase in our sales and by retailers reducing their purchases from

us in first quarter of a particular Fiscal. The seasonality of our business operations and kitchen appliances industry in general, may cause fluctuations in our results of operations and financial condition.

25. *Our Promoter and Managing Director, Rajendra Gandhi, is involved in one or more ventures which are in the same line of business as that of our Company.*

Our Promoter and Managing Director, Rajendra Gandhi is involved in certain ventures in the capacity of director which are in the same line of business as that of our Company. For details see “*Our Management-Common Pursuits*” and “*Our Promoter and Promoter Group-Common Pursuits*” on page 139 and 155 respectively. Thus, there can be no assurance that our Promoter will be able to address conflicts of interests that arise because of his positions in such ventures, in an impartial manner. Also, there can be no assurance that our Promoter will not in future engage in any competing business activity or acquire interests in competing ventures. If so, this conflict of interest will remain in the future and in the absence of a non-compete arrangement, we may not be able to suitably resolve any such conflict without an adverse effect on our business or operations.

26. *There have been instances of erroneous form filings in relation to allotment of Equity Shares of our Company and transfers of Equity Shares of our Company, in relation to which the share transfer forms are not available in our Company’s records.*

We manage our internal compliance by monitoring and evaluating internal controls, and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. For instance, we have made erroneous form filings in relation to allotment of Equity Shares made on September 23, 2018 pursuant to the conversion of CCDs. Further, we are unable to trace certain corporate and other documents in relation to our Company including share transfer forms in relation to transfer of Equity Shares by and to our Promoters, either in our Company’s records or in the records of our Promoters. In the absence of such records, we have relied on annual returns, minutes of the Board of Directors of our Company and statutory registers in order to ascertain details of such transfers. While we believe that the transfers were undertaken in a valid manner in terms of applicable laws and our AoA, we cannot assure you that the share transfer forms in relation to such transfers of such Equity Shares were filed with us in a timely manner or at all.

For further details in relation to notices received by our Company from statutory authorities, see “*Outstanding Litigation and Material Developments – Notices issued by Statutory Authorities*” on page 296. In the event of any delayed filings in relation to the aforementioned allotments or failure to make the requisite filings, our results of operations and financial condition may be adversely affected due to regulatory proceedings and any penalty or fines levied on us on account of such non-compliances. As we continue to grow, there can be no assurance that there will be no other instances of statutory non-compliance/ delays.

27. *Uncertain nature regarding the kitchen cookware appliances market, economic conditions and other factors beyond our control could adversely affect demand for our products and services, our costs of doing business and our financial performance.*

Our financial performance depends significantly on the stability of the kitchen appliances market in general and kitchen cookware appliance markets in particular, as well as general economic conditions, including changes in gross domestic product. Adverse conditions in or uncertainty about these markets, or the economy could adversely impact our customers’ confidence or financial condition, causing them to determine not to purchase kitchen appliances and products, or delay purchasing or payment for those products and services. Other factors beyond our control, including the availability of, the state of the credit markets, consumer credit, and general economic sentiment and other conditions beyond our control, could further adversely affect demand for our products, our costs of doing business and our financial performance. The kitchen appliances market is dynamic in nature, with frequent innovations to suit customer preferences. In the event that we are unable to continuously innovate our product portfolio in line with the technological developments in the kitchen appliances industry and on the basis of shifts in consumer preferences, our products may become obsolete, which may have an adverse impact on our sales and results of operations.

28. *Any disruptions in our logistics or supply chain network and other factors affecting the distribution of our merchandise could adversely impact our operations, business and financial condition.*

Our supply chain and logistics network is focused around warehouses that are owned and operated by our carrying and forwarding agents. Their warehouses act as storage facilities for onward delivery of our merchandise to all our customers. Any material disruption at these warehouses for any reason may damage our products stored at such warehouses and adversely affect our supply chain network and logistics operations, thereby affecting our results of operations. Further, in the event that we are not able to engage warehouses at an affordable cost, then we may incur additional cost associated with such inventory, which may impact our profitability.

We use third party logistic providers for the delivery of products from our manufacturing plants to our distributors. Any disputes with such third party logistic providers would result in disruption of the distribution process of our products and will have an adverse effect on the deliveries from our warehouses to our customers. Additionally, any

disruption in our logistics or supply chain network could adversely affect our ability to deliver inventory in a timely manner, which could impair our ability to meet customer demand for products and result in lost sales, increased supply chain costs or damage to our reputation.

29. *We depend heavily on our Key Management Personnel, and loss of the services of one or more of our key executives or Key Management Personnel could weaken our management team.*

Our success depends on the skills, experience and efforts of our Key Management Personnel and on the efforts, ability and experience of key members of our management staff. Our Promoter, Rajendra Gandhi, is a first generation entrepreneur with over 19 years of experience in the kitchen appliances and home utility products industry. Our Key Management Personnel have extensive experience in retail sales, enterprise sales, channel sales and kitchen appliance industry that are critical to the operation of our business. For further details, see “*Our Management*” on page 139.

In the event that our Promoter terminates his association with our Company, or in case there is a loss of one or more Key Management Personnel of our Company or any of our other management staff, it could weaken our management expertise significantly and our ability to undertake our business operations efficiently in a significant manner. Individuals with industry-specific experience are scarce, and the market for such individuals is highly competitive. As a result, we may not be able to attract and retain qualified personnel with comparable skill and expertise to replace or succeed our Key Management Personnel or other key employees, promptly or at all. To see the changes in our Key Management Personnel for the last three years, see “*Our Management- Changes in the Key Management Personnel*” on page 153. We may take a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. Any inability on our part to attract and retain qualified personnel could have a material adverse effect on our business, financial condition and results of operations.

30. *Our inability or failure to maintain a balance between optimum inventory levels and our product offering may adversely affect our business, results of operations and financial condition.*

We strive to keep optimum inventory at retail stores, C&F agents and distributors to control our costs and working capital requirements. To maintain an optimal inventory, we monitor our inventory levels based on our projections of demand as well as on a real-time basis. Our hub and spoke model of distribution also enables us to fulfill large orders from our distribution centers directly, and replenish our stocks with minimal lead time. However, unavailability of products, due to high demand or inaccurate forecast, may result in loss of sales and adversely affect our customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of products, which may increase inventory costs, negatively impact cash flow, reduce the quality of inventory, shrinkages and ultimately lead to reduction in margins. Further, some of our products can become obsolete in terms of designs, and any inventory that we hold with respect to old designs may not get sold or replaced by our suppliers. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

31. *We have recently entered markets for non-core products, in which we have limited experience.*

While we have historically been a manufacturer and retailer of kitchen appliances, in 2016, we entered the LED products market under our *Pigeon* brand. For Fiscal 2018, our LED products business contributed 3.04% to the total revenues of our Company. We did not have any prior experience in the LED products market before this venture, and therefore there can be no assurance that we will be able to maintain and expand our LED product portfolio in a sustainable manner. Further, the LED product market in India is a highly competitive space, and there can be no assurance that we will be able to introduce new product ranges in the LED segment as per our strategy or compete with the existing players in the market, or at all. In the event that we are not able to operate our LED business in a sustainable manner, it will have an adverse impact on our results of operations and financial condition. Further, we have also entered other non-core markets with products such as chairs, heating and cooling products, etc. in which we have no prior experience, and there can be no assurance that we will be able to operate in the markets for these products in a sustainable and profitable manner. In the event that we are required to expend additional resources towards establishing and consolidating our presence in non-core markets, it may have an adverse impact on our business condition and results of operations.

32. *Our business depends on the performance of its information technology systems and any interruption or abnormality in the same may have an adverse impact on our business operations and profitability.*

We have an ERP system which integrates and collates data of purchase, sales, reporting, accounting, stocks, etc. We utilise our information technology systems to monitor all aspects of our business and rely to a significant extent on such systems for the efficient operation of our business, including, monitoring of inventory levels, allocation of products to our stores and budget planning. Our information technology systems may not always operate without interruption and may encounter abnormality or become obsolete, which may affect our ability to maintain connectivity with our stores and warehouses. We cannot assure you that we will be successful in developing, installing, running and migrating to new software system or systems as required for our overall operations and in staying technologically competitive with our peers. Even if we are successful in this regard, significant capital expenditures may be required,

and we may not be able to benefit from the investment immediately. All of these may have a material adverse impact on our operations and profitability. The ERP system deployed by us has been purchased. The regular maintenance and upgrade of the ERP system is carried out by the vendor, at costs to be incurred by the Company. Any failure in this ERP system may necessitate the Company to switch to a different system, implementation of which may result in significant costs to the Company.

Also, our Company cannot guarantee that the level of security it presently maintains is adequate or that its systems can withstand intrusions from or prevent improper usage by third parties. Our Company's failure to continue its operations without interruption due to any of these reasons may adversely affect our Company's results of operations.

33. *Our Statutory Auditor's report may contain certain adverse remarks.*

There are certain adverse remarks from the auditors in their audit report and annexure to the auditor's report under the Companies (Auditor's Report) Order, 2016, 2015 and 2003, as applicable, for the last five Fiscals. There is no assurance that our audit report or annexure there on for any future fiscal periods will not contain such comments or any other qualifications or otherwise affect our results of operations in such future fiscal periods. Investors should consider these remarks in evaluating our financial position, cash flows and results of operations. Any such qualifications in the auditors' report on our financial statements in the future may also adversely affect the trading price of the Equity Shares. For details on these qualifications, emphasis of matter, refer "*Financial Statements*" on page 161 respectively.

34. *The emergence of modern trade channels in the form of hypermarkets, supermarkets and online retailers may adversely affect our pricing ability, and result in temporary loss of retail shelf space and disrupt sales of kitchen appliances, which may have an adverse effect on our results of operations and financial condition.*

India has recently witnessed the emergence of hypermarkets, supermarkets and online retailers and the market penetration of large scaled organized retail in India is likely to increase further. While we believe this provides us with an opportunity to improve our supply chain efficiencies and increase the visibility of our brands, it also increases the negotiating position of such stores. We cannot assure you that we will be able to negotiate new distribution agreements or renegotiate our existing distribution agreements, specially our pricing or credit provisions, on terms favourable to us, or at all. Any inability to enter into distribution agreements and on terms favourable to us, may have an adverse effect on our pricing and margins, and consequently adversely affect our results of operations and financial condition.

From time to time, retailers change distribution centers that supply products to some of their retail stores. If a new distribution center has not previously distributed our products in that region, it may take time to get a retailer's distribution center to begin distributing new products in its region. Even if a retailer approves the distribution of products in a new region, product sales may decline while the transition in distribution takes place. If we do not get approval to have our products offered in a new distribution region or if getting this approval takes longer than anticipated, our sales and operating results may suffer.

35. *The proceeds from Offer for Sale will not be available to us.*

This Offer comprises of a Fresh Issue of Equity Shares by our Company and an Offer for Sale of Equity Shares by the Selling Shareholders. Out of the four Selling Shareholders, two Selling Shareholders are Rajendra Gandhi and Sunita Rajendra Gandhi, who are our Promoters. All the proceeds from the Offer for Sale will be remitted to the Selling Shareholders in proportion to the Equity Shares offered by them in the Offer for Sale, and such proceeds will not be available to our Company.

36. *We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.*

In order to retain flexibility and control costs, our Company appoints independent contractors who in turn engage on-site contract labour for performance of certain of our operations. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition and we may also be subject to legal proceedings in this regard. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

37. *Our funding requirements and proposed deployment of the Net Proceeds of the Offer have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.*

We intend to use the Net Proceeds of the Fresh Issue for the purposes described in "*Objects of the Offer*" on page 77. The objects of the Fresh Issue have not been appraised by any bank or financial institution. Whilst a monitoring agency

will be appointed for monitoring utilisation of the Net Proceeds, the proposed utilisation of Net Proceeds is based on current conditions, internal management estimates, contracts and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Further, pending utilization of Net Proceeds towards the Objects of the Offer, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds them temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1939. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds.

38. *Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.*

We propose to utilise the Net Proceeds for repayment/ pre-payment, in full or part, of certain borrowings availed by our Company and other general corporate purposes. For further details of the proposed objects of the Offer, see "*Objects of the Offer*" beginning on page 77. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

39. *We may not be able to derive the expected benefits of the deployment of the Net Proceeds, in a timely manner, or at all.*

Our Company intends to use a certain portion of the Net Proceeds for the purposes of repayment / prepayment in full or in part, of certain of the borrowings availed by the Company. We cannot ascertain whether such initiatives will result in increased sales or have an equivalent monetary impact. Our estimates for the proposed expenditure are based on several variables, a significant variation in any one or a combination of which could have an adverse effect. The details in this regard have been disclosed in the section titled "*Objects of the Offer*" beginning on page 77. While the utilisation of Net Proceeds for repayment/ prepayment of the borrowings would help us to reduce our cost of debt and enable the utilisation of our funds for further investment in business growth and expansion, these objects will not result in the creation of any tangible assets for our Company.

40. *Information relating to our installed capacities and the historical capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates and future production and capacity utilization may vary.*

Information relating to our installed capacities and the historical capacity utilization of our owned manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to potential utilization levels and operational efficiencies. Actual utilization rates may differ significantly from the estimated installed capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our installed capacity or historical estimated capacity utilization information for our existing facilities included in this Draft Red Herring Prospectus.

41. *Third party industry and industry-related statistical data in this Draft Red Herring Prospectus may be incomplete, incorrect or unreliable.*

This Draft Red Herring Prospectus includes information that is derived from the industry report dated August 1, 2018, titled “Kitchen Appliances Market in India” prepared by Frost & Sullivan (“**F&S Report**”), pursuant to an engagement with our Company. Neither we, nor any of the BRLMs have independently verified the data obtained from the official and industry publications and other industry sources referred in this Draft Red Herring Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. In particular, neither we, nor any of the BRLMs, nor any other person associated with the Offer has verified the information from the F&S Report, which has been prepared pursuant to an engagement between Frost & Sullivan and our Company. The F&S Report is subject to certain disclaimers set out in “*Certain Conventions, Presentation of Financial Industry and Market Data and Currency of Presentation*” on page 10. Therefore, discussions of matters relating to India, its economy and our industry in this Draft Red Herring Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. We cannot assure you that Frost & Sullivan’s assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Draft Red Herring Prospectus. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. See “*Industry Overview*” on page 88.

42. *Our inability to procure and/ or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*

Our Company’s operations at our manufacturing facilities and warehouses are subject to inherent risks such as fire, strikes, loss-in-transit of our products, accidents and natural disasters. In addition, many of these operating and other risks may cause personal injury, damage to, or destruction of our properties and may result in suspension of operations and imposition of civil and/ or criminal penalties. Whilst we believe that we maintain adequate insurance coverage amounts for our business and operations, our insurance policies do not cover all risks and are subject to exclusions and deductibles, and may not be sufficient to cover all damages, whether foreseeable or not. If any or all of our manufacturing facilities and warehouses are damaged in whole or in part, our operations may get interrupted, totally or partially, for a temporary period. There can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the costs of repairing or replacing the damaged facilities. Our inability to procure and/ or maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. Further, as of the date of this Draft Red Herring Prospectus, we do not maintain an insurance policy for Directors’ and Officers’ liability, and any claims made against our Directors and officers may impose direct liability on them. For more details on the insurance policies availed by us, please see “*Our Business - Insurance*” on page 127.

43. *Our Promoters and one of our Directors have provided personal guarantees for financing facilities availed by our Company and may in the future provide additional guarantees and any failure or default by our Company to repay such facilities in accordance with the terms and conditions of the financing agreements could trigger repayment obligations on them, which may impact their ability to effectively service their obligations as our Promoters and Directors and thereby, adversely impact our business and operations.*

Our Promoters, Rajendra Gandhi and Sunita Rajendra Gandhi, and our Director, Neha Gandhi, have personally guaranteed the repayment of certain loan facilities taken by us. Our Promoters have guaranteed the principal amounts for all our outstanding facilities. Additionally, Neha Gandhi, our Director, is a co-guarantor with our Promoters for the principal amount availed from South Indian Bank. For further details, please see “*History and Certain Corporate Matters- Guarantees issued by our Promoters*”. Our Promoters may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the guarantees provided by our Promoters may be invoked, which could negatively impact the reputation and net worth of our Promoters. In addition, our Promoters may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company.

Furthermore, in the event that our Promoters withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

44. *Our Promoters and certain of our Key Management Personnel are interested in the Company's performance in addition to their normal remuneration or benefits and reimbursement of expenses incurred. Additionally, Our Promoter, Rajendra Gandhi is interested in land acquired and proposed to be acquired by the Company and our*

Head – Corporate Planning Venkitesh N. is a partner in Revalve Systems from which our Company purchases aluminium gas valves

Our Promoters, Rajendra Gandhi and Sunita Rajendra Gandhi are interested, to the extent of their shareholding in our Company. Our Promoter, Rajendra Gandhi, is interested to the extent of his role as a partner in Saya Industries, from whom our Company has bought our manufacturing plant situated in Baddi pursuant to a slump sale agreement dated March 31, 2016 and proposes to acquire land situated at survey number 81/6, Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk, Ramanagar District, which forms part of our Bengaluru Facility from our Promoter, Rajendra Gandhi, and the lands underlying our Baddi plant from Stovekraft India, of which Rajendra Gandhi is a partner (such land at our Baddi plant is currently used by our Company on lease basis at a monthly rent of ₹0.22 million). Our Company has also entered into a lease agreement with our Promoter, Sunita Rajendra Gandhi, dated March 16, 2017 in relation to our Jayanagar service center from which she receives rent from the Company. Also, our Key Managerial Personnel, Tamal Krishna Chaudhuri and Rohit Mago are entitled to receive a part of profit of our Company as per their terms of appointment. Further, our Company purchases aluminium gas valves from Revalve Systems, a partnership firm in which one of our key managerial personnel, Venkitesh N., is a partner. For further details, see “*Capital Structure*”, “*Our Management*”, “*Our Promoter and Promoter Group*” and “*Related Party Transactions*” and on pages 67, 139, 154 and 159 of this Draft Red Herring Prospectus, respectively.

45. We have entered into, and will continue to enter into, related party transactions.

In the ordinary course of our business, we enter into and will continue to enter into transactions with related parties. While we believe that all such related party transactions that we have entered into are legitimate business transactions conducted on an arms’ length basis, there can be no assurance that we could not have achieved more favorable terms had such arrangements not been entered into with related parties. Further, we cannot assure you that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and prospects, including because of potential conflicts of interest or otherwise. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company. There can be no assurance that our Directors and executive officers will be able to address these conflicts of interests or others in an impartial manner. For further details regarding our related party transactions, see “*Related Party Transactions*” on page 159.

46. A land parcel forming part of our unit situated at our unit II of our manufacturing facility situated at Medamaranahalli Village, Harohalli Hobli, Kanakapura Taluk is a premise in our possession which exposes us to certain risks.

A land parcel bearing survey number 81/4 and forming part of our unit II of manufacturing facility situated at Medamaranahalli Village, Harohalli Hobli, Kanakapura Taluk is a premise which is in our possession and we do not own such premise. We enjoy the possession and use of this land through an advance payment receipt in our favor by the owner of such land parcel and the land is in the process of being transferred to our Company. There can be no assurance that we will, in the future, be able to retain and renew the lease agreements on similar terms or on terms favorable to us, or at all. In the event we fail to renew such lease or fail to complete the transfer of the property in our name, in time or at all, our operations may be disrupted which may adversely affect our business, financial condition and results of operations.

47. We may be subject to labour unrest, operating risks, slowdowns, increased wage costs, and shut-downs.

Our manufacturing activities are labour intensive and consequently our success depends upon maintaining good relations with our workforce. As of August 31, 2018, we had 2,087 permanent employees engaged across various operational and business divisions in India. India has stringent labour legislations that protect the interests of workers, including legislation that set forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislations that imposes certain financial obligations on employers upon retrenchment. Our employees are not unionized currently. However, there is no assurance that our employees will not seek unionization in the future. In the event that employees at our manufacturing facilities take any steps to unionise, it may become difficult for us to maintain flexible labour policies, and may increase our costs and adversely affect our business.

Further, our business operations, specifically our processing facilities are subject to certain operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence and natural disasters. Additionally, we have also been the subject of legal proceedings initiated by our ex-employees and relatives of our ex-employees in relation to certain accidents at the premises of our manufacturing units. For further details, please see *Outstanding Litigation and Material Developments*” on page 296. Our operations are also susceptible to industrial accidents arising from improper handling of combustible materials, improper operation of machinery, human errors or other reasons at our manufacturing facilities or during transportation. Any strikes or lock-outs, work stoppages, slowdowns, shut downs, supply interruptions or costs or other factors beyond our control, may disrupt our operations and could negatively impact our financial performance or financial condition. Additionally, our inability to recruit employees, in particular skilled employees and retain our current workforce could have a material adverse effect on our business, financial condition

and profitability. There can be no assurance that we will not experience slowdowns or shutdowns in the manner described above, or in any other manner, in the future, for reasons which are beyond our control. Any slowdown or shutdown will adversely impact our results of operations, market share and financial condition.

48. *Certain of our existing shareholders may continue to have rights over our Company after completion of the Offer.*

Sequoia will have the right to nominate one director on our Board until such time that Sequoia continues to hold 5.00% of the fully diluted share capital of our Company. Further, in the event of successful completion of the Offer, such right shall be exercisable upon receipt of shareholders' approval through a special resolution by the Shareholders in the first general meeting of the Company held after the successful completion of the Offer. For further details on their shareholding and their right to appoint nominee directors, see "*History and Certain Corporate Matters - Summary of Key Agreements and Shareholders' Agreements - Shareholders' Agreements with our Company*" on page 135. By virtue of their nominee director on our Board, Sequoia may continue to influence the decisions made by our Board after the successful completion of the Offer, and there can be no assurance that the Sequoia nominee director shall act in the best interests of all shareholders at all times.

49. *We may not be able to pay dividends in the future.*

We have not paid any dividends to our equity shareholders in the past. There can be no assurance that we will pay any dividends in the future and, if we do, as to the level of such future dividends. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. The declaration, payment and amount of any future dividends is subject to the discretion of our Board, and will depend upon various factors, inter alia, our earnings, financial position, capital expenditures and availability of profits, restrictive covenants in our financing arrangements and other prevailing regulatory conditions from time to time. Any of these factors may thus restrict our ability to pay dividends in the future.

50. *Our Company has experienced negative cash flows in the past, details of which are given below. Sustained negative cash flow could impact our growth and business.*

We have experienced negative cash flows in all of the preceding five Fiscals as set forth below:

(in ₹ million)

Particulars	Fiscal				
	2014	2015	2016	2017	2018
Net cash generated from / (used in) operating activities	(309.63)	340.61	193.19	294.80	113.04
Net cash used in investing activities	(491.53)	(130.15)	(128.01)	(47.34)	(61.49)
Net cash used in financing activities	801.33	(234.17)	(64.44)	(246.15)	(52.97)
Net (decrease) / increase in cash & cash equivalents	0.17	(23.71)	0.74	1.31	(1.42)

Cash flows of a company are a key indicator to show the extent of cash generated from the operations of a company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 161 and 280, respectively.

51. *Depreciation of the Rupee against foreign currencies may have a material adverse effect on our results of operations and currency exchange rate fluctuations may affect the value of the Equity Shares.*

We are exposed to foreign exchange risks by virtue of being an exporter of our products and by maintaining overseas marketing and distribution. During the Fiscals 2016, 2017 and 2018, export sales accounted for 5.95%, 6.19% and 5.61% of our total sales, respectively. We do not have a policy of hedging any foreign currency exposure, and given the expansion of our export business and our international production and distribution interests, we may not be able to fully hedge our exposure on suitable terms or adequately predict the necessary level of hedging. For instance, for Fiscal 2018, we source products contributing 25.00% of our total revenues from China, pursuant to USD transactions, and any depreciation in the value of the Indian Rupee will impact our input cost.

The exchange rate between the Indian Rupee and the U.S. dollar has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the U.S. dollar and the Indian Rupee may affect the value of your investment in the Equity Shares. Specifically, if there is a change in relative value of the Indian Rupee to the U.S. dollar, each of the following values will also be affected:

- the U.S. dollar equivalent of the Indian Rupee trading price of the Equity Shares in India;
- the U.S. dollar equivalent of the proceeds that you would receive upon the sale in India of any of the Equity Shares; and

- the U.S. dollar equivalent of cash dividends, if any, on the Equity Shares, which will be paid only in Indian Rupees.

You may be unable to convert Indian Rupee proceeds into foreign currencies or the rate at which any such conversion could occur could fluctuate. In addition, our market valuation could be seriously harmed by the devaluation of the Indian Rupee, if non-Indian investors analyse our value based on the foreign currency equivalent of our financial condition and results of operations.

52. *Substantially all of our property and assets are subject to security interests. Further, the manufacture of our products is also undertaken at other third party premises, which may be subject to security interests.*

Substantially all of our property and assets are subject to mortgage or other security interests to secure our payment obligations to our lenders. If we fail to satisfy our debt service obligations as they become due, the lenders could exercise their creditors' rights, including foreclosing our property and assets subject to mortgage and other security interests. If this occurs, we would not be able to continue to utilize the property and assets subject to foreclosure and our operations would be disrupted during such foreclosure. If we are unable to source funds to repay such indebtedness within the time period specified by the creditors, the creditors could sell our property and assets to third parties. We may not be able to repurchase or locate alternative property and assets at commercially reasonable terms, or at all, to continue our operations.

Further, the manufacture of our traded products is undertaken by third parties at their premises, which may be subject to adverse security interests or encumbrances which we may not be aware of. In the event that there is an enforcement of security interests associated with the properties of manufacturers from whom we source our traded products, the manufacture of our products at such premises may be disrupted, causing a material adverse impact on our business, financial condition and results of operations.

53. *Increased environmental regulation and changing consumer environmental awareness could affect our operations.*

Manufacturing enterprises in India, including us, are subject to central and state environmental related laws and regulations. Our operations are also subject to significant environmental regulations, especially applicable to every state in which we operate. Actions by central, state or local governments in India concerning environmental matters could result in laws or regulations that could increase the cost of producing the products manufactured by us or otherwise adversely affect demand for our products. We must comply with environmental regulations relevant to our operations such as, among others, waste disposal, soil groundwater contamination and air emissions. Presently, a criminal proceeding, initiated by KSPCB, is pending against our Company and our Promoter, Rajendra Gandhi for alleged violations of environmental laws. For further details, please refer to Risk Factor 22. For further details in relation to the said notices see "*Outstanding Litigation and Material Developments*" on page 296.

In addition, certain governmental authorities may adopt ordinances prohibiting or restricting the use or disposal of certain products that are among the types of products produced by us. If such prohibitions or restrictions were to be widely adopted, such regulatory and environmental measures could adversely affect demand for our products, impose additional compliance costs on us and have a material adverse effect upon us. Moreover, there can be no assurance that we will be able to maintain our environmental licenses and permits in order to be able to continue our operations. If any of our facilities are shut down pursuant to any judicial or executive order from any judicial, regulatory or governmental body, we will need to incur costs arising from compliance with regulations, appealing decisions affecting those facilities, resuming production and continuing to pay labour and other costs. Additionally, a decline in consumer preference for our products due to environmental considerations could have a material adverse effect upon our business. We could, therefore, be materially adversely affected by existing environmental requirements.

EXTERNAL RISK FACTORS

54. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, in India may adversely affect our business and financial performance.*

Our business and financial performance could be adversely affected by unfavourable changes in, or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business. Please see the section "*Regulations and Policies*" on page 128.

The regulatory and policy environment in which we operate is evolving and subject to change. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements, conditions, costs and expenditures on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any changes to such laws, including the instances briefly mentioned below, may adversely affect our business, financial condition, results of operations and prospects:

- The Government of India has implemented a comprehensive national GST regime with effect from July 1, 2017 that will combine taxes and levies by the Central and State Governments into a unified rate structure. The implementation of this new structure may be affected by any disagreement between certain state governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.
- The General Anti Avoidance Rules (“GAAR”) were notified by way of an amendment to the Income Tax Act, 1961, and came into effect from April 1, 2017. While the intent of this legislation is to prevent business arrangements set up with the intent to avoid tax incidence under the Income Tax Act, 1961, certain exemptions have been notified, viz., (i) arrangements where the tax benefit to all parties under an arrangement is less than ₹30 million, (ii) where FIIs have not taken benefit of a double tax avoidance tax treaty under Section 90 or 90A of the Income Tax Act, 1961 and have invested in listed or unlisted securities with SEBI approval, (iii) where a non-resident has made an investment, either direct or indirect, by way of an offshore derivative instrument in an FII. Further, investments made up to March 31, 2017 shall not be subject to GAAR provided that GAAR may apply to any business arrangement pursuant to which tax benefit is obtained on or after April 1, 2017, irrespective of the date on which such arrangement was entered into.

We have not determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

55. *Financial difficulty and other problems in certain financial institutions in India could have a material adverse effect on our business, results of operations, cash flows and financial condition.*

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions whose commercial soundness may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as “systemic risk”, may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business. In Fiscal 2011, Indian government agencies initiated proceedings against certain financial institutions, alleging bribery in the loans and investment approval process, which impacted market sentiment. Similar developments in the future could negatively impact confidence in the financial sector and could have a material adverse effect on our business, results of operations, cash flows and financial condition.

56. *We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.*

The Competition Act, 2002, of India, as amended (“**Competition Act**”) regulates, *inter alia*, practices having an appreciable adverse effect on competition in the relevant market in India (“**AAEC**”). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government notified and brought into force the combination regulation (“**Merger Control**”) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the “**CCI**”). Additionally, on May 11, 2011, the CCI notified Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the Merger Control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or

interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

57. *Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all.*

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. Listing and trading does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process which will be based on numerous factors, and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price and liquidity for the Equity Shares may be subject to significant fluctuations and may also decline below the Offer Price in response to, among other factors:

- volatility in the Indian and other global securities markets;
- problems such as temporary closure, broker default and settlement delays experienced by the Indian Stock Exchanges;
- the performance and volatility of the Indian and global economy;
- financial instability in emerging markets that may lead to loss of investor confidence;
- risks relating to our business and industry, including those discussed in this Draft Red Herring Prospectus;
- strategic actions by us or our competitors;
- investor perception of the investment opportunity associated with our Equity Shares and our future performance;
- adverse media reports about us, our Shareholders, Associate Company or our Group Company;
- future sales of our Equity Shares;
- variations in our quarterly results of operations;
- differences between our actual financial and operating results and those expected by investors and analysts;
- our future expansion plans;
- perceptions about our future performance or the performance of the retail industry generally;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalisation and deregulation policies; and
- significant developments in India's fiscal and environmental regulations.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly as a result of market volatility. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment. There can be no assurances that Bidders who are Allotted Equity Shares through the Offer will be able to resell their Equity Shares at or above the Offer Price.

58. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to block the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Similarly, Retail Individual Investors can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/Offer Closing Date, but not thereafter. Therefore, QIBs and Non-Institutional Investors will not be able to withdraw or lower their Bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise at any stage after the submission of their Bids.

59. *You may not be able to immediately sell any of the Equity Shares you subscribe to in this Offer on an Indian stock exchange.*

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after the Equity Shares in this Offer have been Allotted and submission of all other relevant documents authorising the issuing of the Equity Shares. There could be failure or delays in listing the Equity Shares on the Stock Exchanges.

Further, pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and commence trading. Investors' "demat" accounts with Depository Participants are expected to be credited within three Working Days of the date on which the Basis of Allotment is finalized with the Designated Stock Exchange. Thereafter, upon receipt of listing and trading approval from the Stock Exchanges, trading in the Equity Shares is expected to commence within six Working Days from Bid/ Offer Closing Date.

We cannot assure you that the Equity Shares will be credited to the investors' demat account, or that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose of the Equity Shares.

60. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.*

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

61. *Any future issuance of Equity Shares may dilute your shareholdings, and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.*

There is a risk that we may be required to finance our growth or strengthen our balance sheet through additional equity offerings. Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. In addition, any sales of substantial amounts of our Equity Shares in the public market after the completion of this Offer, including by SCI and SCI-GIH (whose post-Offer shareholding is exempt from statutory lock-in on account of being a foreign venture capital investor) or our Promoter or other major shareholders, or the perception that such sales could occur, could adversely affect the market price of our Equity Shares and could materially impair our future ability to raise capital through offerings of our Equity Shares. Our Promoters currently holds an aggregate of 74.62% of our outstanding Equity Shares. After the completion of the Offer, our Promoters will continue to hold a significant portion of our outstanding Equity Shares. We cannot predict what effect, if any, market sales of our Equity Shares held by our Promoters or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

62. *It may not be possible for investors outside India to enforce any judgment obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India.*

Our Company is incorporated as a public limited company under the laws of India and all of our directors and executive officers reside in India. Further, certain of our assets, and the assets of our executive officers and directors, may be located in India. As a result, it may be difficult to effect service of process outside India upon us and our executive officers and directors or to enforce judgments obtained in courts outside India against us or our executive officers and directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "Civil Code"). The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final

judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. Further, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgment.

63. *Any adverse change in India's sovereign credit rating by an international rating agency could adversely affect our business, results of operations and cash flows.*

In November 2016, Standard & Poor's, an international rating agency, reiterated its negative outlook on India's credit rating. It identified India's high fiscal deficit and heavy debt burden as the most significant constraints on its rating, and recommended the implementation of reforms and containment of deficits. Standard & Poor's affirmed its outlook on India's sovereign debt rating to "stable", while reaffirming its "BBB-" rating. In May 2017, Fitch, another international rating agency, affirmed India's sovereign outlook to "stable" and affirmed its rating as "BBB-". While in November 2017 Moody's Investors Service ("**Moody**") upgraded the Sovereign Credit Rating of India to Baa2 from Baa3, upgraded the Government of India's local and foreign currency issuer ratings to Baa2 from Baa3 and changed the outlook on the rating to stable from positive, going forward, the sovereign ratings outlook will remain dependent on whether the government is able to transition the economy into a high-growth environment, as well as exercise adequate fiscal restraint. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our business.

64. *The requirements of being a listed company may strain our resources.*

We are not a listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

65. *Our Company is subject to a new revenue recognition standard, Ind AS 115, effective April 1, 2018*

On March 28, 2018, the Ministry of Company Affairs ("**MCA**") has notified that Ind AS 115 will be effective for accounting periods beginning on or after April 1, 2018. Ind AS 115 introduces a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under Ind AS. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. Our Company is evaluating the application of Ind AS 115, and there is no assurance that the application of Ind AS 115 will not materially affect our business, financial condition, results of operations and cash flows.

66. *Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.*

The Restated Financial Statements as of and for Fiscals 2018, 2017, 2016, 2015 and 2014 included in this Draft Red Herring Prospectus have been prepared under Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, we have presented reconciliation from Indian GAAP to Ind AS. Please refer to "*Financial Statements*" beginning on page 161. Except as otherwise provided in the "*Financial Statements*" with respect to Indian GAAP, no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base the information on any other standards. Ind AS differs from other accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Persons not familiar with Ind AS should limit their reliance on the financial disclosures presented in this Draft Red Herring Prospectus.

In addition, our Restated Financial Statements may be subject to change if new or amended Ind AS accounting standards are issued in the future or if we revise our elections or selected exemptions in respect of the relevant regulations for the implementation of Ind AS.

67. *A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely affect our financial condition.*

A decline or future material decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our borrowing rates and future financial performance.

68. *Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.*

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

69. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under the Income Tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. Further, in accordance with the Finance Act, 2018, which has been notified with effect from April 1, 2018, the exemption on long term capital gains tax has been withdrawn and such tax has become payable in the hands of the investors. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

70. *Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.*

Foreign ownership of Indian securities is subject to government regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the RBI. Additionally, any person who seeks to convert the Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on terms favourable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

71. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.*

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from

attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

72. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI or in the alternate, the pricing is in compliance with the extant provisions of the SEBI ICDR Regulations. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

73. *Natural calamities could have a negative effect on the Indian economy and cause our business to suffer.*

India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

74. *Civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy.*

Certain events that are beyond the control of our Company, such as violence or war, including those involving India, the United Kingdom, the United States or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies, which could have an adverse effect on our business, future financial performance and price of the Equity Shares. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, the Indian economy and consequently Company's operations might be significantly affected. India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have an adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected.

Prominent Notes:

- Our Company was incorporated as Stove Kraft Private Limited (“SKPL”) on June 28, 1999 at Bangalore, Karnataka, India as a private limited company under the Companies Act, 1956. Upon conversion from a private company to a public limited company, as approved by our Board pursuant to a resolution dated May 11, 2018 and by our shareholders pursuant to a resolution dated May 28, 2018, the name of our Company was changed from Stove Kraft Private Limited to Stove Kraft Limited and a fresh certificate of incorporation consequent upon change of name was issued to our Company by the Registrar of Companies, Bangalore on August 13, 2018. For further details in relation to the change in the name of our Company, see “*History and Certain Corporate Matters*” on page 132. This Offer of up to [●] Equity Shares for cash at price of ₹[●] (including a premium of ₹[●] aggregating to ₹[●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating to ₹1,450.00 million by our Company and Offer for Sale of up to 7,163,721 Equity Shares aggregating to ₹[●] million by the Selling Shareholders. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.
- Our net worth was ₹(1,786.56) million as on March 31, 2018, as per our Restated Consolidated Financial Statements and ₹(1,780.96) million as on Fiscal 2018, as per our Restated Standalone Financial Statements, which are included in this Draft Red Herring Prospectus. For details, see “*Financial Statements*” on page 161.
- Our net asset value per Equity Share was ₹(94.53) as at March 31, 2018, as per our Restated Consolidated Financial Statements and was ₹(94.23) as at March 31, 2018 as per our Restated Standalone Financial Statements.
- The average cost of acquisition of Equity Shares by our Promoter Rajendra Gandhi is ₹8.49 per Equity Share and Sunita Rajendra Gandhi is ₹3.18 per Equity Share.

- Except as disclosed in “*Our Group Companies*” and “*Financial Statements - Statement of Related Parties and Related Party Transactions*” on pages 157 and 161, our Group Company has business interests or other interests in our Company.
- For details of related party transactions entered into by our Company with our Group Company and other related parties during the last Fiscal, the nature of transactions and the cumulative value of transactions, see “*Financial Statements - Statements of Related Parties and Related Party Transactions*” on page 161.
- There are no financing arrangements whereby our Promoters, Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the filing of this Draft Red Herring Prospectus.

Investors may contact any of the Book Running Lead Managers, who have submitted due diligence certificate to SEBI, for any complaints, information or clarification pertaining to the Offer. For further information regarding grievances in relation to the Offer, see “*General Information*” on page 60.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

Unless noted otherwise, the information in this section is obtained or extracted from “Kitchen Appliances Market in India” dated August 1, 2018 prepared and issued by F&S the “F&S Report”) on our request. Neither we nor any other person connected with the Offer have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Unless noted otherwise, the information in this section is obtained or extracted from F&S Report on our request.

You should carefully consider all the information in this Draft Red Herring Prospectus, including this section, “Risk Factors”, “Industry Overview”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 14, 88, 161 and 280, respectively, before making an investment in the Equity Shares. In this section, any reference to the “Company” “we”, “us” or “our” refers to Stove Kraft Limited, unless otherwise specified. Unless otherwise stated, the financial information of our Company used in this section has been derived from our Restated Consolidated Financial Statement. Unless noted otherwise, some of the information in this section is obtained or extracted from F&S Report on our request.

1. INTRODUCTION

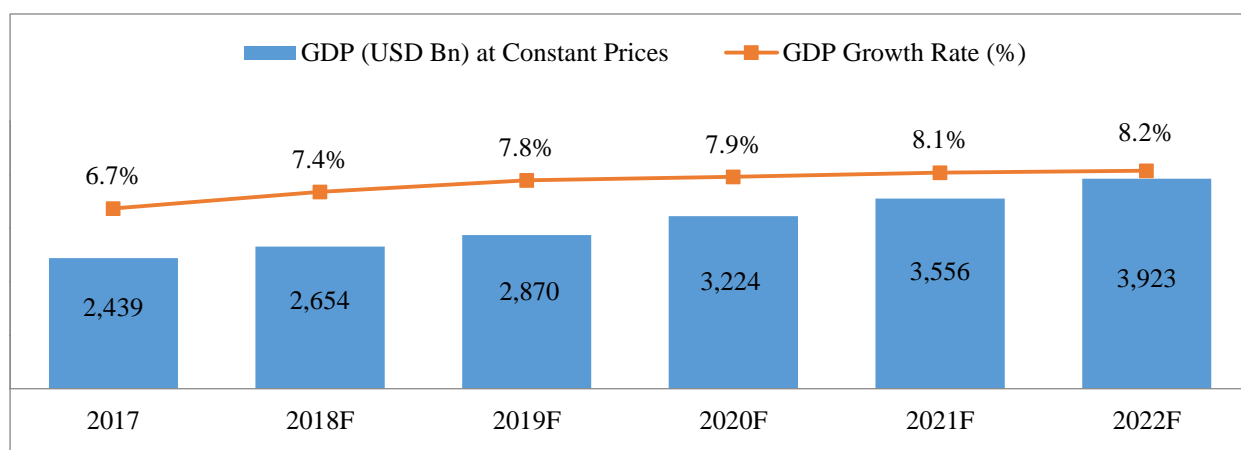
- 1.1 Globally, the kitchen appliances market comprises instruments or devices designed for smooth functioning of kitchen activities. Kitchen appliances are used mainly for food preparation, cooking, storage and cleaning functions. The Global Kitchen Appliances Market is expected to touch \$253.4 billion by 2020, registering a CAGR of 6.4% during the forecast period 2014-2020.
- 1.2 The global kitchen appliances market can be segmented based on product structure into two categories - ‘Large/Major appliances’ which include refrigerator, dishwasher, microwaves, cooktops, ovens, hobs, and kitchen chimneys; and ‘Small/Minor appliances’ which include food processors, mixer grinders, blenders and juicers, coffee machines, kettles, grills and fryers.

2. INDIA’S GROWTH STORY: FAVORABLE MACROECONOMIC INDICATORS

2.1 Expected GDP growth and rise in population will affect the consumer dynamics in the country:

The long-term growth prospective of the Indian economy is positive due to its young population, corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. With its Gross Domestic Product (GDP) growth averaging 7.5 % between 2014-15 and 2016-17, India can be rated as among the best performing emerging economies in the world.

2.2 Exhibit 1: India GDP and its Growth Rate, 2017-2025 (Value in \$ billion and % respectively)



Source: Frost & Sullivan analysis

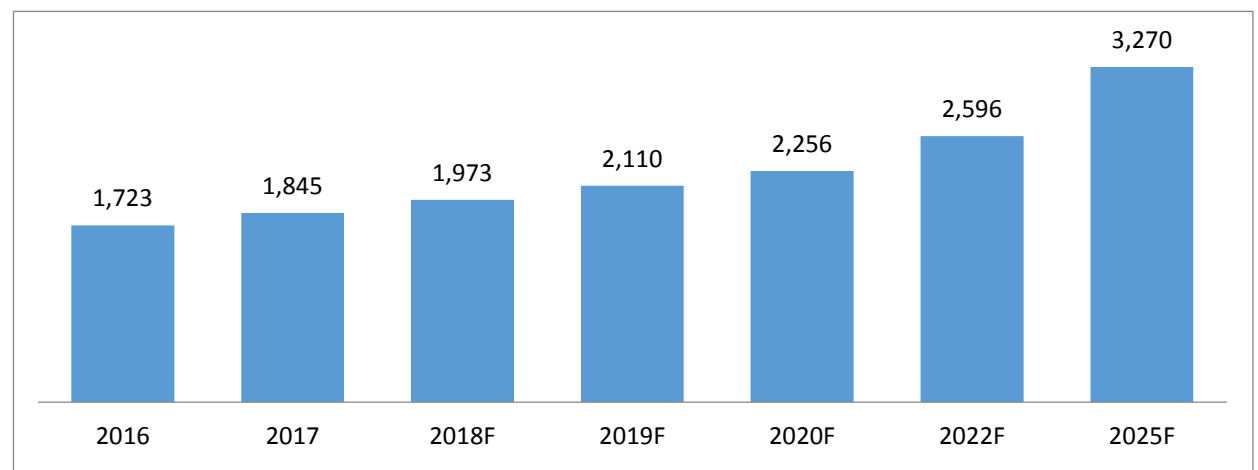
In India, during FY 2016-17, Net National Income (NNI)¹, was INR 1,03,219 and in FY 2017-18, it is estimated to grow by 8.3% to reach INR 1,11,782. The country has already become world's third largest economy on PPP (Purchasing Power Parity) after the United States and China. India has been registering strong GDP growth and is expected to continue the momentum. Its middle class population is also growing, which presents vast opportunities for a multitude of products including kitchen appliances.

2.3 Growing Income of Indian Nationals:

- 2.3.1 India's GDP Per Capita reached US \$ 1,975 in March 2018, compared with US \$ 1,752 in March 2017. As per latest data of the World Economic Outlook report of the International Monetary Fund (IMF), which ranks over 200 countries across the world in terms of their respective per capita GDP based on purchasing power parity (PPP, India has moved up one position to rank 126 among the countries listed by IMF.

Source: <https://www.livemint.com/Money/5MFOB8LIF5NMPYcGAnTZpI/India-up-one-place-on-Per-Capita-GDP-terms-to-126-Qatar-No.html>

Exhibit 2: Per Capita Gross National Disposable Income (in US \$)



(1) Note: The fiscal years refer to year ending in March

(2) Source: Ministry of Statistics and Programme Implementation, ASSOCHAM and Frost & Sullivan analysis



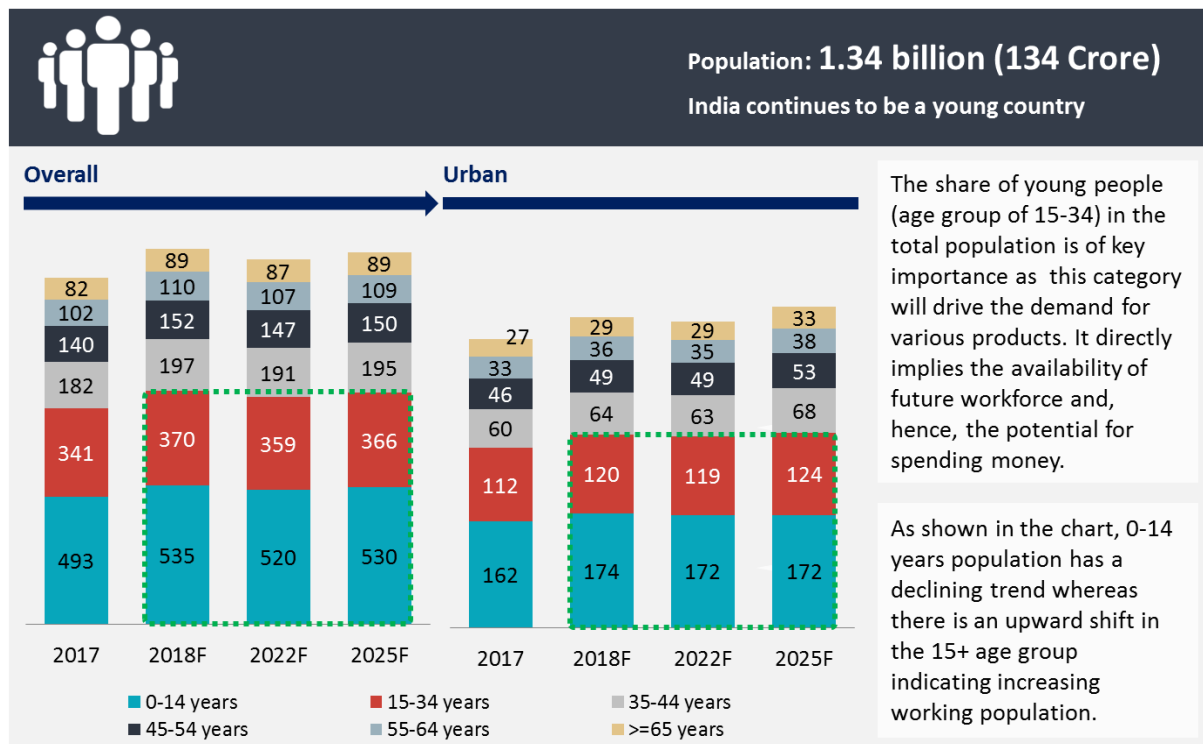
Increase in the overall per capita income has resulted in the rise of per capita disposable income in the country; is expected to grow at a CAGR of 7% until 2025.

Tier-II and tier-III cities will be the upcoming high disposable-income cities with greater purchasing power parity, high Internet penetration, and increasingly brand-conscious young population.

- 2.3.2 Increasing proportion of working population and younger age group in India is expected to intensify use of technology and seek convenience while shopping:

Exhibit 3: India Population Trends, 2017-2025F

¹ Net National income (NNI) is defined as gross domestic product plus net receipts of wages, salaries and property income from abroad, minus the depreciation of fixed capital assets (dwellings, buildings, machinery, transport equipment and physical infrastructure) through wear and tear and obsolescence.



- (1) Note: The fiscal years refer to year ending in March
(2) Source: Health Nutrition and Population Statistics

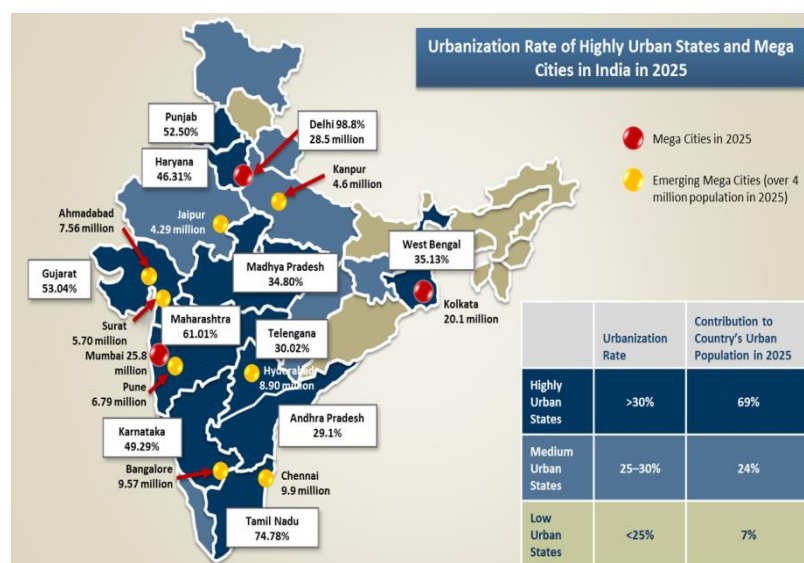
2.3.3 India has a relatively young demographic profile, with a median age of 27.3 years; 850 million of the country's population will be in the age group of 35 years or below, making India the globe's youngest population by 2020. And, these Indian millennials are all set to take the centerstage in consumer markets and redefine India's consumption story with their increasing representation (currently 47%) in the working age population.

2.3.4 As per a recent ASSOCHAM study, tier-II and tier-III cities would be the upcoming high disposable income cities with greater purchasing power parity, higher Internet penetration and an increasingly brand-conscious young population

Growing Urbanization in India:

2.3.5 There has been a drastic increase in urban towns and cities in the country over the past five years. Almost 10 million people migrate to cities and towns every year. The urban population as a percentage of India's total population is estimated to increase from the current 32.8% (2017) to 35% by 2020, in turn driving greater exposure to modern amenities. (Source: <http://www.worldometers.info/world-population/india-population/>)

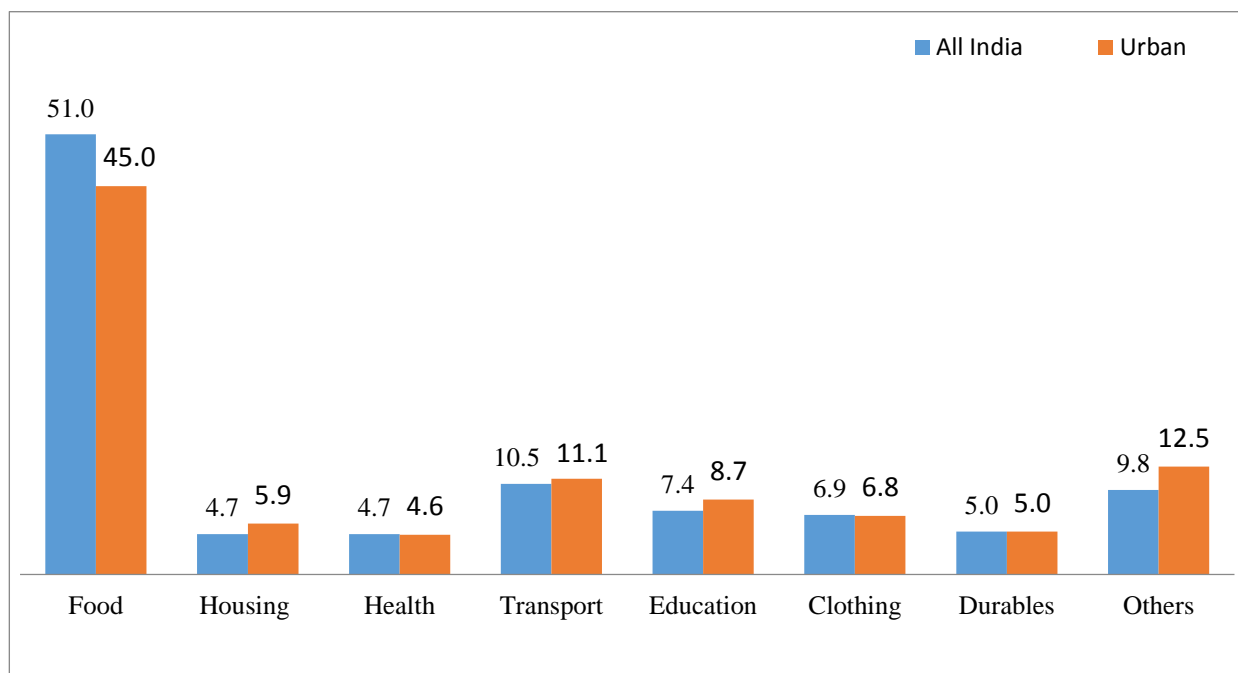
Exhibit 5: Rate of Urbanization in India: 2017-2025F



Source: Frost & Sullivan analysis

- 2.3.6 Apart from changing lifestyles and working styles urbanization has led to growth in the organized retail sector; this in turn has led to change in consumer buying behavior.

Exhibit 6: Average percentage expenditure by households in India, 2017



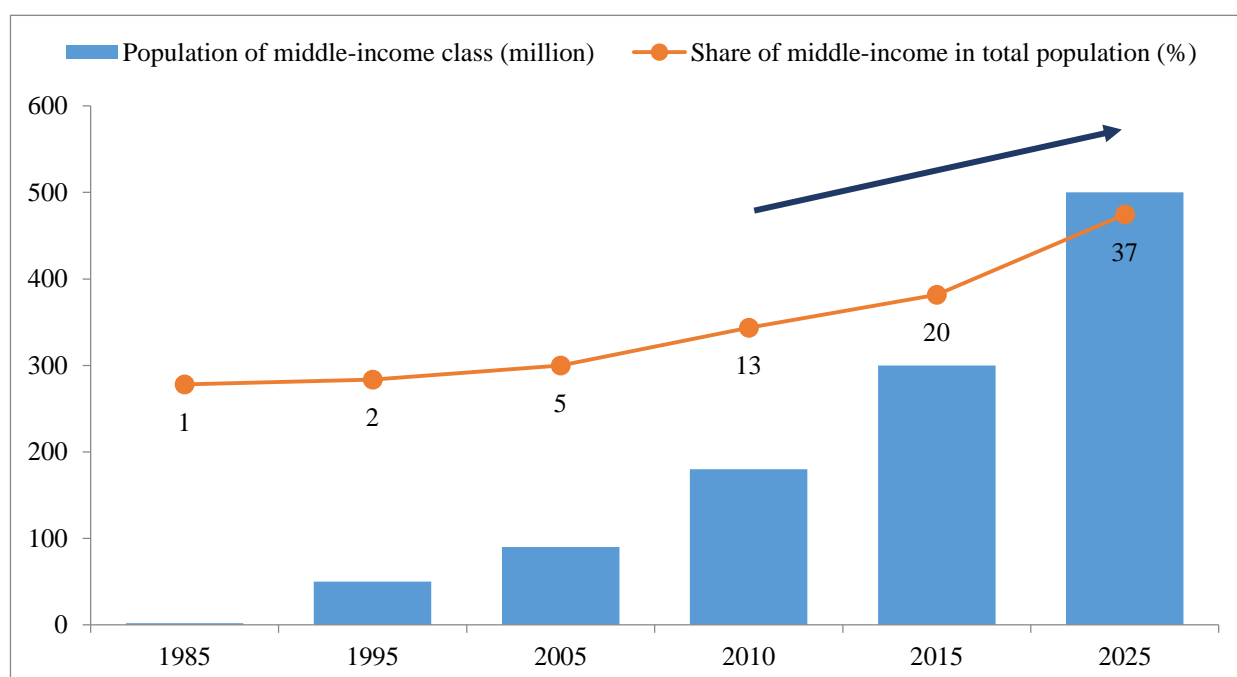
Source: Frost & Sullivan analysis

- 2.3.7 Increase in the overall per capita income has resulted in the rise of per capita disposable income in the country, which is expected to grow at a CAGR of 7% until 2025. Tier-II and tier-III cities will be the upcoming high disposable-income cities with greater purchasing power parity, high Internet penetration, and increasingly brand-conscious young population.

3. RISE OF THE INDIAN MIDDLE CLASS LEADING TO CHANGING CONSUMER BEHAVIOR

- 3.1 According to NCAER (National Council of Applied Economic Research), India's middle class population was 267 million (53 million households) in 2016. Further ahead, by 2025-26 the number of middle class households in India is likely to more than double from the 2015-16 levels to 547 million individuals (or 113.8 million households) representing about 37% of India's population.

Exhibit 7: Middle Class population in India, 1985-2025



Source: NCAER

- 3.2 By 2025, India is expected to rise from the 12th to the 5th largest consumer durables market in the world.

Exhibit 8: Indian Households, by income (in US \$ '000)



(3) Note: Income distribution is calculated in constant 2015 dollars; \$1=INR 65. Because of rounding not all % add up to 100
Source: Goldman Sachs Group. BCG CCI Proprietary income database

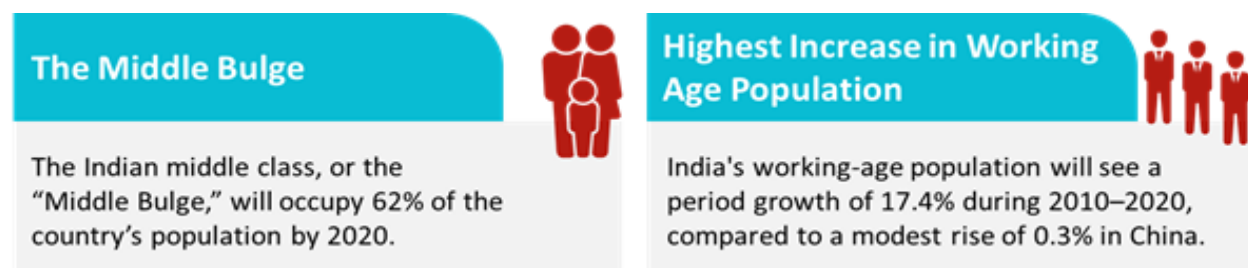
- 3.3 Key driver of growth for the Indian consumer appliances market is the country's burgeoning middle class population, along with a relatively small proportion of its affluent class. This growth in India's consumer market demand is driven primarily by rising disposable incomes in Indian households, and easy access to credit which induces a growing purchasing power. Increasing electrification of rural areas, along with rising influence of social media and popularity of online sales are also likely to aid growth in demand. Around two-thirds of the total revenue is generated from urban population and rest is generated from rural population.

Exhibit 9: Annual Growth (%) in Indian consumer's Household spending (2004-05 prices)

Consumption categories	FY 94 to FY 05	FY 05 to FY 15	FY 15 to FY 21
Food	3.0	4.2	5.3
Apparel & Footwear	3.3	6.1	6.2
Healthcare	7.1	8.2	8.3
Education	11.5	8.9	8.9
Conveyance	8.7	9.1	9.1
Non-food FMCG	4.9	4.1	5.0
Durable goods	9.8	10.1	10.3
Consumer services	10.6	6.8	6.9
Others	8.4	5.8	6.8
Total	5.0	5.7	6.7

Source: Indian Consumer Market 2020 – Structure, Size, Growth and Intensity, Rajesh Shukla and Mridusmita Bordoloi, 2015, PRICE

Exhibit 10: Trend in the Indian Middle Class Population



Source: Frost & Sullivan analysis

- 3.4 In India, the greatest consumer spending in near future is expected to yield from the country's 'urban mass', which comprises 129 million working people with undergraduate degrees in non-labor intensive work, blue collar and migrant workers, with an annual average earning of over US \$3,200. The maximum consumer spending is likely to occur on food, housing, consumer durables, and transport and communication sectors.
- 3.5 Overall consumer spending in India is anticipated to grow at 14% (much higher than the anticipated annual global growth of 5.5%) and expand 3.6 times from US \$991 billion in 2010 to US \$3.6 trillion by 2020. By 2020, India will

constitute 5.8% of global consumption more than double the 2.7% it now represents. (Source: CMIE). Significant increase in disposable income and easy financing schemes have led to shortened product replacement cycles and evolving lifestyles where consumer durables, including kitchen appliances, are perceived as utility items rather than luxury possessions.

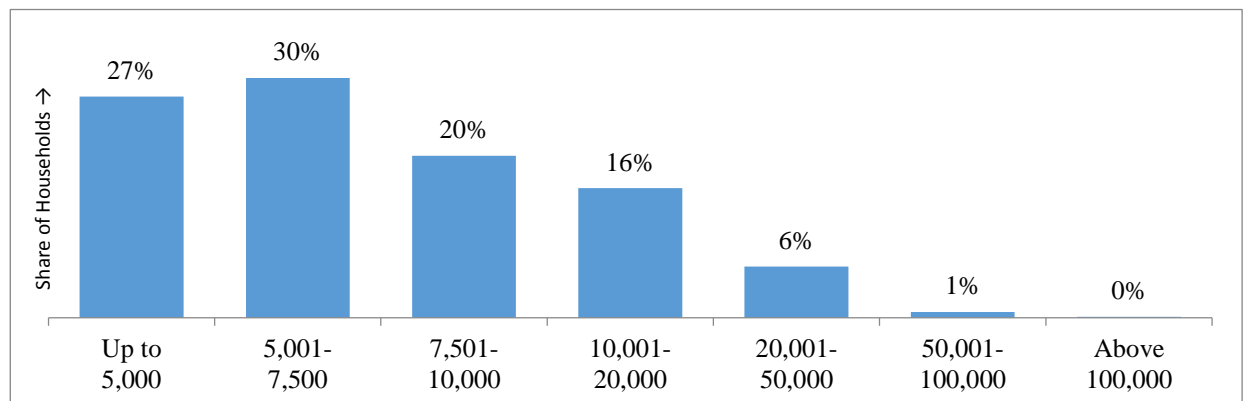
3.6 Rural India – The Emerging Consumer Market:

- 3.6.1 There has been considerable improvement in living standards of rural population since the last few decades and, India's per capita GDP in rural regions has grown at a Compound Annual Growth Rate (CAGR) of 6.2% since 2000.

Source: www.ibef.org

Exhibit 11: Distribution of average monthly income in households across rural India in 2015

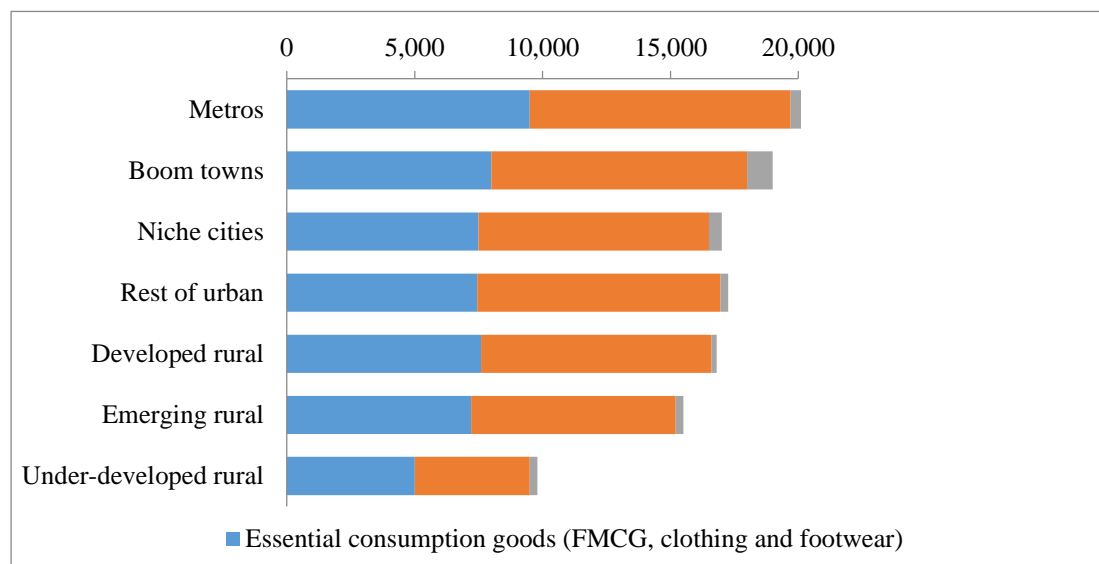
(in INR)



Source: www.statista.com

- 3.7 Recent researches have indicated that rural consumers are particularly aspiring or striving to purchase branded high quality products in their day-to-day living. Consequently, Consumer Appliances manufacturers in India are optimistic about growth of the country's rural consumer markets, which is expected to be faster than urban consumer markets.

Exhibit 12: Indian Consumer Spends: Types of Household Expenditures – Urban vs. Rural



- (4) Note: Consumer services include expenses on entertainment, conveyance, health, education, and other expenses include Loan payments, remittances sent and non-routine expenditures such as those on weddings and house repairs. Consumer durables category includes down payment on vehicles purchased

Source: ICE360^o2 Survey, 2016 from People Research on India's Consumer Economy (PRICE)

² The ICE 360^o survey is representative at the level of economic clusters. Urban India has been divided into four clusters: Metros (population: more than 5 million), Boom towns (population: 2.5 to 5 million), Niche cities (population: 1 to 2.5 million) and other urban towns (population: less than 1 million). Based on a district development index, rural India has been sub-divided into three different clusters: 'Developed rural' category includes districts such as Bathinda (Punjab) and Kangra (Himachal Pradesh). 'Emerging rural' includes districts such as Latur (Maharashtra) and Kamrup (Assam), and 'under-developed rural' includes districts such as Kalahandi (Odisha) and Bastar (Chhattisgarh).

SUMMARY OF OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled “Forward Looking Statements” on page 13 for a discussion of the risks and uncertainties related to those statements and also the section titled “Risk Factors” on page 14 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward looking statements. Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the twelve month period ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus on page 161.

You should carefully consider all the information in this Draft Red Herring Prospectus, including this section, “Risk Factors”, “Industry Overview”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 14, 88, 161 and 280, respectively, before making an investment in the Equity Shares. In this section, any reference to the “Company” “we”, “us” or “our” refers to Stove Kraft Limited, unless otherwise specified. Unless otherwise stated, the financial information of our Company used in this section has been derived from our Restated Consolidated Financial Statement. Unless noted otherwise, some of the information in this section is obtained or extracted from F&S Report on our request.

Overview

We are a kitchen solutions and an emerging home solutions brand. Further, we are one of the leading brands for kitchen appliances in India and are one of the dominant players for pressure cookers and a market leader in the sale of free standing hobs and cooktops (*Source: F&S Report*). We are engaged in the manufacture and retail of a wide and diverse suite of kitchen solutions under our *Pigeon* and *Gilma* brands, and propose to commence manufacturing of kitchen solutions under the *BLACK + DECKER* brand, covering the entire range of value, semi-premium and premium kitchen solutions, respectively. Our kitchen solutions comprise of cookware and cooking appliances across our brands, and our home solutions comprise various household utilities, including consumer lighting, which not only enables us to be a one stop shop for kitchen and home solutions, but also offer products at different pricing points to meet diverse customer requirements and aspirations.

As of August 31, 2018, our *Pigeon* branded products contributed 81.61% to our overall sales and for Fiscal 2018 and Fiscal 2017, *Pigeon* branded products contributed 86.89% and 86.86% to our overall sales respectively and enjoy a leading position in the market for certain products such free standing hobs, cooktops, non-stick cookware, LPG gas stoves and induction cooktops (*Source: F&S Report*). Similarly, our *Gilma* branded products contributed 4.74% of our overall sales, as of March 31, 2018 and *BLACK + DECKER* products contributed 0.88% of our overall sales as of March 31, 2018. Our *Gilma* portfolio comprises chimneys, hobs and cooktops across price ranges and designs. We believe we have been able to leverage the distribution network of our *Pigeon* branded products, and their brand recall value to enter new product segments and markets. In 2016, we further diversified the *Pigeon* brand by launching LED products under it. We maintain a continuous focus on the development of our brands, and invest significant resources towards their growth and outreach. Further, our dedication to R&D, quality and customer satisfaction, our in-house servicing capabilities and our owned maintenance and service network also contribute to the market perception of our brands and products.

Our flagship brands, *Pigeon* and *Gilma*, have enjoyed a market presence of over 13 years and enjoy a high brand recall amongst customers for quality and value for money. *Pigeon* has been listed as one of the “India’s Most Admired Brands 2016” by White Page International. As a result of our co-branding initiative over 7 years with LPG companies such as Indian Oil Corporation Limited and Hindustan Petroleum Corporation Limited to utilize their sale and distribution channels, our *Pigeon* brand has enjoyed a wide customer outreach and continues to have a high brand recall value. As of the date of this Draft Red Herring Prospectus, we manufacture and retail a wide and diverse range of affordable (value segment), quality products under our *Pigeon* brand, including, *inter alia*, cookware, cooking appliances and household utilities (including consumer lighting). We currently offer a wide range of products such as chimney, hobs and cooktops under the *Gilma* brand, which is targeted at the semi-premium segment.

In addition to our established presence in the value and semi-premium segments through the *Pigeon* and *Gilma* brands, we also entered the premium segment in 2016 pursuant to our exclusive *BLACK + DECKER* Brand Licensing Agreement with Stanley Black & Decker, Inc. and The Black and Decker Corporation, which enables us to exclusively retail, and provide post-sales services in relation to, a wide range of products such as blenders and juicers, breakfast appliances, small cooking appliances and small domestic appliances (as defined under the *BLACK + DECKER* Brand Licensing Agreement) in India under the *BLACK + DECKER* brand, up to December 31, 2027. We are yet to commence manufacturing under the *BLACK + DECKER* brand.

As of August 31, 2018, we manufacture 68.61% of our *Pigeon* and *Gilma* branded products (in terms of number of units) at our well-equipped and backward integrated manufacturing facilities at Bengaluru (Karnataka) and Baddi (Himachal Pradesh), which enables us to control and monitor the quality and costs. Our Bengaluru Facility is spread over approximately 40 acres and 16 guntas, out of which 27 acres and 22 guntas is available for future expansion. As of March 31, 2018, it had an installed annual production capacity of 15 million units, with the capability to manufacture products in the pressure cookers, non-stick cookware (roller coated and spray coated), LPG stoves, mixer grinders and induction cooktops categories. Our Baddi Facility,

which is focused on the Oil Company Business, which includes manufacturing and co-branding of products with such Companies, (“OCB”) has an installed capacity of 1.8 million units per 300 days, with the capability to manufacture products such as LPG stoves.

For certain product categories and sub-categories which do not enjoy economies of scale in India, we engage in sourcing from third party OEMs outside India. For sourced products, we have a dedicated team to undertake inspection and ensure that such products are built to suit our specifications in terms of design and quality. For Fiscal 2018, such products which are retailed under our brands but sourced from third-party manufacturers, such as chimneys, hobs, irons, air coolers, kettles, water bottles, flasks, chairs, rice cookers, etc., contributed 31.50% to our turnover, as compared to 20.26% for Fiscal 2014.

We have a separate distribution network for each of our *Pigeon*, *Gilma* and *BLACK + DECKER* brands. Further, there is a separate distribution network for the *Pigeon* LED products. As on August 31, 2018, our manufacturing facilities in Bengaluru and Baddi are well connected with 14 strategically located C&F agents. Additionally, we have 363 distributors in more than 23 states of India and 12 distributors for our products that are exported as of August 31, 2018. As of August 31, 2018, the C&F agents and distributors are, in turn, connected with a dealer network comprising of over 26,000 retail outlets, which are driven through a sales force of 580 personnel. We have entered into commercial arrangements with retail chains such as Metro Cash And Carry India Private Limited for the sale of our *Pigeon* branded products from several of their retail outlets in India. Further, we have also entered into agreements with e-commerce platforms such as Flipkart India Private Limited, for the sale of our products on their portals. Outside of India, we export our products which are manufactured by us to retail chains in the United States of America.

Our *Gilma* brand products are sold through exclusively branded outlets owned and operated by franchisees. As on August 31, 2018, there were 62 such stores spread across five states and 28 cities, with a presence in the urban market in south India. *Gilma* stores are designed to be ‘experience’ stores.

As of August 31, 2018, we have a dedicated service team of 241 personnel to address service calls for all our brands. Our CRM software enables us to track customer requests, pre-installation and post-sales support to ensure customer satisfaction. Specifically for our *Gilma* products, we have a mobile application which enables our customers to register themselves and raise requests for installation and post-sales services through the app. For *Pigeon* and *BLACK + DECKER* products, our customers can reach our Company through toll free numbers, giving missed calls, sending us emails on the customer care ID, sending an SMS to our dedicated number or through our dealers and trade partners.

Our Company was founded by our Promoter, Rajendra Gandhi, a first generation entrepreneur with over 19 years of experience in the kitchen appliances industry. We believe that the sector-specific experience and expertise of our senior management has contributed significantly in the growth of our Company.

For Fiscal 2018, our revenue from operations as per our Restated Consolidated Financial Statements was ₹5,289.52 million, EBITDA was ₹156.05 million and loss after tax for the year was ₹127.62 million. Between Fiscals 2014 and 2018, our loss after tax for the year has decreased from ₹304.69 million in Fiscal 2014 to ₹127.62 million in Fiscal 2018. Between Fiscals 2015 and 2018, our EBITDA increased at a CAGR of 101.06% from ₹19.20 million in Fiscal 2015 to ₹156.05 million in Fiscal 2018 (excluding Fiscal Year 2014, where we made an EBITDA Loss of ₹35.80 million).

Our Competitive Strengths

A one stop shop for well recognized, award winning portfolio of kitchen solutions brands with a diverse range of products across consumer preferences.

Since our inception in the year 1999, we have grown from a single brand small LPG stove manufacturing company to become one of India’s leading manufacturers of kitchen appliances, with revenue from operations of ₹5,289.52 million in Fiscal 2018, and a presence in 23 states of India and 12 countries across the world. Our brand portfolio, comprising of the *Pigeon*, *Gilma* and *BLACK + DECKER* brands caters to the value, semi-premium and premium customer segments in the kitchen solutions industry, and allows our customers to engage with the brand specifically designed for their budget and lifestyle. Our award winning *Pigeon* brand is well established in the Indian kitchen appliances industry. As a result of our co-branding initiatives of over 7 years with LPG companies such as Indian Oil Company Limited and Hindustan Petroleum Corporation Limited to utilize their sale and distribution channels, the *Pigeon* brand has enjoyed a wide customer outreach and continues to have a high brand recall value. In this regard, the *Pradhan Mantri Ujjwala Yojana*, which is a scheme of the Ministry of Petroleum & Natural Gas, GoI for providing LPG connections to women from BPL households, has enabled us to increase volume sales and reach the interior regions of the country (*Source: F&S Report*). We believe that the existing market presence and strength of the *Pigeon* brand has been instrumental in enabling us to successfully enter into home solutions vertical with products like LED products in 2016.

Our *Gilma* brand is focussed on offering the semi-premium experience to our customers with a wide variety of products such as chimneys, hobs, glass cooktops etc. In September 2016, we entered into the *BLACK + DECKER* Brand Licensing Agreement with Stanley Black & Decker, Inc. and The Black and Decker Corporation, a diversified global provider of hand tools, with a large presence in the small domestic appliances space. We believe that our tie-up with Stanley Black & Decker, Inc. and The Black and Decker Corporation will enable us to penetrate the premium segment of the kitchen appliances industry, and contribute significantly in the recognition, demand and growth of our overall brand portfolio.

We engage in a wide range of marketing and advertising activities, including in-shop displays, merchandising, kiosks, live demo stands, social media marketing, which enable us to maintain the popularity and recall value of our brand portfolio. We also maintain an in-house team of 18 personnel who continuously engage with various publications, TV channels and other media to coordinate our marketing efforts. We believe that we have undertaken the diversification of our product portfolio on the basis of the needs of the customers, and we regularly seek their insights and feedback to ensure that our product range is optimized to suit the needs of our customers.

Widespread, well connected distribution network with a presence across multiple retail channels and a dedicated after-sales network.

We believe that the integration of our supply chain and distribution network with our manufacturing facilities provides us with a competitive advantage over other players in the Indian kitchen appliances industry. As on August 31, 2018, our manufacturing facilities in Bengaluru and Baddi are well connected with 14 strategically located C&F agents. Additionally, we have 363 distributors in more than 23 states of India as of August 31, 2018. The C&F agents and distributors are, in turn, connected with a dealer network comprising of over 26,000 retail outlets, which are driven through a sales force of 580 personnel as on August 31, 2018. In addition to independent third-party retail stores, we have also partnered with major Indian retailers for the sale of our products, and for Fiscal 2018, our products are available in retail chains such as Metro Cash And Carry India Private Limited. We have also partnered with e-commerce retailers such as Flipkart India Private Limited for the sale of our *Pigeon* branded products on their portals. As on August 31, 2018, our *Gilma* brand products are sold exclusively through 62 Gilma stores located across 28 cities in five states. Internationally, our products are exported to 12 countries including UAE, Qatar, Bahrain, Kuwait, Iran, Tanzania, Uganda, Nepal, Philippines, Sri Lanka, the United Kingdom and the Netherlands in Fiscal 2018. Further, we supply our products to retail chains in the United States of America and we also undertake original equipment manufacturing for retail chains in the United States of America and Mexico under their brands. In Fiscal 2016, our inherent skill to scale led us to foray into a new line of business, i.e. LED products, which has grown to a revenue of ₹254.70 million within a period of 18 months. As of August 31, 2018, we hold registered design in relation to our super cooker, which further showcases our innovative approach.

We strive to balance product availability and inventory levels such that we can continue to deploy resources in a value-creating manner, and believe that our wide presence generates economies of scale and contributes to the effective cost structure of our Company. We believe that even with our vast geographical outreach, our operations have the ability to quickly respond to a complex web of suppliers and trade customers, changing consumer preferences and constantly fluctuating demand. Our sales team, comprising of 580 employees as of August 31, 2018, are constantly monitored and well connected through sales force automation. We have also implemented BIZOM, a secondary sales software which enables us to track and capture the secondary movement of our field sales executives and servicing engineers in the market in real time. We have also implemented the 'Bizom' software across our operations for the real time distribution management. Being technology driven enables us to gain a deep understanding of the market trends in the kitchen solutions industry and shifts in customer preferences, and enables us to expand strategically and with agility.

We strive to ensure that the quality of our products is complemented by the after-sales services provided to our customers across segments, through a dedicated centralized CRM, and a large team of in-house service personnel to cater to the requirements of our customers. We utilise a distributor management system (DMS), which helps the organisation to track secondary and tertiary sales and maintain inventory level at the distributor's centre. As of August 31, 2018, our servicing team comprised of 241 employees, with full in-house capabilities.

Strong manufacturing capability with efficient backward integration.

We believe the scale at which we undertake the manufacture of our products, combined with our raw material sourcing, packaging, transportation practices and quality control, enables us to derive higher margins from the sale of our products. Our Bengaluru Facility is a large facility for the manufacture of kitchen solutions, which is spread over approximately 40 acres and 16 guntas with 27 acres available for future expansion. It is an integrated facility comprising of eight manufacturing units, tailored to manufacture pressure cookers, non-stick cookware, hard anodized cookware, mixer grinders, induction cooktops, LPG stove and glass cooktops. For Fiscal 2018, it had an aggregate integrated capacity of 15 million units per annum. It is also one of the few facilities in India to have a fully automated roller coating line for the manufacture of non-stick cookwares (*Source: F&S Report*). Our manufacturing facilities are backward integrated. We have the ability to manufacture components such as bakelite handles, sheet metal components, moulded parts, die cast parts, moulds, dies and fixtures in house for the manufacture of our products. We believe the backward integration of our manufacturing facilities has reduced our dependence on third party suppliers and OEMs for such components.

Our Baddi Facility, which has been operational since 2005 and engaged with our Company ever since, has an annual installed capacity of 1.8 million units per 300 days, with the capability to manufacture products in the LPG stove and glass cooktop categories. Both our manufacturing facilities are ISO 9001:2015 certified for implementing quality management systems.

Consistent focus on quality and innovation.

We believe that quality is a pre-requisite for a positive consumer experience and long-term brand loyalty. This philosophy has formed the foundation of the expansion and diversification of our product portfolio since our inception. Our focus on quality is maintained at all stages – right from the sourcing of raw materials, which is undertaken from manufacturers to the product

development and manufacturing stage, which is subject to a rigorous review and monitoring process undertaken at our Bengaluru Facility. For products which are sourced by us from third party OEMs, we have a dedicated sourcing team and quality assurance team based out of China, which closely monitors the quality of such products. Our efforts to maintain the quality of our products have been well recognized in the industry, and we have been awarded the ‘Gold Award’ by Quality Circle Forum of India (Bengaluru chapter) in the years 2013 and 2014.

Over the years, based on our experience we have focussed on investing in experience based product innovations that are most relevant in creating the best consumer experience. The year on year expansion and optimisation of our product portfolio has also been innovative, and we have added segments based on shifts in consumer preferences and market demand. As of August 31, 2018, we have a dedicated in-house R&D facility, comprising of 11 personnel, and we have progressively increased our investment in R&D in the last few years. To further our efforts in innovation, in the past, we had also entered into tie-ups with foreign companies for technology enablement and tech knowhow agreements with them from Fiscal 2013 to Fiscal 2015. As a result of our focus on innovation, we developed the ‘*Super Cooker*’ which has a registered design and is customizable into products with multiple utilities. We have also developed the ‘*Super Storm Advanced*’ mixer grinder, with forced air cooling technology, and the ‘*Infinity*’ glass cooktops with a fastener free body.

Professional management with successful track record and extensive experience in the kitchen solutions industry, and a young and dynamic workforce.

We are a professionally managed company with a track record of corporate governance and robust internal controls. Our strong corporate culture that originates from the founder of our Company, Rajendra Gandhi, who is a first generation entrepreneur with over 19 years of experience in the kitchen appliances and home appliances industry. We have a qualified and competent leadership team. Our Chief Financial Officer, Company Secretary and Compliance Officer, Shashidhar SK, has over 25 years of experience in the corporate finance and corporate governance fields, and has previous experience of working with *inter alia* WaterHealth India Private Limited, Tata Advanced Materials Limited and Craigmere Textiles Private Limited. Our Chief Operating Officer, Senthil Kumar R. has over 30 years of experience in the manufacturing sector, and our Head of Corporate Planning, Venkitesh N., has over 25 years of experience in the manufacturing sector, having previously worked with BPL Limited. Our Company’s capable management team has an average of more than 18 years of experience. While core functions are centralized, we have focused management teams as well as shared management teams which manage the different brand portfolios, and our product heads have significant expertise in their respective product categories. In addition to the experience of the senior management and staff, we believe we benefit significantly from the youth and dynamism of our workforce, which comprises of a majority of young professionals such as Tamal Krishna Chaudhuri, Rohit Mago, Manoj N.G., Kiran Prabhakar Joshi and Kumaravelu Chandrasekar who are also part of our key management personnel. For further details, see “*Our Management- Brief profiles of our Key Management Personnel*” on page 151.

Strong track record and financial stability.

We have maintained a strong track record of growth over the years through expansion of brand portfolio, distribution network, improved procurement costs and increase in sales growth. Our operational efficiencies and efficient supply chain network has resulted in better control of operational expenses and thereby enabled rise in profits after tax. Further, we have been able to capitalize on our existing logistics, supply chain network and backward integrated manufacturing facilities to utilize our capital efficiently.

Over the past few years, we have added manufacturing and warehousing infrastructure, scaled up our retail franchisee operations, added a number of new product categories and entered new customer segments. We believe that these initiatives have prepared a strong base for future growth. As per our Restated Financial Statements, from Fiscal 2014 to Fiscal 2018, our revenue increased at a CAGR of 0.91%, our EBITDA increased at a CAGR of 101.06% between Fiscal 2015 and Fiscal 2018 (excluding Fiscal Year 2014, where we made an EBITDA Loss of ₹35.80 million). Between Fiscals 2014 and 2018, our loss after tax for the year has decreased from ₹304.69 million in Fiscal 2014 to ₹127.62 million in Fiscal 2018.

Strategies

Increase our geographical reach and expansion of addressable market

We continually seek to enhance our addressable market through our network of over 26,000 dealers, over 363 distributors and 14 C&F agents across the country, as on August 31, 2018. Our erstwhile sales channel comprised of super distributors and their business partners and was limited to the extent of their reach. However, since 2014, we have started appointing C&F agents to undertake our stocking and distribution, enabling us to reach our customers faster by reducing transportation time, optimise inventory, and limit trade over-dues.

Toward this objective, we have also engaged a leading management consulting firm to undertake a project to improve our distribution operations and productivity of our salesforce, as part of improving our sales, collect and analyse secondary sales data. We believe that this project will enhance our network, penetration, distribution and effectively, maximise revenues from the sale of our products.

Further, a large untapped customer base has surfaced with the advent of several Government initiatives such as *Pradhan Mantri Ujjwala Yojana*, which has provides for free LPG connections (*Source: F&S Report*). These initiatives will provide us with an

opportunity to increase our market share. As the country's largest cooktop manufacturer (*Source: F&S report*), we look forward to leverage this vast network of rural households.

Scale up branding, promotional and digital activities

Our wide spread presence and scale of operations allows us to increasingly focus on branding and promotional activities to enhance our visibility in the cookware and kitchen appliances industry. While our consumer brands are well established and enjoy a high brand recall amongst our customers, we seek to continue to enhance brand awareness and customer loyalty through our promotion and marketing efforts such as increased advertising in print and social media, retail branding, product branding, hyperlocal activities, factory visits for our trade partners, substantially increasing our digital presence and engagements, generating contemporary educational content and engaging in brand associations.

With 481 million Internet users in India as on December 2017 (*Source: F&S Report*), there is access to information. The digital platform and social media has enabled us to reach and engage with a wider audience and also customise product offering to our prospective customers. We believe that our consumer-focused products and product information along with our well recognized brands increase customer confidence in our products and influences our customers' buying decisions.

Expand our portfolio in the existing product categories

Our product portfolio under the brand Pigeon consists of four categories - cookware, cooktops and other solutions, small kitchen appliances and home utilities aiding different functions and utilities in the kitchen and home. We have consistently focused on expanding and optimising our product range to offer utility, a range of features and value for money. We seek to utilise our research and development capabilities to develop new products to cater to the evolving requirements of a large customer base and cover newer customer segments.

India has a relatively young demographic profile, with a median age of 27.3 years and 850 million of the country's population will be in the age group of 35 years or below, making India the globe's youngest population by 2020 (*Source: F&S Report*). With increase in overall per capita income (*Source: F&S Report*) they have a significant impact on kitchen appliances and cookware market (*Source: F&S Report*). Being technology driven enables us to gain a deep understanding of the market trends in the kitchen solutions industry and shifts in customer preferences, and enables us to expand strategically and with agility.

As of Fiscal 2018, traded products contribute to 31.50% of our sales. We propose to significantly increase this proportion to enable us to provide a large assortment of products across categories and sales channels, drive sales volumes faster and increase our market share.

Invest in new plants and increase automation in existing manufacturing facilities

We have two backward integrated manufacturing facilities in Bengaluru and Baddi with dedicated plants for each of our core product categories - LPG cooktops, aluminium pressure cookers, non-stick cookware, induction cooktops and mixer grinders. These robust facilities with a constant focus on technology upgradation are equipped to manufacture a wide and diverse range of products, as well as several components used in our products. We propose to increase the level of automation at our facilities as we believe that would enable us to achieve greater efficiency in reducing time taken for and the cost of manufacturing our products, from design to commercial production and, in our in-house testing and quality assurance processes, resulting in higher profit margins.

The increase in per capita disposable incomes is fuelling the growth of newer segments of categories and products across different demographics. To enhance our market share, we propose to invest in new plants, with high degree of automation, specifically for the manufacture of new classes of products where economies of scales are rapidly evolving viz. electric irons, wet grinders, stainless steel pressure cookers, bucket mops etc. We also intend to focus on manufacturing value added products across product verticals ensuring our presence in each rung of the value chain.

Focus on and augment our LED consumer lighting business

Owing to the increasing government initiatives to boost LED adoption and growing awareness regarding lower power consumption of LED lighting products, the LED lighting market is expected to grow significantly in India. We seek to capture this growing demand for LED lighting products with our range of consumer lighting products including bulbs, battens, downlight and panels. In a short span of two years, we have leveraged the strength of our brand 'Pigeon' and our capabilities to scale up a large distribution network in the southern states of India. We will continue to introduce a wider range of LED lighting products for different end-use segments and expand to newer and broader geographies.

Increase exports

As of March 31, 2018, our export sales contributes to 5.61% of our total sales. With our manufacturing and technological competence in non-stick cookware, we are globally competitive to cater to both the developed and the developing markets. Our presence is currently spread across 12 countries including USA, Mexico, UAE, Qatar, Bahrain, Kuwait, Iran, Tanzania, Uganda,

Nepal, Philippines, Sri Lanka, the United Kingdom and the Netherlands. We seek to expand our global reach, through constant innovation and increased customer acceptance of our products in international markets.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Financial Statements. The Restated Financial Statements have been prepared, based on financial statements for the Fiscals 2018, 2017, 2016, 2015 and 2014. The Restated Financial Statements have been prepared in accordance with the Companies Act, Ind AS and restated in accordance with the SEBI ICDR Regulations.

The summary financial information presented below should be read in conjunction with our Restated Financial Statements, the notes thereto and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 161 and 280, respectively.

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Particulars	(₹ in million)				
	As at March 31,				
	2018	2017 (Proforma)	2016 (Proforma)	2015 (Proforma)	2014 (Proforma)
Non-current assets					
Property, plant and equipment	1,806.24	1,852.21	1,883.48	1,714.25	1,504.04
Capital work-in-progress	6.08	0.86	2.88	152.75	177.58
Intangible assets	35.99	55.07	71.10	61.63	31.87
Financial assets					
Investments	-	-	-	-	0.08
Other financial assets	38.01	30.88	53.79	60.33	27.98
Non-current tax asset (net)	47.14	47.64	46.14	28.94	7.42
Other non-current assets	41.26	22.56	22.43	32.69	33.66
Total non-current assets	1,974.72	2,009.22	2,079.82	2,050.59	1,782.63
Current assets					
Inventories	1,051.38	726.27	698.90	667.75	634.69
Financial assets					
Trade receivables	795.52	592.84	495.85	653.55	679.17
Cash and cash equivalents	4.00	5.42	4.11	3.37	27.08
Bank balances other than cash and cash equivalents as above	33.81	31.25	31.89	9.74	81.35
Loans	0.27	70.30	69.95	70.13	71.45
Other financial assets	1.69	0.61	2.43	1.45	78.63
Other current assets	89.49	94.86	35.93	41.24	91.88
Total current assets	1,976.16	1,521.55	1,339.06	1,447.23	1,664.25
Total assets	3,950.88	3,530.77	3,418.88	3,497.82	3,446.88
EQUITY AND LIABILITIES					
Equity					
Equity share capital	189.00	189.00	189.00	189.00	189.00
Other equity	(1,975.56)	(1,851.11)	(1,661.38)	(1,229.47)	(1,102.05)
Equity attributable to owners of the Company	(1,786.56)	(1,662.11)	(1,472.38)	(1,040.47)	(913.05)
Non-controlling interests	2.14	2.54	2.76	2.08	0.46
Total equity	(1,784.42)	(1,659.57)	(1,469.62)	(1,038.39)	(912.59)
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	3,113.05	2,867.47	2,723.91	2,599.53	2,493.57
Other financial liabilities	148.27	169.04	108.01	52.22	33.56
Deferred tax liability	-	-	-	0.41	-
Provisions	34.14	30.70	23.40	23.17	18.67
Total non-current liabilities	3,295.46	3,067.21	2,855.32	2,675.33	2,545.80
Current liabilities					
Financial liabilities					
Borrowings	809.58	781.19	858.18	734.21	777.17
Trade payables	1,451.60	1,082.40	890.68	863.31	759.81
Other financial liabilities	110.21	97.47	87.66	74.17	63.24
Provisions	16.07	77.88	79.92	75.60	75.77
Other current liabilities	52.24	78.09	101.81	90.95	128.08
Current tax liabilities (net)	0.14	6.10	14.93	22.64	9.60
Total current liabilities	2,439.84	2,123.13	2,033.18	1,860.88	1,813.67
Total liabilities	5,735.30	5,190.34	4,888.50	4,536.21	4,359.47
Total equity and liabilities	3,950.88	3,530.77	3,418.88	3,497.82	3,446.88

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in million)

Particulars	For the year ended March 31,				
	2018	2017 (Proforma)	2016 (Proforma)	2015 (Proforma)	2014 (Proforma)
Revenue from operations	5,289.52	5,150.33	5,232.71	5,041.57	5,101.73
Other income	56.33	29.21	15.23	23.30	47.99
Total Income	5,345.85	5,179.54	5,247.94	5,064.87	5,149.72
Expenses					
Cost of materials consumed	2,411.19	2,669.69	2,941.68	2,628.46	2,737.79
Purchase of stock in trade	1,203.26	833.73	798.74	605.61	623.23
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(78.96)	(117.43)	(128.80)	71.89	113.52
Excise duty	53.33	215.49	243.53	234.96	235.48
Employee benefits expenses	590.87	516.25	475.34	431.92	445.40
Finance cost	169.35	150.05	157.71	165.43	151.92
Depreciation & amortization expenses	119.69	118.12	111.02	(37.08)	98.97
Other expenses	1,010.11	983.33	1,083.04	1,072.75	1,030.10
Total expenses	5,478.84	5,369.23	5,682.26	5,173.94	5,436.41
Restated Loss before exceptional items and tax	(132.99)	(189.69)	(434.32)	(109.07)	(286.69)
Exceptional items	-	-	-	0.08	-
Restated Loss before tax	(132.99)	(189.69)	(434.32)	(109.15)	(286.69)
Tax expense / (benefit):					
Current tax expense	-	-	6.00	13.00	18.00
Current tax expense relating to prior year	(5.37)	2.78	-	-	-
Deferred tax	-	-	(0.41)	0.41	-
Net tax expense / (benefit)	(5.37)	2.78	5.59	13.41	18.00
Restated Loss for the Year	(127.62)	(192.47)	(439.91)	(122.56)	(304.69)
Other Comprehensive Income					
Items that will not be reclassified to Statement of Profit and Loss					
Remeasurements of the defined benefit Plans - Gains / (losses)	1.75	1.32	6.66	1.27	5.55
Items that will be reclassified to Statement of Profit and Loss					
Fair value changes on cash flow hedges	1.24	-	-	-	-
Total other comprehensive income for the year	(124.63)	(191.15)	(433.25)	(121.29)	(299.14)
Total restated comprehensive income for the year attributable to:					
Owners of the Company	(127.44)	(192.25)	(440.59)	(124.18)	(305.15)
Non controlling interests	(0.18)	(0.22)	0.68	1.62	0.46
	(127.62)	(192.47)	(439.91)	(122.56)	(304.69)
Other comprehensive income for the year attributable to:					
Owners of the Company	2.99	1.32	6.66	1.27	5.55
Non controlling interests	-	-	-	-	-
	2.99	1.32	6.66	1.27	5.55
Total restated comprehensive loss for the year attributable to:					
Owners of the Company	(124.45)	(190.93)	(433.93)	(122.91)	(299.60)
Non controlling interests	(0.18)	(0.22)	0.68	1.62	0.46
Total	(124.63)	(191.15)	(433.25)	(121.29)	(299.14)
Earnings per share					
Basic (in ₹) (Face value of ₹10 each)	(6.74)	(10.17)	(23.31)	(6.57)	(16.15)
Diluted (in ₹) (Face value of ₹10 each)	(6.74)	(10.17)	(23.31)	(6.57)	(16.15)

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

Particulars	(₹ in million)				
	As at March 31,				
	2018	2017 (Proforma)	2016 (Proforma)	2015 (Proforma)	2014 Proforma
Cash flow from operating activities					
Restated Loss before tax	(132.99)	(189.69)	(434.32)	(109.15)	(286.69)
Adjustments for :					
Depreciation and Amortization Expense	119.69	118.12	111.02	(37.08)	98.97
Provision for doubtful trade and other receivables, loans and advances and bad debts written off (net)	59.65	4.89	41.20	17.52	35.85
Liability no more required written back	(41.85)	(9.55)	(2.31)	(6.11)	(34.93)
Provision for Warranty	9.06	5.56	1.48	0.62	1.93
Interest on deposit with bank	(1.80)	(2.65)	(3.01)	(3.29)	(6.44)
Government grant (EPCG Scheme)	(2.52)	-	-	-	(0.35)
Fair valuation of derivatives	(1.33)	2.73	(0.94)	(5.05)	4.84
Fair valuation of Compulsory Convertible Debentures	153.80	205.20	182.30	162.10	12.70
(Profit) / loss on sale of fixed assets	1.02	(1.46)	0.27	(0.26)	0.62
Provision for non-current investments	-	-	-	0.08	-
Finance cost	152.89	134.67	132.82	145.21	135.29
Net unrealised exchange (gain) / loss	2.98	(5.07)	(1.90)	0.56	(8.60)
Operating cash profit before changes in working capital	318.60	262.75	26.61	165.15	(46.81)
Changes in working capital					
Adjustment for (increase)/ decrease in operating assets :					
Other financial assets	43.79	(0.33)	1.50	77.74	(26.53)
Inventories	(325.11)	(27.37)	(31.15)	(33.06)	51.77
Trade receivables	(247.93)	(103.03)	116.30	5.70	(169.48)
Other current assets	(12.47)	(61.03)	1.78	48.77	(18.06)
Adjustment for increase/ (decrease) in operating liabilities:					
Other financial liabilities	18.35	59.64	56.73	19.12	(3.54)
Trade payables	343.34	201.30	37.99	112.50	(123.39)
Other current liabilities	(25.85)	(23.72)	10.86	(37.13)	65.72
Provisions	0.41	(0.30)	3.07	3.71	(30.14)
Cash generated from/(used in) operations	113.13	307.91	223.69	362.50	(300.46)
Net income taxes (paid) / refund received	(0.09)	(13.11)	(30.50)	(21.89)	(9.17)
Net cash generated/(used in) operating activities (A)	113.04	294.80	193.19	340.61	(309.63)
Cash flows from investing activities					
Capital expenditure on fixed assets (including capital advance)	(63.18)	(70.95)	(121.42)	(178.38)	(487.79)
Proceeds from sale Property, Plant and Equipment	2.32	2.61	0.46	1.01	3.60
Interest received on bank deposits	1.93	3.08	2.97	5.02	6.23
Proceeds from sale of investment	-	-	-	-	13.80
Movement of margin money deposit with banks (net)	(2.56)	17.92	(10.02)	42.20	(27.37)
Net cash used in investing activities (B)	(61.49)	(47.34)	(128.01)	(130.15)	(491.53)
Cash flows from Financing activities					
Proceeds from long term borrowings	125.00	-	-	-	1,240.00
Repayment of long term borrowings	(56.56)	(51.73)	(60.01)	(46.97)	(110.00)
Net increase / (decrease) in working capital borrowings	26.76	(69.48)	124.01	(42.33)	(193.38)

	<i>(₹ in million)</i>				
Particulars	As at March 31,				
	2018	2017 (Proforma)	2016 (Proforma)	2015 (Proforma)	2014 Proforma
Finance cost	(148.17)	(124.94)	(128.44)	(144.87)	(135.29)
Net cash used in financing activities (C)	(52.97)	(246.15)	(64.44)	(234.17)	801.33
Net (decrease) / increase in cash & cash equivalents (A+B+C)	(1.42)	1.31	0.74	(23.71)	0.17
Cash and cash equivalents at beginning of the year	5.42	4.11	3.37	27.08	26.91
Cash and cash equivalents at the end of the year*	4.00	5.42	4.11	3.37	27.08
*comprises					
(a) cash on hand	0.82	0.46	1.84	1.07	2.17
(b) Balances with banks in current accounts	3.18	4.96	2.27	2.30	24.91
Total	4.00	5.42	4.11	3.37	27.08

RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

Particulars	As at March 31,				
	2018	2017 (Proforma)	2016 (Proforma)	2015 (Proforma)	2014 (Proforma)
Non-current assets					
Property, plant and equipment	1,771.24	1,815.32	1,843.50	1,656.04	1,453.83
Capital work-in-progress	6.08	0.86	2.88	152.75	177.58
Intangible assets	35.99	55.07	71.10	61.63	31.33
Financial assets					
Investments	81.46	90.51	81.79	191.57	252.91
Other financial assets	37.79	30.65	53.55	59.80	27.66
Non current tax asset (net)	2.36	2.00	1.10	2.20	7.42
Other non-current assets	41.26	22.56	22.43	32.69	33.66
Total non-current assets	1,976.18	2,016.97	2,076.35	2,156.68	1,984.39
Current assets					
Inventories	1,051.38	726.27	698.90	471.61	430.96
Financial assets					
Trade receivables	795.52	592.84	495.85	484.52	491.93
Cash and cash equivalents	3.40	4.99	2.23	1.30	2.18
Bank Balances other than cash and cash equivalent as above	33.50	30.92	31.58	-	71.82
Loans	0.27	56.03	55.37	55.45	56.84
Other financial assets	1.64	0.61	2.43	1.35	78.04
Other current assets	89.49	94.51	35.77	29.70	86.78
Total current assets	1,975.20	1,506.17	1,322.13	1,043.93	1,218.55
Total assets	3,951.38	3,523.14	3,398.48	3,200.61	3,202.94
EQUITY AND LIABILITIES					
Equity					
Equity share capital	189.00	189.00	189.00	189.00	189.00
Other equity	(1,969.96)	(1,845.17)	(1,655.01)	(1,223.03)	(1,095.62)
Total equity	(1,780.96)	(1,656.17)	(1,466.01)	(1,034.03)	(906.62)
Liabilities					
Non-current liabilities					
Financial Liabilities					
Borrowings	3,113.05	2,867.47	2,723.91	2,599.53	2,493.57
Other financial liabilities	148.27	169.04	108.01	52.22	33.56
Provisions	34.14	30.70	23.40	20.54	15.33
Total non-current liabilities	3,295.46	3,067.21	2,855.32	2,672.29	2,542.46
Current liabilities					
Financial liabilities					
Borrowings	809.58	781.19	858.18	689.96	761.04
Trade payables	1,453.78	1,081.58	889.46	649.42	579.20
Other financial liabilities	105.21	97.47	87.66	74.17	63.24
Provisions	16.07	77.88	79.92	77.20	75.47
Other current liabilities	52.24	73.98	93.95	71.60	88.15
Total current liabilities	2,436.88	2,112.10	2,009.17	1,562.35	1,567.10
Total liabilities	5,732.34	5,179.31	4,864.49	4,234.64	4,109.56
Total equity and liabilities	3,951.38	3,523.14	3,398.48	3,200.61	3,202.94

RESTATED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in million)

Particulars	For the year ended March 31,				
	2018	2017 (Proforma)	2016 (Proforma)	2015 (Proforma)	2014 (Proforma)
Revenue from operations	5,289.52	5,150.33	3,545.83	3,446.05	3,413.65
Other income	56.31	28.06	15.15	40.41	92.88
Total Income	5,345.83	5,178.39	3,560.98	3,486.46	3,506.53
Expenses					
Cost of materials consumed	2,411.19	2,669.69	1,823.51	1,552.41	1,623.96
Purchase of stock in trade	1,203.26	833.73	798.74	601.97	619.48
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(78.96)	(117.43)	(178.71)	102.69	117.52
Excise duty	53.33	215.49	243.53	234.96	235.48
Employee benefits expenses	590.87	516.25	362.81	332.04	370.73
Finance cost	169.35	150.05	148.47	160.08	148.71
Depreciation & amortization expenses	116.83	114.78	102.33	(43.46)	93.49
Other expenses	1,007.74	989.36	700.96	669.92	602.04
Total expenses	5,473.61	5,371.92	4,001.64	3,610.61	3,811.41
Restated loss before exceptional items and tax	(127.78)	(193.53)	(440.66)	(124.15)	(304.88)
Exceptional items	-	-	-	0.08	-
Restated loss before tax	(127.78)	(193.53)	(440.66)	(124.23)	(304.88)
Tax expense / (benefit):					
Current tax expense for current year	-	-	-	-	-
Reversal of excess provision for tax pertaining to previous years	-	(0.85)	-	-	-
Net tax expense / (benefit)	-	(0.85)	-	-	-
Restated Loss for the year	(127.78)	(192.68)	(440.66)	(124.23)	(304.88)
Other Comprehensive Income					
Items that will not be reclassified to Statement of Profit and Loss					
Remeasurement of the defined benefit Plans - Gains / (losses)	1.75	1.32	6.66	1.33	5.48
Items that will be reclassified to Statement of Profit and Loss					
Fair value changes on cash flow hedge	1.24	-	-	-	-
Total other Comprehensive Income / (loss) for the year	2.99	1.32	6.66	1.33	5.48
Total comprehensive income for the year	(124.79)	(191.36)	(434.00)	(122.90)	(299.40)
Earnings per share:					
Basic (in ₹) (Face value of ₹10 each)	(6.76)	(10.19)	(23.32)	(6.57)	(16.13)
Diluted (in ₹) (Face value of ₹10 each)	(6.76)	(10.19)	(23.32)	(6.57)	(16.13)

RESTATED STANDALONE SUMMARY STATEMENT OF CASH FLOWS

	(₹ in million)				
Particulars	As at March 31,				
	2018	2017 (Proforma)	2016 (Proforma)	2015 (Proforma)	2014 (Proforma)
Cash flow from operating activities					
Restated Loss before tax	(127.78)	(193.53)	(440.66)	(124.23)	(304.88)
Adjustments for :					
Depreciation and amortization expense	116.83	114.78	102.33	(43.46)	93.49
Provision for doubtful trade and other receivables, loans and advances and bad debts written off (net)	45.24	4.89	26.20	13.32	31.97
Liability no longer required written back	(41.85)	(8.43)	(1.94)	-	(34.93)
Provision for Warranty	9.06	5.56	1.48	0.62	1.93
Interest on deposit with bank	(1.78)	(2.62)	(1.86)	(2.52)	(5.54)
Government Grants	(2.52)	-	-	-	(0.35)
(Profit) / loss on Fair valuation of derivative instruments	(1.33)	2.73	(0.94)	(5.05)	4.84
Loss on financial liability designated at FVTPL	153.80	205.20	182.30	162.10	12.70
(Profit) / loss on sale of property, plant and equipments	1.02	(1.46)	0.27	(0.26)	0.62
(Profit)/ loss from partnership firm	14.63	7.11	(2.45)	(25.24)	(45.85)
Provision for non-current investments	-	-	-	0.08	-
Finance cost	152.89	134.67	132.82	145.21	132.90
Net unrealised exchange (gain) / loss	2.97	(5.07)	(1.89)	0.57	(8.60)
Operating cash profit before changes in working capital	321.18	263.83	(4.34)	121.14	(121.70)
Changes in working capital					
Adjustment for (increase)/ decrease in operating assets :					
Other financial assets	43.86	(0.65)	1.11	78.02	1.14
Inventories	(325.11)	(27.37)	(59.23)	(40.65)	109.47
Trade receivables	(247.87)	(103.03)	82.51	(8.31)	(176.59)
Other assets	(12.82)	(60.84)	(3.61)	55.21	(24.11)
Adjustment for increase/ (decrease) in operating liabilities:					
Other financial liabilities	18.35	59.64	56.73	19.12	(3.54)
Trade payables	344.06	200.57	66.77	72.67	(152.25)
Other current liabilities	(21.74)	(19.97)	17.35	(16.55)	7.39
Provisions	0.40	(0.29)	0.22	6.32	(1.38)
Cash generated from/(used in) operations	120.31	311.89	157.51	286.97	(361.57)
Net income taxes (paid) / refund received	(0.36)	(0.05)	1.10	5.22	(0.77)
Net cash generated/(used in) operating activities (A)	119.95	311.84	158.61	292.19	(362.34)
Cash flow from investing activities					
Capital expenditure on property, plant and equipments (including capital advance)	(64.69)	(70.70)	(103.75)	(164.54)	(480.98)

	(₹ in million)				
Particulars	As at March 31,				
	2018	2017 (Proforma)	2016 (Proforma)	2015 (Proforma)	2014 (Proforma)
Proceeds from sale of property, plant and equipments	2.32	2.61	0.46	1.01	3.60
Interest received on bank deposits	1.96	3.05	1.72	3.76	5.36
Drawings from partnership firms / (investment) in partnership firms	(5.58)	(15.83)	37.23	86.58	(2.60)
Proceeds from sale of investment	-	-	-	-	13.80
Movement of margin money deposit with banks (net)	(2.58)	17.94	(19.45)	42.41	(28.30)
Net cash used in investing activities (B)	(68.57)	(62.93)	(83.79)	(30.78)	(489.12)
Cash flows from Financing activities					
Proceeds from long term borrowings	125.00	-	-	-	1,240.00
Repayment of long term borrowings	(56.56)	(51.73)	(60.01)	(46.97)	(110.00)
Net increase / (decrease) in working capital borrowings	26.76	(69.48)	97.44	(70.45)	(146.03)
Finance cost	(148.17)	(124.94)	(128.44)	(144.87)	(132.90)
Net cash used in financing activities (C)	(52.97)	(246.15)	(91.01)	(262.29)	851.07
Net (decrease) / increase in cash & cash equivalents (A+B+C)	(1.59)	2.76	(16.19)	(0.88)	(0.39)
Cash and cash equivalents at beginning of the year	4.99	2.23	1.30	2.18	2.57
Cash and cash equivalents taken over as part of slum sale (Refer note 40)	-	-	17.12	-	-
Cash and cash equivalents at the end of the year*	3.40	4.99	2.23	1.30	2.18
*Comprises					
Cash on hand	0.66	0.26	1.44	0.97	1.97
Balance with banks in current accounts	2.74	4.73	0.79	0.33	0.21
Total	3.40	4.99	2.23	1.30	2.18

THE OFFER

The following table summarises the Offer details:

Equity Shares Offered	
Offer of Equity Shares	Up to [●] Equity Shares, aggregating up to ₹ [●] million
<i>of which</i>	
Fresh Issue ⁽¹⁾	Up to [●] Equity Shares, aggregating up to ₹ 1,450.00 million
Offer for Sale ⁽²⁾	Up to 71,63,721 Equity Shares, aggregating up to ₹ [●] million
The Offer consists of:	
A) QIB Portion ⁽³⁾⁽⁴⁾	Up to [●] Equity Shares
<i>of which:</i>	
Anchor Investor Portion	Not more than [●] Equity Shares
QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
Mutual Fund Portion (5% of the QIB Portion)	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion	Not more than [●] Equity Shares
C) Retail Portion	Not more than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	[●] Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See “Objects of the Offer” on page 77 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale

Allocation to bidders in all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis. The allocation to each Retail individual Bidder shall not be less than minimum Bid Lot, subject to availability of shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see “Offer Procedure - Basis of Allotment” on page 354.

(1) The Fresh Issue has been authorized by a resolution of our Board of Directors dated September 21, 2018 and a special resolution of our Shareholders at the EGM held on September 24, 2018.

(2) The Offer for Sale has been authorised by the Selling Shareholders as follows:

Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of consent/authorisation/resolution
SCI	4,961,610	September 21, 2018
SCI-GIH	1,311,205	September 21, 2018
Rajendra Gandhi	640,906	September 20, 2018
Sunita Rajendra Gandhi	250,000	September 20, 2018

Each Selling Shareholder severally and not jointly confirms that their respective portion of the Offered Shares, have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI, and that such Offered Shares are eligible for being offered for sale in the Offer as required by Regulation 26(6) of the SEBI ICDR Regulations.

(3) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds only at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. For details, see “Offer Procedure” on page 326.

(4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In the event of under-subscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated prior to Equity Shares offered pursuant to the Offer for Sale. However, after receipt of minimum subscription of 90% of the Fresh Issue, Equity Shares offered pursuant to the Offer for Sale shall be allocated prior to Equity Shares offered pursuant to the Fresh Issue. For further details, see “Offer Structure” on page 323.

GENERAL INFORMATION

Our Company was incorporated as Stove Kraft Private Limited on June 28, 1999 with a certificate of incorporation issued by the RoC as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM on May 28, 2018, and the name of our Company was changed from Stove Kraft Private Limited to Stove Kraft Limited and a fresh certificate of incorporation consequent upon change of name was issued to our Company by the RoC on August 13, 2018.

Corporate Identity Number: U29301KA1999PLC025387

Registered and Corporate Office

Stove Kraft Limited

81/1, Medamarana Halli Village
Harohalli Hobli, Kanakapura Taluk
Ramanagar District 562 112
Karnataka, India
Tel: +91 80 2801 6222
Fax: +91 80 2801 6209
E-mail: info@stovekraft.com
Website: www.stovekraft.com

For details in relation to changes in the Registered Office, see “*History and Certain Corporate Matters*” on page 132.

Address of the RoC

Our Company is registered with the RoC situated at the following address:

Registrar of Companies

“E” Wing, 2nd Floor
Kendriya Sadana
Koramangala
Bengaluru 560 034
Karnataka, India

Board of Directors

Our Board comprises the following:

Name	Designation	DIN	Address
Rajendra Gandhi	Managing Director	01646143	No. 203, Olympus 1, Prestige Acropolis, No. 20, Hosur Road, Bengaluru 560 029, Karnataka, India
Bharat Singh	Nominee Director	08222884	RZL – 115 Old no. 43/8, Vijay Enclave Palam Village Darbri, Delhi, 110 045, New Delhi, India
Neha Gandhi	Executive Director	07623685	203, Olympus 1, Prestige Acropolis, Hosur Road, Koramangala, Bengaluru, 560 029, Karnataka, India
Rajiv Mehta Nitinbhai	Independent Director	00697109	7, 3rd Floor, Aquaforte Apt, 12 Kensington Road, Halasuru, Bengaluru, 560 042, Karnataka, India
Lakshmikant Gupta	Independent Director	07637212	A-202, The Icon DLF Phase V, Gurgaon, 122 009, Haryana, India
Shubha Rao Mayya	Independent Director	08193276	No.60/45, 6th Cross, Cambridge Layout, Ulsoor, Bengaluru 560 008, Karnataka, India

For further details of our Directors, see “*Our Management*” on page 139.

Chief Financial Officer, Company Secretary and Compliance Officer

Shashidhar SK
81/1, Medamarana Halli Village
Harohalli Hobli, Kanakapura Taluk
Ramanagar District 562 112, Karnataka
Tel: +91 80 280 16284
Fax: +91 80 280 16209
E-mail: shashidhar.sk@stovekraft.com

INVESTOR GRIEVANCES

Bidders can contact our Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.

All grievances relating to the non-ASBA process may be addressed to the Registrar to the Offer, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Form and the name and address of the relevant BRLM where the Anchor Investor Form was submitted by the Anchor Investor.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the CDP at the Designated CDP Location where the Bid cum Application Form was submitted by the ASBA Bidder.

Further, the Bidders shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/ information mentioned hereinabove.

Book Running Lead Managers		
Edelweiss Financial Services Limited 14th Floor, Edelweiss House Off CST Road, Kalina Mumbai 400 098 Maharashtra, India Tel: + 91 22 4009 4400 Fax: +91 22 4086 3610 E-mail: skl.ipo@edelweissfin.com Investor grievance e-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Kunal Malkan / Jay Mehta SEBI Registration No.: INM0000010650	IDFC Bank Limited Naman Chambers, C – 32, G Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 7132 5500 Fax: +91 22 4222 2088 E-mail: skl.ipo@idfcbank.com Investor Grievance E-mail: mb.ig@idfcbank.com Website: www.idfcbank.com Contact Person: Akshay Bhandari / Krishnakant Jaju SEBI Registration No.: MB/INM000012250	JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai - 400 025 Maharashtra, India Tel: +91 22 6630 3030 Fax: +91 22 6630 3330 E-mail: skl.ipo@jmfl.com Investor grievance email: grievance.ibd@jmfl.com Website: www.jmfl.com Contact Person: Prachee Dhuri SEBI Registration No.: INM000010361

Syndicate Members

[●]

Indian Legal Counsel to our Company

Cyril Amarchand Mangaldas
201, Midford House, Midford Garden
Off M.G. Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 2558 4870
Fax: +91 80 2558 4266

Legal Counsel to the BRLMs as to Indian Law

L&L Partners*
1st & 9th Floor, Ashoka Estate
Barakhamba Road
New Delhi 110 001, India
Tel: +91 11 4121 5100
Fax: +91 11 2372 3909

**Formerly known as Luthra & Luthra Law Offices*

Legal Counsel to the Investor Selling Shareholders as to Indian Law

AZB & Partners
Plot No. A-8, Sector 4
Noida 201301
National Capital Region Delhi
Tel: + 91 120 417 9999
Fax: + 91 12 0417 9900

Special International Legal Counsel to the BRLMs

Duane Morris & Selvam LLP
16 Collyer Quay, Floor 17
Singapore 049318
Tel: +65 6311 0030
Fax: +65 6311 0058

Statutory Auditors to our Company

Deloitte Haskins & Sells

19th Floor, 46 - Prestige Trade Tower
Palace Road, High Grounds
Bengaluru 560 001, Karnataka, India
Tel: +91 80 6188 6000
Fax: +91 80 6188 6011
E-mail: ssundaesan@deloitte.com
Firm Registration No.008072S
Peer review no: 008781

Registrar to the Offer**Karvy Computershare Private Limited**

Karvy Selenium, Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
E-mail: stovekraft.ipo@karvy.com
Investor grievance e-mail: einward.ris@karvy.com
Website: www.karvy.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

Banker(s) to the Offer/ Escrow Collection Bank(s)/ Refund Bank(s)/ Public Offer Account Bank(s)

[•]

Bankers to our Company**Standard Chartered Bank**

#112, Vaishnavi Serenity
Koramangala Industrial Area
5th Block, Koramangala
Bangalore 560 095
Tel: +91 80 6707 9096/ 6707 9462/ 6707 9670/ 6707 9461
Fax: 1800 3010 0030
Email: rameshvenkatesh.joshi@sc.com/ amit.kumar@sc.com/
Sameepa.behera@sc.com/ Basawaraj.kanta@sc.com
Contact Person: Ramesh Joshi/ Basawaraj Kanta/ Amit Kumar/
Sameepa Bahera
Website: www.sc.com/in

Designated Intermediaries**Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For the list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link.

Syndicate SCSB Branches

For the list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, *i.e.* through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipo/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors namely, Deloitte Haskins & Sells, Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an “Expert” as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations and as defined under Section 2(38) of the Companies Act, 2013, in respect of the examination reports of the Statutory Auditors on the Restated Financial Statements dated September 24, 2018 and the statement of tax benefits dated September 26, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

In relation to our Bengaluru facility, our Company has received written consent from G. Shyam Sunder & Associates dated September 24, 2018, Chartered Engineers to include their names in this Draft Red Herring Prospectus and as “expert” as defined under section 2(38) of the Companies Act in respect of the certificate dated September 24, 2018 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Further, in relation to our Baddi facility, our Company has received written consent from Parashar & Co dated September 24, 2018, Chartered Engineers to include their names in this Draft Red Herring Prospectus and as “expert” as defined under section 2(38) of the Companies Act in respect of the certificate dated September 24, 2018 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Monitoring Agency

Pursuant to Regulation 16 of the SEBI ICDR Regulations, [●] has been appointed as the Monitoring Agency for monitoring the utilisation of the Net Proceeds and details thereof shall be updated, prior to the filing of the Red Herring Prospectus with the RoC.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

IPO Grading

No credit agency registered with SEBI has been appointed for grading the Offer.

Credit Rating

As this is an offer of Equity Shares, there is no credit rating required for the Offer.

Trustees

As this is an offer of Equity Shares, the appointment of trustees is not required.

Inter-se allocation of Responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs for the Offer:

S. No.	Activities	Responsibility	Coordinator
1.	Capital structuring with the relative components and formalities such as type of instruments, allocation between primary and secondary, etc.	Edelweiss, JM Financial, IDFC Bank	Edelweiss
2.	Pre-Issue due diligence of the Company’s operations/ management/ business plans/ legal etc. Drafting and design of the DRHP, RHP and Prospectus. Ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of RHP, Prospectus and RoC filing of the same, follow up and coordination till final approval from all regulatory authorities	Edelweiss, JM Financial, IDFC Bank	Edelweiss
3.	Drafting and approval of statutory advertisements	Edelweiss, JM Financial, IDFC Bank	Edelweiss
4.	Drafting and approval of other publicity material including non-statutory advertisement, corporate advertisement, brochure, etc. and filing of media compliance report with SEBI	Edelweiss, JM Financial, IDFC Bank	IDFC Bank
5.	Appointment of all other intermediaries (e.g. Registrar(s),	Edelweiss, JM Financial,	IDFC Bank

S. No.	Activities	Responsibility	Coordinator
	Printer(s), Monitoring Agency and Banker(s) to the Issue, Advertising agency etc.) including coordinating all agreements to be entered with such parties	IDFC Bank	
6.	International Institutional Marketing of the Issue, which will cover, inter alia: <ul style="list-style-type: none"> • International Institutional Marketing strategy • Finalising the list for division of investors for meetings and • Finalizing international road show and investor meeting schedules 	Edelweiss, JM Financial, IDFC Bank	Edelweiss
7.	Preparation of road show presentation and FAQs	Edelweiss, JM Financial, IDFC Bank	IDFC Bank
8.	Domestic Institutional Marketing of the Issue, which will cover, inter alia: <ul style="list-style-type: none"> • Finalising the list for division of investors for meetings • Finalizing domestic road show schedules and investor meeting schedules 	Edelweiss, JM Financial, IDFC Bank	JM Financial
9.	Non-institutional marketing of the Issue which will cover, inter alia, formulating marketing strategies for Non-institutional Investors	Edelweiss, JM Financial, IDFC Bank	IDFC Bank
10.	Retail Marketing of the Issue, which will cover, inter alia, <ul style="list-style-type: none"> • Formulating marketing strategies, preparation of publicity budget • Finalizing Media and PR strategy • Finalizing centres for holding conferences for press and brokers etc. • Finalizing collection centres; and • Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material 	Edelweiss, JM Financial, IDFC Bank	Edelweiss
11.	Managing the book and finalization of pricing in consultation with the Company and the Selling Shareholders	Edelweiss, JM Financial, IDFC Bank	JM Financial
12.	Coordination with Stock-Exchanges for book building software, bidding terminals, mock trading and intimation to stock exchanges for anchor portion etc. and deposit of 1% security deposit	Edelweiss, JM Financial, IDFC Bank	JM Financial
13.	Post-issue activities, management of escrow accounts, finalization of the basis of allotment based on technical rejections, Basis Advertisement, listing of instruments, demat credit and refunds/ unblocking of funds, payment of the applicable STT, coordination with SEBI and Stock Exchanges for refund of 1% security deposit and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, SCSBs, including responsibility for execution of underwriting arrangements, as applicable	Edelweiss, JM Financial, IDFC Bank	JM Financial

Book Building Process

Book Building Process, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and minimum bid lot size will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised in all editions of [●], all editions of [●] and [●] editions of [●], which are widely circulated English, Hindi and Kannada daily newspapers respectively (Kannada being the regional language of Karnataka where our Registered Office is located) at least five Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs after the Bid/ Offer Closing Date. The principal parties involved in the Book Building Process are:

- (1) our Company;
- (2) the Selling Shareholders;
- (3) the BRLMs;
- (4) the Syndicate Members;
- (5) the Registrar to the Offer;
- (6) the Escrow Collection Banks;

- (7) the SCSBs;
- (8) the CDPs;
- (9) the RTAs; and
- (10) the Registered Brokers.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs (other than Anchor Investors) Bidding in the QIB Portion and Non-Institutional Bidders Bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see “*Offer Structure*” and “*Offer Procedure*” on page 323 and page 326, respectively.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. In this regard, our Company and the Selling Shareholders have appointed the BRLMs to manage this Offer and procure Bids for this Offer.

The Book Building Process is in accordance with guidelines, rules, regulations prescribed by SEBI. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Bidders should note the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is registered with the RoC.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid. For further details, see “*Offer Procedure*” on page 326.
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure that the Bid cum Application Form is duly completed as per the instructions given in this Draft Red Herring Prospectus, the Red Herring Prospectus and in the respective form;
- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, are exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which are exempted from specifying, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see “*Offer Procedure*” on page 326). The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants’ verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims;
- Ensure the correctness of your PAN, DP ID and Client ID and beneficiary account number given in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain details of the Bidders from the Depositories including the Bidder’s name, bank account number etc., and the Stock Exchanges will validate the electronic Bid details with the Depositories records for PAN, DP ID and Client ID;
- Ensure correctness of your demographic details such as the address, the bank account details for printing on refund orders and occupation given in the Bid cum Application Form, with the details recorded with your Depository Participant;
- Bids by ASBA Bidders will have to be submitted to the Designated Intermediaries in physical form. It may also be submitted in electronic form to the Designated Branches of the SCSBs only. ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission of the ASBA Forms to the Designated Intermediaries to ensure that the ASBA Form submitted by the ASBA Bidders is not rejected.
- Bids by all Bidders (except Anchor Investors) shall be submitted only through the ASBA process.

For further details, see “Offer Procedure” on page 326.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “Issue Procedure – Part B – Basis of Allocation - Illustration of Book Building Process and Price Discovery Process” on page 336.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI ICDR Regulations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.).

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchases for or purchase of the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Draft Red Herring Prospectus is set forth below:

(In ₹, except share data)			
		Aggregate value at face value	Aggregate value at Offer Price*
A	AUTHORIZED SHARE CAPITAL⁽¹⁾		
	39,999,995 Equity Shares	399,999,950	-
	10 Class A Equity Shares	100	
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER PRIOR TO THE CONVERSION OF CCDs		
	24,716,727 Equity Shares	247,167,270	-
	10 Class A Equity shares	100	
C	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER POST THE CONVERSION OF CCDs AND RECLASSIFICATION OF CLASS A EQUITY SHARES⁽⁴⁾		
	30,446,877 Equity Shares	304,468,770	
D	PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS		
	Offer of up to [●] Equity Shares	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares ⁽²⁾	[●]	1,450.00 million
	Offer for Sale of up to 7,163,721 Equity Shares ⁽³⁾	71,637,210	[●]
E	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER		
	[●] Equity Shares (assuming full subscription in the Offer)		[●]
F	SECURITIES PREMIUM ACCOUNT		
	Before the Offer ⁽⁴⁾		1,499,017,962.40
	After the Offer*		[●]

* To be finalized upon determination of the Offer Price.

- (1) For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 132
- (2) The Fresh Issue has been authorized by a resolution of our Board of Directors dated September 21, 2018, and a special resolution of our Shareholders passed at their EGM dated September 24, 2018
- (3) The Selling Shareholders, severally and not jointly, have authorised their respective participation in the Offer for Sale. For details of authorisations received for the Offer for Sale, see "The Offer" on page 59
- (4) (i) 2,610,898 Series A CCDs and 2,280,886 Series B CCDs held by SCI would be converted to 2,251,484 and 2,280,886 Equity Shares respectively; and (ii) 1,197,770 Series B CCDs held by SCI-GIH would be converted to 1,197,770 Equity Shares prior to the filing of the Red Herring Prospectus with the RoC, in accordance with Regulation 26(5) of the SEBI ICDR Regulations. Further, the Investor Selling Shareholders severally and not jointly confirm that Equity Shares allotted to them post such conversion would be eligible for being offered for sale in the Offer as required by Regulation 26(6) of the SEBI ICDR Regulations

Notes to the Capital Structure

1. Share Capital History of our Company

(a) Equity Share Capital

The history of the Equity Share capital of our Company is provided in the following table:

Date of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
June 18, 1999	200	10	10	Cash	Subscription to the MOA ⁽¹⁾	200	2,000
December 27, 1999	69,800	10	10	Cash	Preferential allotment ⁽²⁾	70,000	700,000
March 31, 2003	230,000	10	10	Cash	Preferential allotment ⁽³⁾	300,000	3,000,000
March 31, 2004	100,000	10	100	Cash	Preferential allotment ⁽⁴⁾	400,000	4,000,000
January 7, 2008	1,000,000	10	10	Cash	Preferential allotment ⁽⁵⁾	1,400,000	14,000,000
April 11, 2008	100	10	10	Cash	Preferential allotment ⁽⁶⁾	1,400,100	14,001,000

Date of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
March 31, 2009	3,000,000	10	NA	NA	Bonus issue to the shareholders as on March 31, 2008 out of the reserves of the Company ⁽⁷⁾	4,400,100	44,001,000
March 31, 2009	14,500,000	10	10	Cash	Preferential allotment ⁽⁸⁾	18,900,100	189,001,000
September 23, 2018	4,733,516	10	71.58	Cash	Conversion of CCDs ⁽⁹⁾	23,633,616	236,336,160
September 23, 2018	1,083,111	10	219.21	Cash	Conversion of CCDs ⁽¹⁰⁾	24,716,727	247,167,270
Total	24,716,727						

(1) 100 Equity Shares allotted to Rajendra J. Gandhi, and 100 Equity Shares allotted to Satishchandra Karanth

(2) 34,900 Equity Shares allotted to Rajendra J. Gandhi, 19,900 Equity Shares allotted to Satishchandra Karanth, 10,000 Equity Shares allotted to Nivedita S, and 5,000 Equity Shares allotted to Karmet Engineering Private Limited

(3) 182,500 Equity Shares allotted to Rajendra J. Gandhi and 47,500 Equity Shares allotted to Sunita Gandhi

(4) 100,000 Equity Shares allotted to IN Venkatesh Gowda

(5) 1,000,000 Equity Shares allotted to Rajendra J. Gandhi

(6) 100 Equity Shares allotted to SIDBI Trustee Company Limited A/c SME Growth Fund

(7) 2,823,200 Equity Shares allotted to Rajendra J. Gandhi and 176,800 shares allotted to Sunita Gandhi

(8) 14,000,000 Equity Shares allotted to Rajendra J. Gandhi and 500,000 Equity Shares allotted to Atul Jindal

(9) 4,733,516 Equity Shares allotted to SCI on conversion of 5,489,147 Series A CCDs

(10) 1,083,111 Equity Shares allotted to SCI-GIH on conversion of 1,083,111 Series B CCDs

(b) **Class A Equity Share Capital**

The following is the history of the Class A Equity Share capital of our Company:

Date of allotment	No. of Class A Equity Shares allotted	Face value per Class A Equity Shares (₹)	Issue price per Class A Equity Shares (₹)	Nature of consideration	Nature of allotment	Cumulative number of Class A Equity Shares	Cumulative paid-up Class A Equity Share capital (₹)
March 23, 2010	5	10	61.73	Cash	Preferential allotment ⁽¹⁾	5	50
September 30, 2013	5	10	219.21	Cash	Preferential allotment ⁽²⁾	10	100

(1) 5 Class A Equity Shares, were allotted to SCI

(2) 5 Class A Equity Shares, were allotted to SCI-GIH

Note: As on the date of this Draft Red Herring Prospectus, there are 5 Class A Equity Shares held by SCI and 5 Class A Equity Shares held by SCI-GIH, which will be re-classified as Equity Shares prior to filing of the Red Herring Prospectus with the RoC

(c) As of the date of this Draft Red Herring Prospectus, our Company does not have any outstanding preference shares.

(d) Except as stated below, our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus which may be lower than the Offer Price.

S. No.	Name of the Allottee	Date of Allotment	No. of Equity Shares	Issue Price (₹)	Reason
1.	SCI	September 23, 2018	4,733,516	71.58	Conversion of Series A CCDs
2.	SCI-GIH	September 23, 2018	1,083,111	219.21	Conversion of Series B CCDs

2. **Issue of Equity Shares for consideration other than cash or bonus or out of revaluation reserves**

(a) Our Company has not issued any Equity Shares out of revaluation reserves.

(b) Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issuance as of the date of this Draft Red Herring Prospectus

S. No.	Name of the Allottee	Date of Allotment	No. of Equity Shares	Issue Price (₹)	Reason
1.	Rajendra Gandhi	March 31, 2009	2,823,200	NA	Bonus Issue
2.	Sunita Rajendra Gandhi	March 31, 2009	176,800	NA	Bonus Issue

3. History of the Equity Share Capital held by our Promoters

As of the date of this Draft Red Herring Prospectus, our Promoters hold 18,443,919 Equity Shares, constituting 74.62% of the issued, subscribed and paid-up Equity Share capital of our Company.

(a) Build-up of our Promoters shareholding in our Company:

Date of allotment/ transfer	Number of Equity Shares	Face Value per Equity Share (₹)	Issue/ Acquisition / Transfer price per Equity Share (₹)	Nature of Consideration	Nature of Transaction	Percentage (%) of pre- Offer Equity Share Capital*	Percentage (%) of post- Offer Equity Share Capital
Rajendra Gandhi							
June 18, 1999	100	10	10	Cash	Subscription to the MOA	0.00	[●]
December 27, 1999	34,900	10	10	Cash	Preferential allotment	0.14	[●]
March 31, 2003	182,500	10	10	Cash	Preferential allotment	0.74	[●]
March 26, 2006	100,000	10	10	Cash	Transfer of Equity Shares from Venkatesh Gowda	0.40	[●]
January 7, 2008	1,000,000	10	10	Cash	Preferential allotment	4.05	[●]
March 31, 2009	14,000,000	10	10	Cash	Preferential allotment	56.64	[●]
March 31, 2009	2,823,200	10	10	NA	Bonus Issuance	11.42	[●]
August 1, 2011	500,000	10	10	Cash	Transfer of Equity Shares from Atul Jain	2.02	[●]
November 11, 2011	(1)	10	10	Cash	Transfer of Equity Shares to Vimal Kumar Jain	0.00	[●]
June 8, 2012	100	10	54.95	Cash	Transfer of Equity Shares from SIDBI Trustee Company Limited A/c SME Growth Fund	0.00	[●]
September 30, 2013	(228,089)	10	219.21	Cash	Transfer of Equity Shares to SCI	(0.92)	[●]
September 30, 2013	(228,089)	10	219.21	Cash	Transfer of Equity Shares to SCI-GIH	(0.92)	[●]
December 16, 2013	1	10	10	Cash	Transfer of Equity Shares from Sripal Kumar Jain	0.00	[●]
September 11, 2018	(1)	10	10	Cash	Transfer to Neha Gandhi	(0.00)	[●]
September 21, 2018	(1)	10	10	Cash	Transfer to Senthil Kumar R	(0.00)	[●]
September 21, 2018	(1)	10	10	Cash	Transfer to Venkitesh N	(0.00)	[●]
Sub Total (A)	18,184,619					73.57	[●]
Sunita Rajendra Gandhi							
November 10, 2000	20,000	10	10	Cash	Transfer of Equity Shares from Satishchandra Karanath	0.08	[●]
November 10, 2000	10,000	10	10	Cash	Transfer of Equity Shares	0.04	[●]

Date of allotment/ transfer	Number of Equity Shares	Face Value per Equity Share (₹)	Issue/ Acquisition / Transfer price per Equity Share (₹)	Nature of Consideration	Nature of Transaction	Percentage (%) of pre- Offer Equity Share Capital*	Percentage (%) of post- Offer Equity Share Capital
					from Nivedita S.		
November 10, 2000	5,000	10	10	Cash	Transfer of Equity Shares from M/S Karmet Engineering	0.02	[●]
March 31, 2003	47,500	10	10	Cash	Preferential allotment	0.19	[●]
March 31, 2009	176,800	10	10	NA	Bonus Issuance	0.72	[●]
Sub Total (B)	259,300					1.05	[●]
Total (A)+(B)	18,443,919					74.62	[●]

*(i) 2,610,898 Series A CCDs and 2,280,886 Series B CCDs held by SCI would be converted to 2,251,484 Equity Shares and 2,280,886 Equity Shares respectively; and (ii) 1,197,770 Series B CCDs held by SCI-GIH would be converted to 1,197,770 Equity Shares prior to the filing of the Red Herring Prospectus with the RoC, in accordance with Regulation 26(5) of the SEBI ICDR Regulations. The percentage of pre- Offer Equity Share capital of our Promoters shall be updated accordingly

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoters are pledged.

(b) Details of Promoters' contribution and lock-in:

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of not less than 20% of the fully diluted post- Offer equity share capital of our Company held by our Promoters shall be considered as minimum Promoters contribution and locked-in for a period of three years from the date of Allotment and our Promoters shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment.

The Equity Shares that are being locked-in for the computation of Promoters' contribution are not and will not be ineligible for computation of minimum Promoters contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard, our Company confirms that the Equity Shares being locked-in do not and shall not consist of:

- Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets; or (b) resulting from a bonus issue by utilisation of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares which are ineligible for computation of minimum Promoters' contribution;
- Equity Shares acquired by our Promoters during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which Equity Shares are being offered to the public in the Offer.

Further, we confirm that our Company has not been formed by conversion of one or more partnership firms, and hence no Equity Shares have been allotted to our Promoters in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm.

The lock-in of the Promoters' contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

In this regard, our Promoters specifically confirm that the Equity Shares held by our Promoters that are offered as part of the minimum Promoters' contribution are not subject to any pledge or any other encumbrance and that all the Equity Shares held by our Promoters are in dematerialized form.

The details of the Equity Shares held by our Promoters and locked-in as minimum Promoter's contribution are given below:

Name of the Promoter	No. of Equity Shares	Date of allotment/ transfer of Equity Shares and when made fully paid-up	Nature of Transaction	Face Value per Equity Share (₹)	Offer/ Acquisition Price per Equity Share (₹)	Percentage (%) to Pre-Offer Paid-up Capital	Percentage (%) to Post-Offer Paid-up Capital
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
TOTAL							

Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer equity share capital of our Company as minimum Promoters' contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Equity Shares forming part of the minimum Promoters' contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and has been contributed by the persons defined as a promoter under the SEBI ICDR Regulations.

(c) Details of share capital locked-in for one year:

In terms of the Regulation 37 of the SEBI ICDR Regulations, in addition to the Equity Shares proposed to be locked-in as part of our minimum Promoters' contribution as stated above, the entire pre-Offer equity share capital of our Company will be locked-in for a period of one year from the date of Allotment except the Offered Shares. Equity Shares held by SCI-GIH as on the date of this Draft Red Herring Prospectus, shall not be subject to lock-in for one year as is applicable to other shareholders of our Company, since SCI-GIH is a FVCI. Any unsubscribed portion of the Offered Shares would also be locked in as required under the SEBI ICDR Regulations. The Equity Shares, if any, allotted to eligible employees (who will continue to be employees of the Company as on the date of the Allotment) under the ESOP Plan shall not be subject to lock-in.

(d) Other requirements in respect of lock-in:

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that (i) such pledge of Equity Shares is one of the terms of sanction of the loan; and (ii) if the Equity Shares are locked-in as minimum Promoter's contribution for three years under Regulation 36(a) of the SEBI ICDR Regulations, then in addition to the requirement in (i) above, such Equity Shares may be pledged only if the loan has been granted by the scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Offer.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 36 of the SEBI ICDR Regulations, may be transferred to any member of the Promoter Group, or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoters which are locked-in for a period of one year in accordance with Regulation 37 of the SEBI ICDR Regulations, may be transferred to any other person holding Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated in the SEBI ICDR Regulations has expired.

(e) Lock-in of Equity Shares Allotted to Anchor Investors:

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

4. Details of the Equity Share capital held by the Promoters and members of the Promoter Group in our Company

As of the date of this Draft Red Herring Prospectus, the Promoter and members of the Promoter Group hold 18,443,920 Equity Shares, constituting 74.62% of the issued, subscribed and paid-up Equity Share capital of our Company in the following manner:

Name of the Shareholder	Total Equity Shares	Percentage (%) of Pre-Offer Capital	Percentage (%) of Post-Offer Capital
Promoters			
Rajendra Gandhi	18,184,619	73.57	[●]
Sunita Rajendra Gandhi	259,300	1.05	[●]
Total Holding of the Promoters (A)	18,443,919	74.62	[●]
Promoter Group			
Neha Gandhi	1	Negligible	[●]
Total Holding of the Promoter Group (Other than Promoters) (B)	1	Negligible	[●]
Total Holding of Promoter and Promoter Group (A+B)	18,443,920	74.62	[●]

5. Shareholding Pattern of our Company

The table below presents the pre-Offer shareholding pattern of our Company as of the date of this Draft Red Herring Prospectus:

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights					No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class A#	Total	Total as a % of (A+B)							
(A)	Promoter and Promoter Group	3	18,443,920	-	-	18,443,920	74.62	-	-	-	-	60.58	-	-	-	-	18,443,920
(B)	Public	4	6,272,807	-	-	6,272,807	25.38	10**	10**	0.00*	5,730,140***	39.42	-	-	-	-	6,272,807
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A) + (B) + (C)	7	24,716,727	-	-	24,716,727	100.00					100.00					24,716,727

* less than 0.01%

** As on the date of this Draft Red Herring Prospectus, there are 5 Class A Equity Shares held by SCI and 5 Class A Equity Shares held by SCI-GIH, which will be re-classified as Equity Shares prior to filing of the Red Herring Prospectus with the RoC

*** 2,610,898 Series A CCDs and 2,280,886 Series B CCDs held by SCI shall be converted to 2,251,484 Equity Shares and 2,280,886 Equity Shares respectively prior to the filing of the Red Herring Prospectus with the RoC. Further, 1,197,770 Series B CCDs held by SCI-GIH shall be converted to 1,197,770 Equity Shares prior to the filing of the Red Herring Prospectus with the RoC

For details in relation to the voting rights associated with the Class A Equity Shares, see "History and Certain Corporate Matters – Summary of Key Agreements and Shareholders' Agreements" on page 132 and "Main Provisions of Articles of Association" on page 365

6. **The list of top 10 Shareholders of our Company and the number of Equity Shares held by them as of the date of this Draft Red Herring Prospectus, 10 days before the date of filing of this Draft Red Herring Prospectus and two years prior to the date of filing of this Draft Red Herring Prospectus are set forth below:**

- (a) Our top 10 Shareholders as of the date of filing of this Draft Red Herring Prospectus are as follows:

S. No.	Name of the Shareholder	No. of Equity Shares*	Percentage (%)
1.	Rajendra Gandhi	18,184,619	73.57
2.	Sunita Rajendra Gandhi	259,300	1.05
3.	SCI**	4,961,605	20.07
4.	SCI-GIH***	1,311,200	5.30
5.	Senthil Kumar R	1	0.00
6.	Neha Gandhi	1	0.00
7.	Venkitesh N	1	0.00
	Total	24,716,727	100.00

**2,610,898 Series A CCDs and 2,280,886 Series B CCDs held by SCI shall be converted to 2,251,484 Equity Shares and 2,280,886 Equity Shares respectively prior to the filing of the Red Herring Prospectus with the RoC

***1,197,770 Series B CCDs held by SCI-GIH shall be converted to 1,197,770 Equity Shares prior to the filing of the Red Herring Prospectus with the RoC

- (b) Our top 10 Shareholders as on 10 days prior to the date of filing of this Draft Red Herring Prospectus are as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Rajendra Gandhi	18,184,621	96.21
2.	Sunita Rajendra Gandhi	259,300	1.37
3.	SCI	228,089	1.21
4.	SCI-GIH	228,089	1.21
5.	Neha Gandhi	1	0.00
	Total	18,900,100	100.00

- (c) Our top 10 Shareholders two years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Rajendra Gandhi	18,184,622	96.21
2.	Sunita Rajendra Gandhi	259,300	1.37
3.	SCI	228,089	1.21
4.	SCI-GIH	228,089	1.21
	Total	18,900,100	100.00

7. **Details of Equity Shares held by our Directors and Key Management Personnel in our Company**

Other than as set out below, none of our Directors or Key Management Personnel hold Equity Shares as of the date of this Draft Red Herring Prospectus.

Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
Rajendra Gandhi	18,184,619	73.57	[●]
Neha Gandhi	1	0.00	[●]
Senthil Kumar R	1	0.00	[●]
Venkitesh N	1	0.00	[●]

8. The BRLMs and their respective associates as per Companies Act 2013, do not hold any Equity Shares as of the date of this Draft Red Herring Prospectus.
9. Except as disclosed in this Draft Red Herring Prospectus, our Company has not made any bonus issue of any kind or class of securities since incorporation. For further details see, “-Share Capital History of our Company” on page 67.
10. Our Company has not allotted Equity Shares pursuant to the scheme of amalgamation approved under Section 391-394 of the Companies Act, 1956 or as under Section 230 and 231 of the Companies Act, 2013.
11. Our Company has not made any public issue of any kind or class of securities since its incorporation.
12. **Employee Stock Option Plans**

Our Company, pursuant to the resolution passed by our Board and our Shareholders’ resolutions dated July 10, 2018 and September 10, 2018 respectively adopted the ESOP Plan. Pursuant to the ESOP Plan, options to acquire Equity Shares may be granted to Eligible Employees (as defined in the ESOP Plan). The aggregate number of Equity Shares, which may be issued under ESOP Plan, shall not exceed 813,000 Equity Shares. The ESOP Plan is in compliance with

the SEBI ESOP Regulations. As on date of this Draft Red Herring Prospectus, our Company has not granted any options under the ESOP Plan.

13. Our Company has not made any rights issue of any kind or class of securities since its incorporation.
14. Except as disclosed below, none of our Directors and their immediate relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI and none of the members of our Promoter Group and their immediate relatives purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.

Name of the Transferor	Name of the Transferee	Date of Transfer	Number of Equity Shares	Price per Equity Share (₹)	Aggregate Consideration (₹)	Percentage of the pre- Offer Capital
Rajendra Gandhi	Neha Gandhi	September 11, 2018	1	10	10	0.00
Rajendra Gandhi	Senthil Kumar R	September 21, 2018	1	10	10	0.00
Rajendra Gandhi	Venkitesh N	September 21, 2018	1	10	10	0.00

15. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is seven.
16. Neither our Company nor our Directors have entered into any buy-back and/ or standby arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not made any buy-back and/ or standby arrangements for purchase of Equity Shares from any person.
17. All Equity Shares issued pursuant to the Offer will be fully paid up at the time of Allotment and there are no partly paid up Equity Shares as on the date of the Draft Red Herring Prospectus.
18. An oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearest multiple of minimum Allotment lot while finalising the Basis of Allotment.
19. There have been no financing arrangements whereby our Promoters, the members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.
20. Our Company presently does not intend or propose or is under negotiation or consideration to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under this Offer; and (b) the issuance of Equity Shares to employees pursuant to the ESOP Plan.
21. The Offer is being made through the Book Building Process wherein at least 75% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer will be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category (other than the QIB Category), would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. All potential investors, other than Anchor Investors, are mandatorily required to utilise the ASBA process by providing details of their respective bank accounts which will be blocked by the SCSBs, to participate in this Offer. For details, see “Offer Procedure” on page 326.
22. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at

the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange.

23. The BRLMs and their affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and/ or our Subsidiaries, for which they may in the future receive customary compensation.
24. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
25. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
26. Except for the sale of the Offered Shares in the Offer for Sale, our Promoters or the members of the Promoter Group will not submit Bids or participate in the Offer.
27. Except as disclosed in this Draft Red Herring Prospectus, our Company has neither acquired any entity, business or undertaking nor undertaken any merger, amalgamation or revaluation of assets.
28. None of the Equity Shares held by the members of our Promoter Group are pledged or otherwise encumbered. None of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered.
29. No person connected with the Offer, including, but not limited to, the BRLMs, our Company, the Selling Shareholders, Promoter, Promoter Group, the members of the Syndicate, our Company or the Directors shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
30. No payment, direct or indirect benefit in the nature of discount, commission and allowance or otherwise shall be offered or paid either by our Company or our Promoters to any person in connection with making an application for or receiving any Equity Shares pursuant to this Offer.
31. Except as disclosed in “– *Share capital history of our Company – (a) Equity share capital*” and “– *Share capital history of our Company – (b) Class A Equity Share Capital*”, as of the date of this Draft Red Herring Prospectus, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares.
32. Our Company shall ensure that transactions in the Equity Shares by the Promoters between the date of registering the Red Herring Prospectus with the RoC and the Bid/Offer Closing Date, if any, shall be reported to the Stock Exchanges within 24 hours of such transaction.
33. Except for the Fresh Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be. Provided, this will not apply to issuance of Equity Shares pursuant to the conversion of CCDs and the reclassification of Class A Equity Shares prior to the filing of the Red Herring Prospectus with the RoC.

OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue and the Offer for Sale.

Offer for Sale

Each of the Selling Shareholders will be entitled to their respective portion of the proceeds from the Offer for Sale. Our Company will not receive any proceeds from the Offer for Sale. All fees and expenses in relation to the Offer other than the listing fees (which shall be borne by our Company) shall be shared amongst our Company and the Selling Shareholders in proportion to the Equity Shares being offered or sold by them, respectively, pursuant to the Offer and in accordance with applicable laws. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders in relation to their respective portion of the Offer for Sale, and the Selling Shareholders agree that they will reimburse our Company for all such expenses, upon successful completion of the Offer, in accordance with applicable laws.

Objects of the Fresh Issue

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards funding the following objects:

1. Repayment/pre-payment, in full or part, of certain borrowings availed by our Company; and
2. General corporate purposes.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities (ii) to undertake the activities proposed to be funded from the Net Proceeds, as well as the activities towards which the loans proposed to be repaid from the Net Proceeds were utilised. Further, our Company expects that the listing of the Equity Shares will enhance our visibility and our brand image among our existing and potential customers.

Net Proceeds

The details of the proceeds from the Fresh Issue are summarized in the following table:

Particulars	Estimated amount (in ₹ million)
Gross proceeds of the Fresh Issue ⁽¹⁾	1,450.00
(Less) Fresh Issue expenses ⁽¹⁾	[•]
Net Proceeds of the Fresh Issue(the “Net Proceeds”)	[•]

⁽¹⁾ To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC

Requirement of Funds, Schedule of Implementation and Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

Particulars	Amount (in ₹ million)
Repayment/ pre-payment, in full or part, of certain borrowings availed by our Company	1,100.00
General corporate purposes ⁽¹⁾	[•]
Total	[•]

⁽¹⁾ To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue

Utilisation of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(in ₹ million)

Particulars	Total estimated amount/ expenditure	Estimated Utilisation from Net Proceeds ⁽¹⁾	Estimated Utilisation from Internal Accruals	Estimated schedule of deployment of Net Proceeds in	
				Fiscal 2019	Fiscal 2020
Repayment/pre-payment, in full or part, of certain borrowings availed by our Company	1,100.00	1,100.00	-	1,100.00	-
General corporate purposes ⁽¹⁾	[•]	[•]	[•]	[•]	[•]
Total	[•]	[•]	[•]	[•]	[•]

⁽¹⁾ To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC

In the event of the estimated utilisation of the Net Proceeds in a scheduled Fiscal being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the objects during the respective periods stated

above due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) delay in procuring and operationalizing assets; (iv) timely completion of the Offer; (v) market conditions outside the control of our Company; and (vi) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

The deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions, which are subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. See “*Risk Factors - Our funding requirements and proposed deployment of the Net Proceeds of the Offer have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.*” on page 26. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For further details, see “*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds of the Offer have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.*” on page 26.

Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, if the actual utilisation towards any of the stated objects is lower than the proposed deployment, the balance remaining may be utilised towards future growth opportunities, and/or towards funding any of the other existing objects (if required), and/or general corporate purposes, subject to applicable laws.

Details of the Objects of the Offer

1. Repayment/ pre-payment of certain borrowings, in full or part, availed by our Company

Our Company has entered into various financial arrangements with banks, financial institutions and other entities. The loan facilities entered into by our Company includes borrowing in the form of, *inter alia*, term loans and working capital facilities. For further details, see “*Financial Indebtedness*” on page 294. As at September 24, 2018 the amount outstanding under our fund based loan facilities was ₹1,110.03 million. Our Company proposes to utilise an estimated amount of ₹1,100.00 million from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by our Company. Our Company may avail further loans after the date of this Draft Red Herring Prospectus.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Accordingly, our Company may utilise the Net Proceeds for part prepayment of any such refinanced facilities or repayment of any additional facilities obtained by it. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, would not exceed ₹1,100.00 million. We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness, debt servicing costs and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The following table provides details of the borrowings availed by our Company, which are currently proposed to be fully or partially repaid or pre-paid from the Net Proceeds:

S. No.	Name of the Lender	Nature of Borrowing and date of the Sanction Letter/Document	Purpose ⁽¹⁾	Amount Sanctioned ⁽¹⁾	Amount Outstanding as at September 24, 2018 ⁽¹⁾	Interest Rate	Repayment Date / Schedule	Pre-payment penalty
(in ₹ million)								
1.	South Indian Bank Limited	Cash credit open loan and term loan facilities pursuant to sanction letter dated September 26, 2017 and a loan agreement dated October 30, 2017	Our Company has availed this loan to meet its working capital requirement and for business development	Cash Credit: 100.00 Term loan: 125.00	223.69	Effective rate of interest - 11% p.a.	The facilities are repayable on demand and the term loan is repayable in 60 equated monthly instalments	2% on the prepaid amount Pre-closure charges of 2% and 3% on the outstanding amount plus undisbursed limit if closed through own funds and by

S. No.	Name of the Lender	Nature of Borrowing and date of the Sanction Letter/Document	Purpose ⁽¹⁾	Amount Sanctioned ⁽¹⁾	Amount Outstanding as at September 24, 2018 ⁽¹⁾	Interest Rate	Repayment Date / Schedule	Pre-payment penalty
				(in ₹ million)				
								way of takeover, respectively
2.	Standard Chartered Bank	Working capital facility (overdraft and pre-shipment financing under export order) pursuant to loan agreement dated May 9, 2008 and sanction letters dated December 10, 2015	Our Company availed this loan to meet its working capital requirements	500.00*	358.34	Effective interest rate overdraft - 12.50% p.a., Pre-shipment financing under export order- 12% p.a.	Repayable on demand	Nil
3.	State Bank of India	Cash credit facility pursuant to sanction letter dated February 23, 2018	Our Company availed this loan to meet its working capital requirements	378.00	371.82	Effective rate of interest - 15.15% p.a.	Repayable on demand	Nil
4.	Tata Capital Financial Services	Master invoice discounting facility agreement dated August 31, 2018	Our Company availed this loan to meet its working capital requirements	200.00	156.18	11.25% p.a.	Each sales invoice discounted is to be adjusted on or before due date from date of discounting	2% if the funds are from internal sources, and 3% if the funds are by way of takeover by some other lender
Total Amount Outstanding as on September 24, 2018				1,303.00	1,110.03 ⁽²⁾			

*Includes an overdraft facility. The total aggregate amount of the combined facility and its sub limits shall not exceed ₹ 500 million

(1) As certified by Mishra & Co., Chartered Accountants (Membership Number: 223157) pursuant to certificate dated September 26, 2018. Further, Mishra & Co., Chartered Accountants, have confirmed that these borrowings have been utilised for the purposes for which they were availed, as provided in the relevant borrowing documents

Our Company may consider the following factors for identifying the loans that will be repaid out of the Net Proceeds:

- (i) Costs, expenses and charges relating to the facility including interest rates involved;
- (ii) Presence of onerous terms and conditions under the facility;
- (iii) Ease of operation of the facility;
- (iv) Levy of any prepayment penalties and the quantum thereof;
- (v) Provisions of any law, rules, regulations governing such borrowings;
- (vi) Terms of pre-payment to lenders, if any;
- (vii) Mix of credit facilities provided by lenders; and
- (viii) Other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan.

In the ordinary course of business, due to various operational benefits, our Company may explore possibilities of other banks participating in existing loans either in full or in part, including the loans mentioned above. One of our financing facilities provide for the levy of prepayment penalties. Given the nature of these borrowings and the terms of prepayment, the aggregate outstanding loan amounts may vary from time to time. In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing agreements, such prepayment penalties shall be paid by our Company out of its internal accruals. We will take such provisions also into consideration while deciding repayment and/ or pre-payment of loans from the Net Proceeds.

2. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds of the Fresh Issue, in compliance with Regulation 4(4) of the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include sales, capital expenditure, meeting our working capital requirements, marketing and business development expenses, expansion of facilities and meeting exigencies and expenses incurred by our Company in the ordinary course of business. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount in the next Fiscal.

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million. The Offer related expenses include fees payable to the BRLMs and legal counsel, fees payable to the auditors, brokerage and selling commission, commission payable to Registered Brokers, SCSBs' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. The break-up of the Offer expenses is as follows:

Activity	Estimated expenses ⁽¹⁾⁽⁵⁾ (in ₹ million)	As a % of the total estimated Offer expenses ⁽¹⁾	As a % of the total Offer size ⁽¹⁾
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs ⁽²⁾ and Bankers to the Offer	[●]	[●]	[●]
Brokerage and selling commission for members of Syndicate, and Registered Brokers, RTAs and CDPs ⁽³⁾	[●]	[●]	[●]
Registrar to the Offer	[●]	[●]	[●]
Other advisors to the Offer	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, BSE & NSE processing fees, book building software fees	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) To be incorporated in the Prospectus post finalisation of the Offer Price

(2) SCSBs will be entitled to a processing fee of ₹ [●] per ASBA Form for processing the ASBA Forms procured by members of the Syndicate, Brokers, sub-syndicate/agents, Registered Brokers, RTAs or CDPs and submitted to the SCSBs

(3) Registered Brokers will be entitled to a commission of ₹ [●] per every valid ASBA Form submitted to them and uploaded on the electronic bidding system of the Stock Exchanges

(4) Members of syndicate, RTAs, CDPs and SCSBs (for the forms directly procured by them) will be entitled to selling commission as below:

- Portion for Retail Individual Bidders: [●]% of the Amount Allotted*

- Portion for Non-Institutional Bidders: [●]% of the Amount Allotted*

* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price

Note: All of the above are exclusive of applicable taxes

(5) The commissions and processing fees shall be payable within 30 Working Days post the date of the receipt of the final invoices of the respective intermediaries by the Company

Means of finance

The fund requirements set out for the aforesaid objects of the Offer are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals as required under the SEBI ICDR Regulations.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, our Company will deposit the Net Proceeds only with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board or IPO Committee. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the shares of any other listed company.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

Our Company has appointed [●] as the monitoring agency in accordance with Regulation 16 of the SEBI ICDR Regulations. Our Board and the monitoring agency will monitor the utilisation of the Net Proceeds, and submit the report required under Regulation 16(2) of the SEBI ICDR Regulations.

Our Company will disclose the utilisation of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilised. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Kannada, being the local language of the jurisdiction where the Registered Office is situated in accordance with the Companies Act and applicable rules. Our Promoters or controlling shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, in accordance with our AoA, and the SEBI ICDR Regulations.

Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any bank/financial institution

Other Confirmations

No part of the Net Proceeds will be paid by us as consideration to our Promoters and Promoter Group, the Directors, Key Management Personnel, except in the normal course of business and in compliance with applicable law.

Our Company has not entered into and is not planning to enter into any arrangement/agreements with Promoters, Promoter Group, Directors, Key Management Personnel, Associate and Group Company in relation to the utilisation of the Net Proceeds. Further there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price. Investors should also refer to “Our Business”, “Risk Factors” and “Financial Statements” on pages 114, 14 and 161, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

- A one stop shop for well recognized, award winning portfolio of kitchen solutions brands with a diverse range of products across consumer preference;
- Widespread, well connected distribution network with a presence across multiple retail channels and a dedicated after-sales network;
- Strong manufacturing capability with efficient backward integration;
- Consistent focus on quality and innovation;
- Professional management with successful track record and extensive experience in the kitchen solutions industry, and a young and dynamic workforce; and
- Strong track record and financial stability.

For further details, see “Our Business - Competitive Strengths” and “Risk Factors” on pages 115 and 14, respectively.

Quantitative Factors

Some of the information presented below relating to our Company is based on the Restated Financial Statements prepared in accordance with Indian AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations. For details, see “Financial Statements” on page 162.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Consolidated Basic and Diluted Earnings Per Share (“EPS”)

Fiscal	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
2016	(23.31)	1	(23.31)	1
2017	(10.17)	2	(10.17)	2
2018	(6.74)	3	(6.74)	3
Weighted Average	(10.65)		(10.65)	

Note:

1. The EPS calculations have been done in accordance with Accounting Standard 20 – “Earnings per Share” issued by ICAI
2. The face value of each Equity Share is ₹ 10
3. The ratios have been computed as below:
 - a. Basic EPS (in ₹) = Net profit, after tax, as restated for the year/ period, attributable to equity shareholders/ Weighted average number of equity shares outstanding during the year/ period
 - b. Diluted EPS (in ₹) = Net profit, after tax, as restated for the year/ period, attributable to equity shareholders/ Weighted average number of dilutive equity shares outstanding during the year/ period
4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the fiscal
5. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each fiscal] / [Total of weights]

2. Standalone Basic and Diluted Earnings per Share (“EPS”)

Fiscal	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
2016	(23.32)	1	(23.32)	1
2017	(10.19)	2	(10.19)	2
2018	(6.76)	3	(6.76)	3
Weighted Average	(10.66)		(10.66)	

3. Price/ Earning (“P/ E”) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share

- (a) P/ E based on basic and diluted EPS for the year ended March 31, 2018 at the lower end of the Price Band are [●] and [●], respectively.
- (b) P/ E based on basic and diluted EPS for the year ended March 31, 2018 at the higher end of the Price Band are [●] and [●], respectively.
- (c) Industry P/ E ratio

Particulars	P/ E
Highest	94
Lowest	28
Average	51

Note: The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/ E of the industry peer set disclosed in this section

4. Consolidated Return on Net Worth (“RoNW”)

Fiscal	RoNW (%)	Weight
2016	(29.88%)	1
2017	(11.58%)	2
2018	(7.14%)	3
Weighted Average*	(12.41%)	

Note:

RoNW = Net profit after tax, as restated for the year/ period, attributable to equity shareholders/ Net worth (excluding revaluation reserve), as restated, at the end of the year/ period

** Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]*

Standalone Return on Net Worth (“RoNW”)

Fiscal	RoNW (%)	Weight
2016	(30.06%)	1
2017	(11.63%)	2
2018	(7.17%)	3
Weighted Average*	(12.47%)	

5. Minimum Return on Increased Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2018

- (a) Based on Basic EPS of ₹ [●], for the year ended March 31, 2018:
- At the Floor Price – [●]
- At the Cap Price – [●]
- (b) Based on Diluted EPS of ₹ [●], for the year ended March 31, 2018:
- At the Floor Price – [●]
- At the Cap Price – [●]

6. Net Asset Value (“NAV”) per Equity Share

Financial year ended	Restated Consolidated Financial Information (₹)
As on March 31, 2018	(94.53)
Offer Price	[●]
After the Offer	[●]
• At the Floor Price	[●]
• At the Cap Price	[●]

Note:

NAV = Net Asset Value, as restated, at the end of the period/ year/ Number of equity shares outstanding at the end of the year/ period

7. Comparison with Listed Industry Peers

S.No.	Name of the company	Face Value (₹)	Closing price on Sep 26, 2018 (₹) ⁽¹⁾	Revenue for Financial Year 2018 (₹ in million) ⁽²⁾	EPS (₹)		NAV ⁽⁴⁾ (₹ per share)	P/E ⁽⁵⁾	RoNW ⁽⁶⁾ (%)
					Basic	Diluted ⁽³⁾			
1.	Our Company	10.0	-	5,289.52	(6.74)	(6.74)	(94.53)	-	(7.14)
2.	Peer Group								
3.	TTK Prestige	10.0	6,421.25	18,713.5	227.46	227.46	882.75	28	25.8
4.	Hawkins Cookers	10.0	2,984.45	5,566.1	92.06	92.06	207.69	32	44.3
5.	Butterfly Gandhimathi Appliances	10.0	264.55	5,493.1	2.82	2.82	100.79	94	2.7

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the annual reports of the respective company for the Financial Year 2018

Note:

1. Closing price refers to price on BSE on Sep 26, 2018
2. Revenue refers to revenue from operations for FY2018
3. Diluted EPS refers to the diluted EPS sourced from the audited financial results of the respective company for the Financial Year 2018
4. NAV is computed as the net profit after tax divided by closing net worth. Net worth is computed as a sum of share capital and reserves and surplus
5. P/E ratio has been computed based on the closing market price of equity shares on BSE on Sep 17, 2018, divided by the diluted EPS provided under note 3
6. Return on Net Worth is computed as net profit after tax divided by closing net worth. Net worth has been computed as a sum of share capital and reserves and surplus

8. The Offer Price will be [●] times of the face value of the Equity Shares

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with “Our Business”, “Risk Factors” and “Financial Statements” on pages 114, 14 and 161, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in “Risk Factors” and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

STATEMENT OF SPECIAL DIRECT TAX BENEFITS

To,
The Board of Directors
Stove Kraft Limited
(Formerly known as “Stove Kraft Private Limited”)
81/1, Medamarana Halli Village,
Harohalli Hobli, Kanakapura Taluk,
Harohalli – 562112,
Karnataka, India

Dear Sirs,

Sub: Statement of possible special direct tax benefits available to Stove Kraft Limited (“the Company”) and its shareholders.

We refer to the proposed issue of the shares of Stove Kraft Limited (“the Company”). We enclose herewith the statement showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Income-tax Act 1961, as applicable to the assessment year 2019-20 relevant to the financial year 2018-19 for inclusion in the Draft Red Herring Prospectus (“DRHP”), Red Herring Prospectus (“RHP”) and Prospectus (collectively, the “Offer Documents”) for the proposed issue of shares / offer for sale.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act 1961. Hence the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance whether:

- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the Offer Documents for the proposed public issue / offer for sale of shares which the Company intends to submit to the Securities and Exchange Board of India, the Registrar of Companies and the Stock Exchange(s) provided that the below statement of limitation is included in the offer document.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We

do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

This statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the Issue).

Yours faithfully,

**For Deloitte Haskins & Sells
Chartered Accountants**

(Firm Registration Number: FRN 008072S)

Subramanian Krishnamani

Partner

(Membership No.: 206440)

Place: Bangalore

Dated: 26 September 2018

STATEMENT OF SPECIAL DIRECT TAX BENEFITS AVAILABLE TO STOVE KRAFT LIMITED AND ITS SHAREHOLDERS

I. Special tax benefits available to the Company

1. Claim for Additional Depreciation

- Under Section 32(1)(iia) of the Act, the Company (being a company engaged in the business of manufacture or production of any article or thing or in the business of generation, transmission or distribution of power) is entitled to claim additional depreciation of a sum equal to 20% of the actual cost of any new machinery or plant that is acquired and installed after March 31, 2005 by the Company (other than ships and aircrafts) subject to conditions specified in said section of the Act.

2. Deductions from Gross Total Income

- Deduction in respect of employment of new employees

Subject to the fulfillment of prescribed conditions, the Company is entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA.

3. Exemptions under section 10 of the Act

The share of profits of the Company in the partnership firm is exempted from income-tax in the hands of the Company under section 10(2A) of the Act.

II. Special tax benefits available to Shareholders

Apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits for shareholders

NOTES:

1. The above benefits are as per the current tax law as amended by the Finance Act, 2018.
2. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.
3. Surcharge is to be levied on domestic companies at the rate of 7% where the income exceeds INR one crore but does not exceed INR ten crores and at the rate of 12% where the income exceeds INR ten crores.
4. Health and Education Cess @ 4% on the tax and surcharge is payable by all category of tax payers.
5. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is obtained or extracted from “Kitchen Appliances Market in India” dated August 1, 2018 prepared and issued by F&S the “F&S Report”) on our request. Neither we nor any other person connected with the Offer have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Unless noted otherwise, the information in this section is obtained or extracted from F&S Report on our request.

1. INTRODUCTION

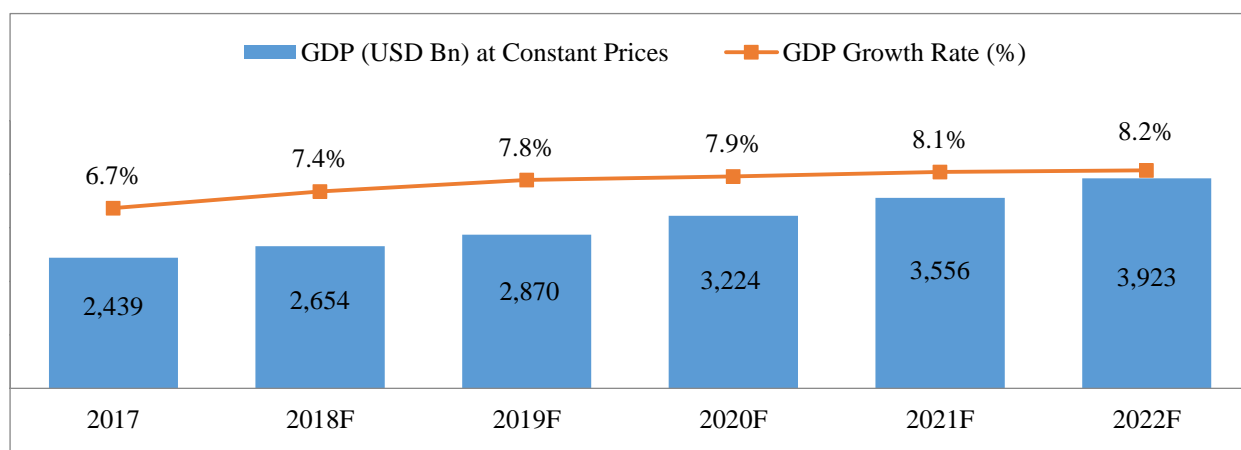
- 1.1** Globally, the kitchen appliances market comprises instruments or devices designed for smooth functioning of kitchen activities. Kitchen appliances are used mainly for food preparation, cooking, storage and cleaning functions. The Global Kitchen Appliances Market is expected to touch \$253.4 billion by 2020, registering a CAGR of 6.4% during the forecast period 2014-2020.
- 1.2** The global kitchen appliances market can be segmented based on product structure into two categories - ‘Large/Major appliances’ which include refrigerator, dishwasher, microwaves, cooktops, ovens, hobs, and kitchen chimneys; and ‘Small/Minor appliances’ which include food processors, mixer grinders, blenders and juicers, coffee machines, kettles, grills and fryers.

2. INDIA’S GROWTH STORY: FAVORABLE MACROECONOMIC INDICATORS

2.1 Expected GDP growth and rise in population will affect the consumer dynamics in the country:

The long-term growth prospective of the Indian economy is positive due to its young population, corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. With its Gross Domestic Product (GDP) growth averaging 7.5 % between 2014-15 and 2016-17, India can be rated as among the best performing emerging economies in the world.

2.2 Exhibit 1: India GDP and its Growth Rate, 2017-2025 (Value in \$ billion and % respectively)



Source: Frost & Sullivan analysis

In India, during FY 2016-17, Net National Income (NNI)³, was INR 1,03,219 and in FY 2017-18, it is estimated to grow by 8.3% to reach INR 1,11,782. The country has already become world's third largest economy on PPP (Purchasing Power Parity) after the United States and China. India has been registering strong GDP growth and is expected to continue the momentum. Its middle class population is also growing, which presents vast opportunities for a multitude of products including kitchen appliances.

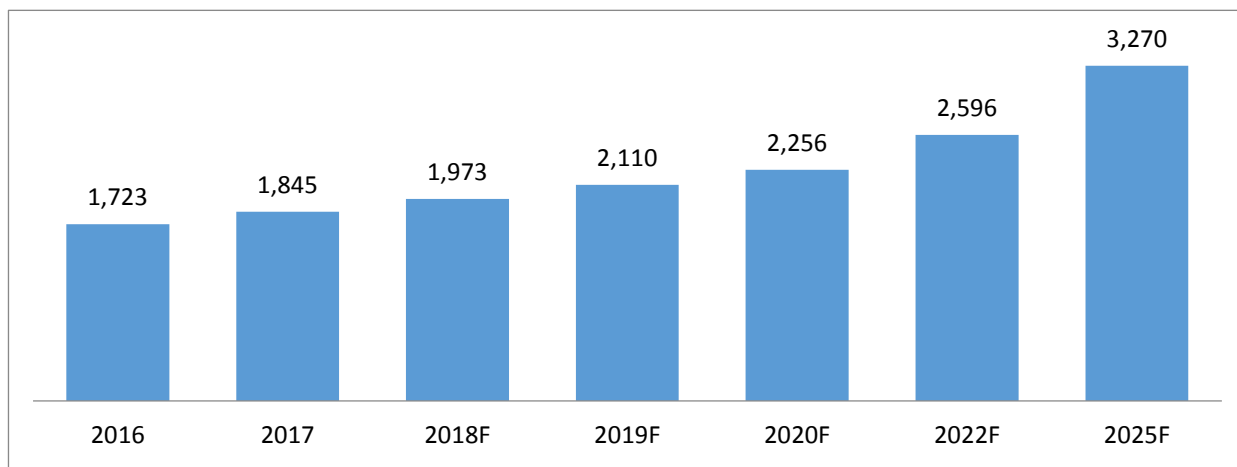
³ Net National income (NNI) is defined as gross domestic product plus net receipts of wages, salaries and property income from abroad, minus the depreciation of fixed capital assets (dwellings, buildings, machinery, transport equipment and physical infrastructure) through wear and tear and obsolescence.

2.3 Growing Income of Indian Nationals:

- 2.3.1 India's GDP Per Capita reached US \$ 1,975 in March 2018, compared with US \$ 1,752 in March 2017. As per latest data of the World Economic Outlook report of the International Monetary Fund (IMF), which ranks over 200 countries across the world in terms of their respective per capita GDP based on purchasing power parity (PPP), India has moved up one position to rank 126 among the countries listed by IMF.

Source: <https://www.livemint.com/Money/5MFOB8LIF5NMPYcGAnTZpI/India-up-one-place-on-Per-Capita-GDP-terms-to-126-Qatar-No.html>

Exhibit 2: Per Capita Gross National Disposable Income (in US \$)



(5) Note: The fiscal years refer to year ending in March

(6) Source: Ministry of Statistics and Programme Implementation, ASSOCHAM and Frost & Sullivan analysis

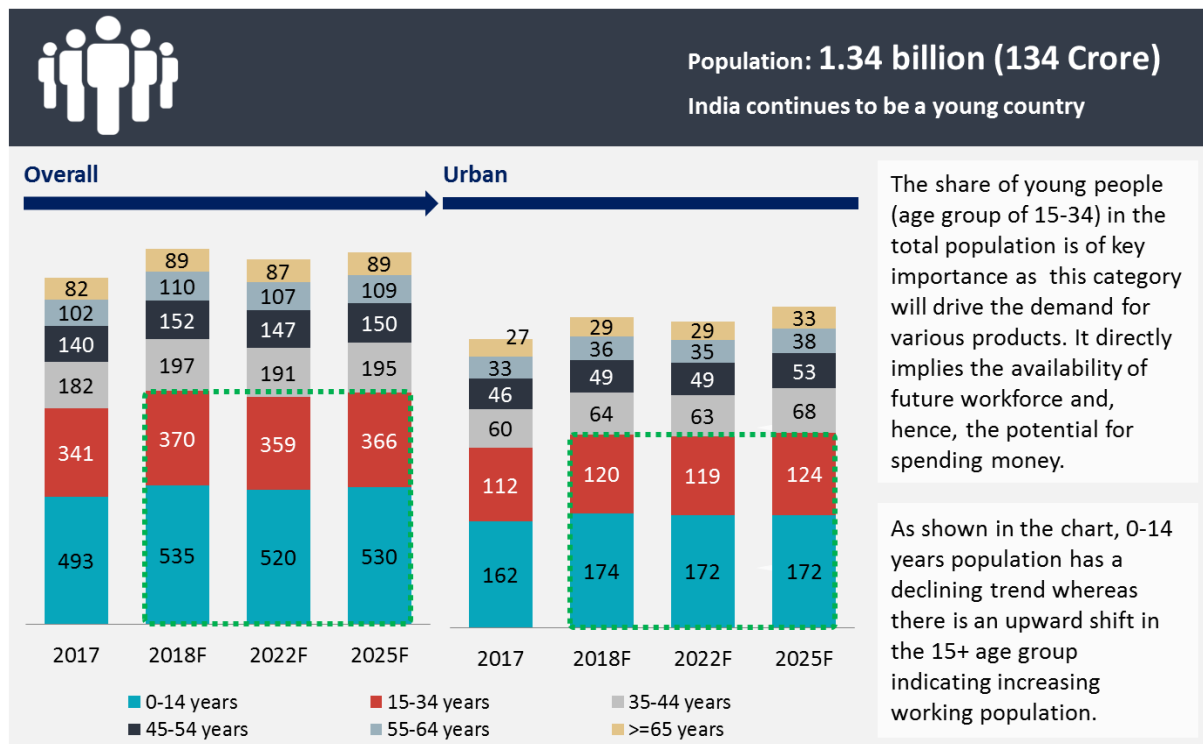


Increase in the overall per capita income has resulted in the rise of per capita disposable income in the country; is expected to grow at a CAGR of 7% until 2025.

Tier-II and tier-III cities will be the upcoming high disposable-income cities with greater purchasing power parity, high Internet penetration, and increasingly brand-conscious young population.

- 2.3.2 Increasing proportion of working population and younger age group in India is expected to intensify use of technology and seek convenience while shopping:

Exhibit 3: India Population Trends, 2017-2025F



- (7) Note: The fiscal years refer to year ending in March
(8) Source: Health Nutrition and Population Statistics

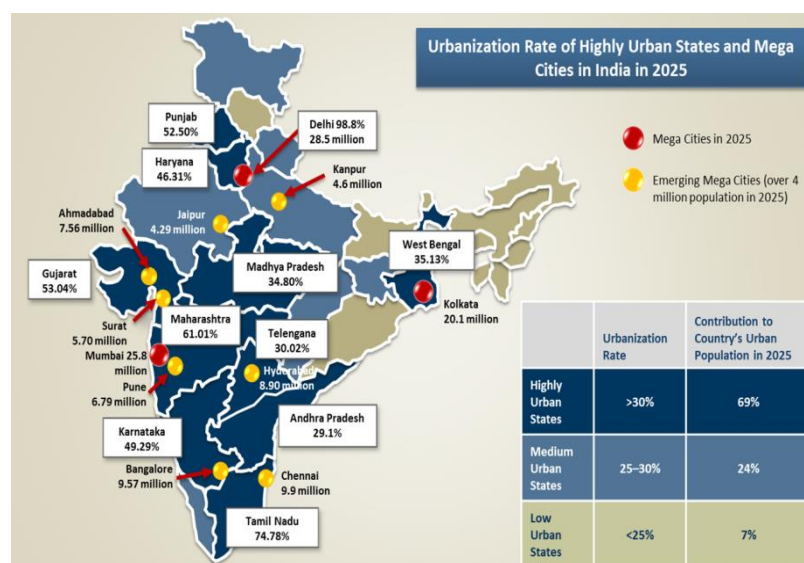
2.3.3 India has a relatively young demographic profile, with a median age of 27.3 years; 850 million of the country's population will be in the age group of 35 years or below, making India the globe's youngest population by 2020. And, these Indian millennials are all set to take the centerstage in consumer markets and redefine India's consumption story with their increasing representation (currently 47%) in the working age population.

2.3.4 As per a recent ASSOCHAM study, tier-II and tier-III cities would be the upcoming high disposable income cities with greater purchasing power parity, higher Internet penetration and an increasingly brand-conscious young population

Growing Urbanization in India:

2.3.5 There has been a drastic increase in urban towns and cities in the country over the past five years. Almost 10 million people migrate to cities and towns every year. The urban population as a percentage of India's total population is estimated to increase from the current 32.8% (2017) to 35% by 2020, in turn driving greater exposure to modern amenities. (Source: <http://www.worldometers.info/world-population/india-population/>)

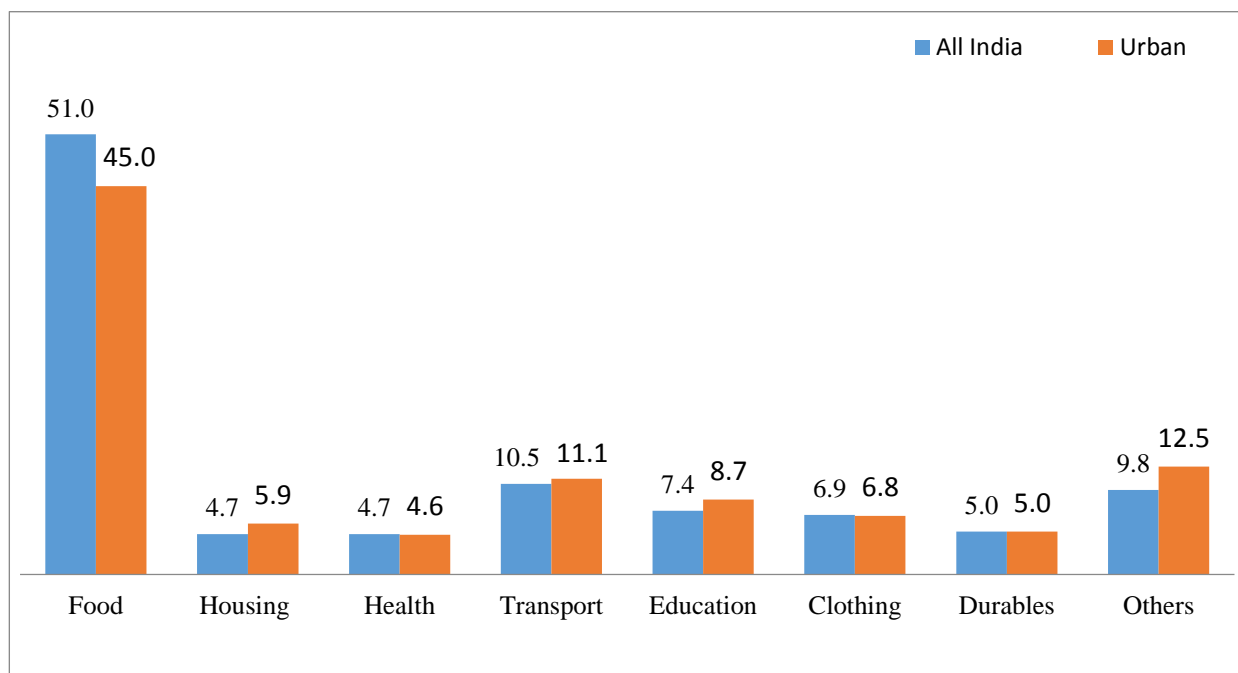
Exhibit 5: Rate of Urbanization in India: 2017-2025F



Source: Frost & Sullivan analysis

- 2.3.6 Apart from changing lifestyles and working styles urbanization has led to growth in the organized retail sector; this in turn has led to change in consumer buying behavior.

Exhibit 6: Average percentage expenditure by households in India, 2017



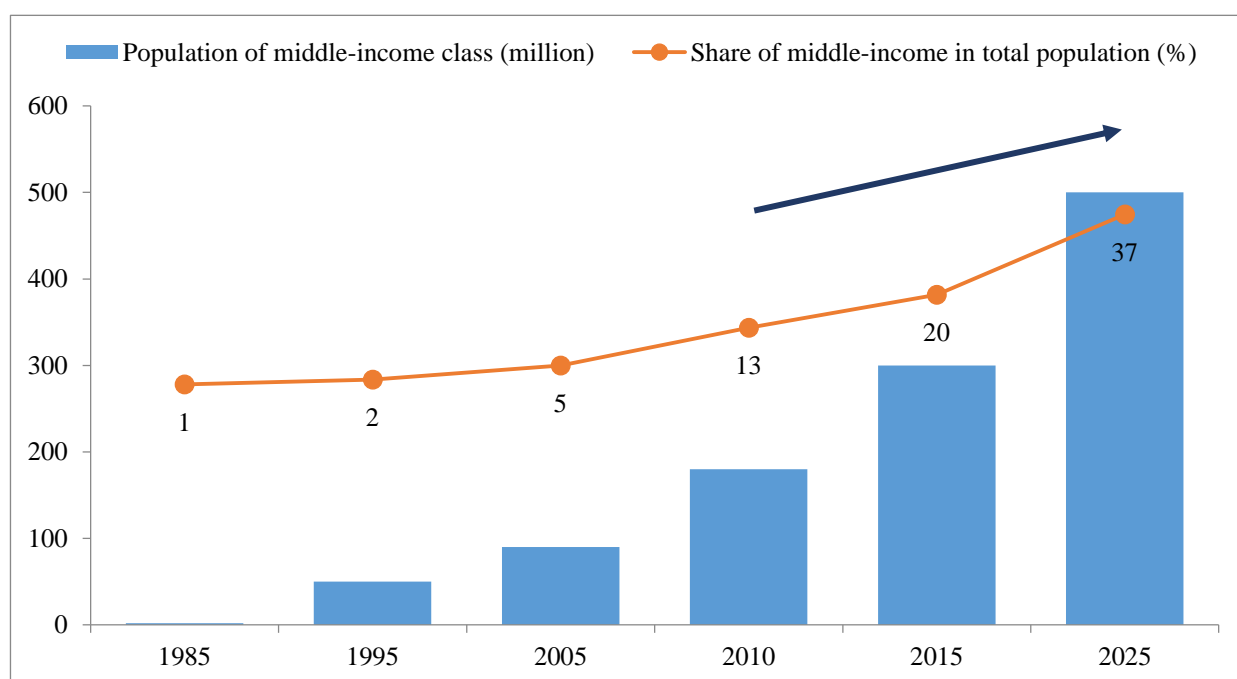
Source: Frost & Sullivan analysis

- 2.3.7 Increase in the overall per capita income has resulted in the rise of per capita disposable income in the country, which is expected to grow at a CAGR of 7% until 2025. Tier-II and tier-III cities will be the upcoming high disposable-income cities with greater purchasing power parity, high Internet penetration, and increasingly brand-conscious young population.

3. RISE OF THE INDIAN MIDDLE CLASS LEADING TO CHANGING CONSUMER BEHAVIOR

- 3.1 According to NCAER (National Council of Applied Economic Research), India's middle class population was 267 million (53 million households) in 2016. Further ahead, by 2025-26 the number of middle class households in India is likely to more than double from the 2015-16 levels to 547 million individuals (or 113.8 million households) representing about 37% of India's population.

Exhibit 7: Middle Class population in India, 1985-2025



Source: NCAER

- 3.2 By 2025, India is expected to rise from the 12th to the 5th largest consumer durables market in the world.

Exhibit 8: Indian Households, by income (in US \$ '000)



(9) Note: Income distribution is calculated in constant 2015 dollars; \$1=INR 65. Because of rounding not all % add up to 100
Source: Goldman Sachs Group. BCG CCI Proprietary income database

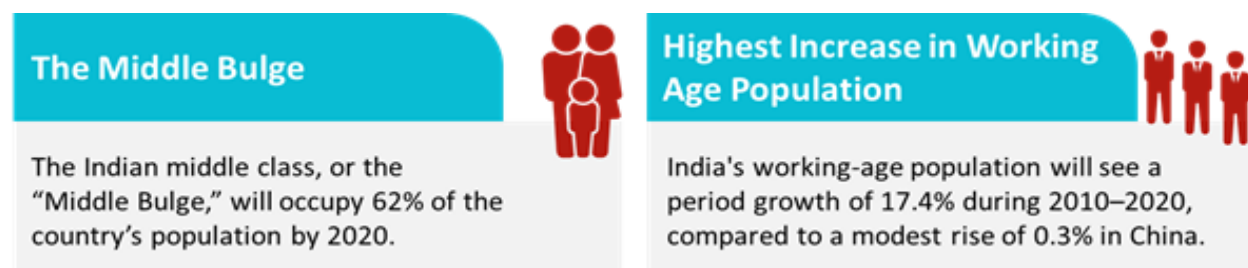
- 3.3 Key driver of growth for the Indian consumer appliances market is the country's burgeoning middle class population, along with a relatively small proportion of its affluent class. This growth in India's consumer market demand is driven primarily by rising disposable incomes in Indian households, and easy access to credit which induces a growing purchasing power. Increasing electrification of rural areas, along with rising influence of social media and popularity of online sales are also likely to aid growth in demand. Around two-thirds of the total revenue is generated from urban population and rest is generated from rural population.

Exhibit 9: Annual Growth (%) in Indian consumer's Household spending (2004-05 prices)

Consumption categories	FY 94 to FY 05	FY 05 to FY 15	FY 15 to FY 21
Food	3.0	4.2	5.3
Apparel & Footwear	3.3	6.1	6.2
Healthcare	7.1	8.2	8.3
Education	11.5	8.9	8.9
Conveyance	8.7	9.1	9.1
Non-food FMCG	4.9	4.1	5.0
Durable goods	9.8	10.1	10.3
Consumer services	10.6	6.8	6.9
Others	8.4	5.8	6.8
Total	5.0	5.7	6.7

Source: Indian Consumer Market 2020 – Structure, Size, Growth and Intensity, Rajesh Shukla and Mridusmita Bordoloi, 2015, PRICE

Exhibit 10: Trend in the Indian Middle Class Population



Source: Frost & Sullivan analysis

- 3.4 In India, the greatest consumer spending in near future is expected to yield from the country's 'urban mass', which comprises 129 million working people with undergraduate degrees in non-labor intensive work, blue collar and migrant workers, with an annual average earning of over US \$3,200. The maximum consumer spending is likely to occur on food, housing, consumer durables, and transport and communication sectors.
- 3.5 Overall consumer spending in India is anticipated to grow at 14% (much higher than the anticipated annual global growth of 5.5%) and expand 3.6 times from US \$991 billion in 2010 to US \$3.6 trillion by 2020. By 2020, India will

constitute 5.8% of global consumption more than double the 2.7% it now represents. (Source: CMIE). Significant increase in disposable income and easy financing schemes have led to shortened product replacement cycles and evolving lifestyles where consumer durables, including kitchen appliances, are perceived as utility items rather than luxury possessions.

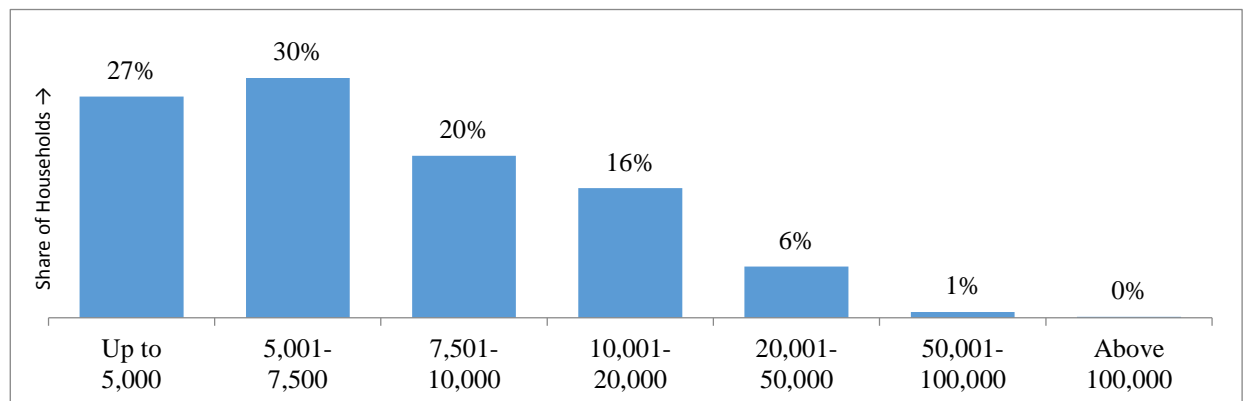
3.6 Rural India – The Emerging Consumer Market:

- 3.6.1 There has been considerable improvement in living standards of rural population since the last few decades and, India's per capita GDP in rural regions has grown at a Compound Annual Growth Rate (CAGR) of 6.2% since 2000.

Source: www.ibef.org

Exhibit 11: Distribution of average monthly income in households across rural India in 2015

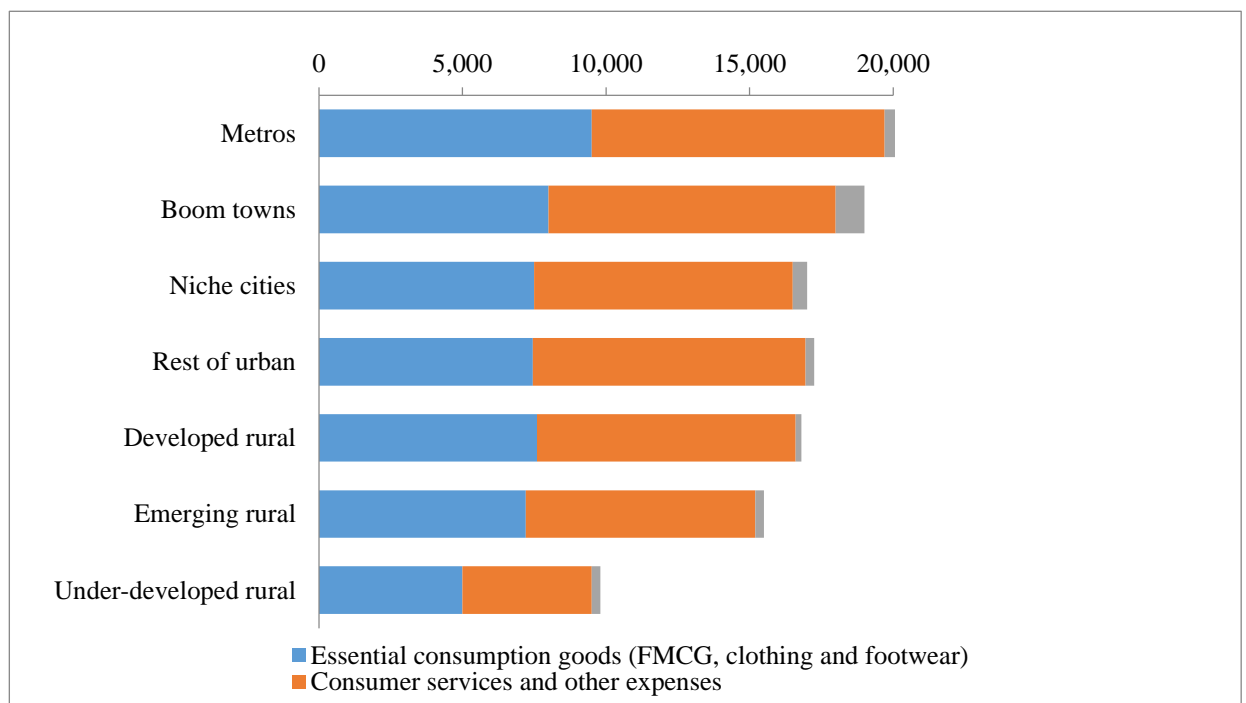
(in INR)



Source: www.statista.com

- 3.7 Recent researches have indicated that rural consumers are particularly aspiring or striving to purchase branded high quality products in their day-to-day living. Consequently, Consumer Appliances manufacturers in India are optimistic about growth of the country's rural consumer markets, which is expected to be faster than urban consumer markets.

Exhibit 12: Indian Consumer Spends: Types of Household Expenditures – Urban vs. Rural



- (10) Note: Consumer services include expenses on entertainment, conveyance, health, education, etc. Other expenses include Loan payments, remittances sent and non-routine expenditures such as those on weddings and house repairs. Consumer durables category includes down payment on vehicles purchased

4. INDIA GOVERNMENT'S POLICIES FAVOURABLE FOR THE CONSUMER APPLIANCES INDUSTRY

4.1 Implementation of Goods and Services Tax (GST) in 2017

- 4.1.1 As per current GST structure, the lower tax brackets of '5%', '12%' and '18%' are the standard rates for commonly used Indian kitchen items. The highest tax slab of 28% will be applicable to items, which were earlier taxed at 30-31% (excise duty plus VAT). GST places Large Domestic Appliances and Consumer durables category in the highest tax slab of 28%.

Exhibit 22: Tax Rate on Kitchen Goods and Appliances, after introduction of GST in 2017

5% GST	12% GST	18% GST	28% GST
<ul style="list-style-type: none"> LPG for Domestic Supply Household Copper articles Copper Utensils Steel Cutlery 	<ul style="list-style-type: none"> Aluminium utensils Aluminium counters and tables Kerosene Burner Kerosene Stoves of Iron and Steel Steel/Iron Small household articles Pressure Cooker Non-Stick Cookware 	<ul style="list-style-type: none"> LPG Stoves/Cooktops Aluminium Cans Aluminium Boxes Glass table-ware Ceramic table-ware Kitchen Bottles, Flasks Preserving jars of glass Small Kitchen Appliances 	<ul style="list-style-type: none"> Refrigerators Freezers Non-Electric Large Domestic Appliances

Source: <http://www.timesnownews.com/business-economy/gst-on-kitchen-appliances-know-your-new-tax-brackets/64619>

On the demand side, the GST aims to bring more transparency in the system as consumers will know the actual prices of the products they purchase.

4.2 Transformational Shift from 'Unorganized' to 'Organized' Sector in Indian manufacturing industries

On the supply side, implementation of GST aims at reducing several tax burdens on manufacturers and fosters their growth through more production. Key industry participants from the Indian manufacturing sector have acknowledged the introduction of GST is expected to be very beneficial to the organized industrial sector, and that it's a huge attempt by the government toward formalizing a large unorganized part of the manufacturing sector and the economy in general.

4.3 'Make in India' initiative:

The Indian manufacturing industry has emerged as one of the high growth sectors in India, and the launch of 'Make in India' initiative further propelled and gave this sector the necessary boost. To put more thrust on 'Make in India' drive, in the 2018 union budget, the government increased the basic custom duty on some key electronic items, which includes LED lamps, one of the product segments catered to essentially by Kitchen appliances manufacturing companies like Stove Kraft Limited.

Exhibit 23: Government impetus for 'Make in India' in Consumer Durables Sector:

Scheme/Policy	Benefits Available
Electronics Manufacturing clusters:	Subsidies on infrastructure cost to set up special manufacturing zones

⁴ The ICE 360° survey is representative at the level of economic clusters. Urban India has been divided into four clusters: Metros (population: more than 5 million), Boom towns (population: 2.5 to 5 million), Niche cities (population: 1 to 2.5 million) and other urban towns (population: less than 1 million). Based on a district development index, rural India has been sub-divided into three different clusters: 'Developed rural' category includes districts such as Bathinda (Punjab) and Kangra (Himachal Pradesh). 'Emerging rural' includes districts such as Latur (Maharashtra) and Kamrup (Assam), and 'under-developed rural' includes districts such as Kalahandi (Odisha) and Bastar (Chhattisgarh).

Scheme/Policy	Benefits Available
Modified Special Incentive Package Scheme (MSIPS):	Subsidy for investments in capital expenditure of 20% for investments in Special Economic Zones and 25% in non-special economic zones
Investment allowances and deductions:	Investment allowance (additional depreciation) at the rate of 15% to electronics manufacturing companies investing more than INR 250 million in plants and machinery. This benefit was available for three years, i.e. for investments made up to March 31, 2017.

Source: <https://www.ibef.org/industry/manufacturing-sector-india.aspx>

4.4 Foreign Direct investment (FDI) in India:

To fulfil its objective of reducing dependence on imports by 2020, the Govt. of India has allowed 100% FDI in the electronics hardware manufacturing sector through the automatic route and 51% FDI in Multi-brand retail. Under the automatic route in the ESDM (Electronic System Design & Manufacturing) sector, 100% FDI is allowed, with Special preference to foreign companies setting up manufacturing units in India. This proved to be a key attraction for foreign investors, and also enabled consumer appliance manufacturers, especially those in the Kitchen Appliances industry.

Some early instances of such acquisitions in the Indian kitchen appliances market are as follows:

- Phillips invest in Maya Appliance;
- Reliance Equity Advisors invest in Butterfly Gandhimathi
- In December 2017, 'Black & Decker', a wholly owned subsidiary of the listed American firm Stanley Black & Decker, expanded its licensing program to India, through a commercial tie up with Stove Kraft Limited., a leading Kitchen appliances maker in India.
- In mid-2017, TTK Prestige, another leading kitchen appliance manufacturer in India, launched UK based kitchen ware brand 'Judge', in India in an attempt to the less affluent consumer segment.
- Whirlpool to acquire Elica PB India
- Bajaj Electricals to acquire Nirlep Appliances
- Amicus Capital invests in Wonderchef

4.5 Increasing Residential Electricity Consumption in Indian households

Majority of kitchen appliances – both large and small types, are electricity driven; electricity consumption in Indian homes has tripled since 2000. The percentage of households with access to electricity has increased from 55% in 2001 to more than 80% in 2017

4.6 'Pradhan Mantri Ujjwala Yojana (PMUY)' - India Government's aim to provide clean cooking fuel to families that are below poverty line:

- 4.6.1 The scheme was initiated to persuade families who are under below poverty line to stop using firewood and other traditional cooking based on unclean cooking fuels or on fossil fuels, by providing free of cost LPG (cooking gas) connections to women from BPL Households.
- 4.6.2 Under this scheme the Indian Government initially made a target to provide 5 Crore LPG connections to under privileged women.
- 4.6.3 Launch of this scheme will also provide a great boost to the 'Make in India' campaign as the key manufacturers of cylinders, gas stoves, regulators, and gas hose are domestic.

Source: <http://www.pmujiwalayojana.com/about.html>

- 4.6.4 Cooktop gas oven manufacturers, like Stove Kraft Limited, perceive this increase in LPG users as an opportunity to grow their market size since increase in LPG users will directly garner more number of gas stove/cooktop users in the country.
- 4.6.5 One of the leading kitchen appliance manufacturers, Stove Kraft Limited, has partnered with oil and gas companies such as Indian Oil, HPCL and BPCL, as a co-branding initiative and provides cooktops with new gas connection for

any of these oil and Gas companies. ‘Pradhan Mantri Ujjwala Yojana’, has helped Stove Kraft Limited. to increase volume sales and also spread its reach into the country’s interiors.

5. THE INDIAN KITCHEN APPLIANCES MARKET ANALYSIS

5.1 Indian appliance and consumer electronics (ACE) market reached INR 2.05 trillion (US \$31.48 billion) in 2017. It is expected to increase at 9% CAGR to reach INR 3.15 trillion (US \$48.37 billion) in 2022. Urban markets account for the major share (65%) of total revenues in the consumer durables sector in India. The key ‘Large’ and ‘Small’ Cooking Appliances categories, which are covered in the scope of this report, the current market value is estimated at about INR 148.5 billion, which is set to reach INR 238.0 billion by end 2022, growing at a CAGR of about 9.9%.

5.2 The kitchen appliances industry has traditionally been skewed toward unorganized players while a handful of organized players have dominated major regions and key urban markets. Urban markets account for a major share of total revenues in the consumer durables sector in India whereas rural markets have only now begun to contribute recently.

5.3 Major players currently operating in the Indian kitchen appliances market include TTK Prestige, Stove Kraft Limited, Gandhimathi Appliances Ltd, Hawkins, Bajaj Electricals, Preethi Industries Ltd., Glen, Faber, Kaff Appliances, Inalsa, IFB, Panasonic, and Phillips, etc.

5.4 KEY DRIVERS: INDIAN KITCHEN APPLIANCES MARKET

5.4.1 Lifestyle: Industry experts believe the most important current market trend is the stylizing of cookware in order to transform the product from a functional kitchen tool to making it a part of an aspirational lifestyle, especially for affluent, urban consumers. Consumers moving into new houses or remodelling their existing home often prefer the latest collections to match the interior of their kitchens.

5.4.2 Need for space utilization: In earlier times, cookware used in the kitchen used to require a lot of space, it was difficult to handle and heavy; thus emerged the concept of ‘modular kitchen’. Manufacturers have now introduced compact designs and portable cookware especially for small homes, apartments and traveling purposes. Minimalism is the latest trend, the appearance of minimalism—sleek design, neutral colors, matte finishes—also appeals to consumers because it veils the appliances’ convoluted interiors, making the complex look simple.

5.4.3 Change in cooking approach: Apart from the cookware, there has also been a change in the cooking approach. Cooking is no more restricted to women. Earlier women were considered as the synonym for home cooks, but the picture has changed today; the role of the cook is played by men as well and it is equally accepted in the society.

5.4.4 Health and environment concerns: As the society changed it also helped to change consumption patterns. Now consumers are gradually moving toward the healthy path. Indians are looking for healthier options not only in their choice of food but also in their choice of kitchen appliances. Initially, India readily accepted Teflon coated Non-stick cookware as this cookware uses less oil. A similar seeking for natural organic food, helped cold pressed juicers gain a foothold in the market as its process doesn’t destroy enzymes and nutrients in a juice.

Another important trend is the growing tendency to question the safety of non-stick coatings in cookware. Leading Kitchen appliance manufacturers such as Stove Kraft are working diligently to create a coating that is safe to use for the households. For health safety concerns, consumers have also started avoiding the use of plastic. Researches have proved that the toxic compound found in the plastic causes health problems like cancer, obesity infertility etc. Such aspirations include catering to ‘green’ concerns for environmental friendliness and the health and the safety of the products offered.

5.4.5 Technological advancement: The kitchen appliances industry is increasingly becoming a technology driven market. Very often there are new innovations and updates expanding the industry. Technological evolution is transforming the supply of products such as hoods or hobs, which become more and more hi-tech and connected. In addition, manufacturers of major and small appliances have conceived new devices that meet the need of consumers to live better.

New technologies are applied to cooking hobs like even heating and temperature controls of the burners, easy cleaning, and hoods/chimneys with more efficient ventilation mechanisms etc. Consequently, the life cycle of products has been considerably shortened and accordingly, the need for a continuous renewal is felt more frequently.

5.4.6 Growth of E-commerce and easy financing options: Current market trends are reflective of what’s on the customer’s mind as they choose how to equip and furnish their homes. It all started with Non-stick cookware and 50 years later, the cookware market keeps on developing. This market has advanced on the back of rising disposable income, growing sales infrastructure in the form of specialist stores and innovations, coupled with e-commerce players, increasing popularity of modular kitchens and convenience associated with such appliances. More than just satisfying the functional needs of the Indian consumer, modern retail in this sector has emerged to cater to the diverse needs of the customer – convenience, fashion or price.

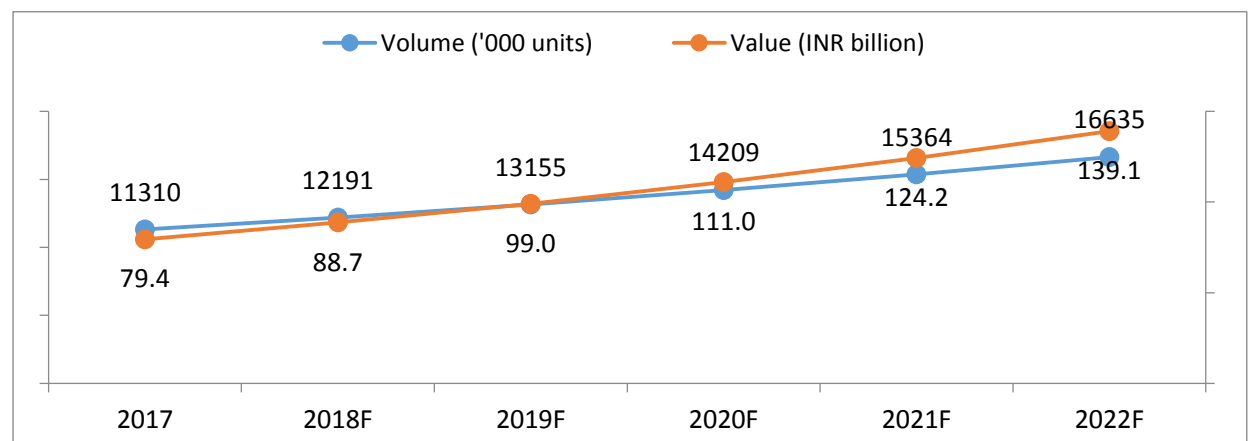
Besides, e-commerce companies also offer a range of kitchen appliances with easy financing, like low EMI and discounts to generate more sales, which also contribute toward increased demand. As per industry expert's views, Modern Retail chains such as Big Bazar, Croma, Reliance Digital, etc. significantly contribute toward increasing product awareness of modern consumer appliances among consumers, thereby boosting the demand for kitchen appliances in India.

- 5.4.7 **Mass Media:** Consumers are now more aware of cookware through reality programs and cooking shows on Television, and modern format retail chains today provide a wide range of alternatives at each value point in variety of consumer appliances. Increasing number of cooking based shows on television is also encouraging people to buy food preparation appliances and to try out new recipes. Mass manufacturing has also empowered cookware to be delivered at lower costs, which in turn has extended the range of customer choice.
- 5.4.8 **Influence of Social Media:** To take this approach at the global level, social media also played a very important role. In this technological savvy world, people have started experimenting and with the help of media taking it viral. Latest apps have also acted as a key support to help people across the world to promote their various ideas, recipes, innovations, methods and style of cooking digitally and reaching out for the maximum exposure possible.
- 5.4.9 **Property developers and builders as influencers:** are increasingly providing built-in kitchens (Sometimes as an option) in order to have a competitive edge. If not built-in kitchens, developers are providing the modularity to have a built-in kitchen. The concept of hiring a third party Kitchen designer is also on the rise especially in urban pockets. Also there has been an increase in the number of Kitchen specialty stores, Premium retailers and Multi branded outlets which have been a great influence in the growth of kitchen appliances, especially large, built-in appliances.
- 5.4.10 **Increase in premium residential constructions:** Share of premium residential construction was 7% in 2010, has increased to 10% in 2015 giving rise to higher adoption of modern kitchen appliances.

5.5 LARGE COOKING APPLIANCES:

- 5.5.1 Large cooking appliances include Cooker Hoods, Cooking Hobs (either built-in or freestanding) and Cooktops. Retail Volume sales of Large Cooking Appliances category as a whole, has witnessed a growth at a CAGR of 5.98% through 2012-2017, to reach sales of 11.3 million units in 2017.
- 5.5.2 The overall growth momentum of the 'Large Cooking Appliances category' Retail sales is expected to continue over the forecast period of 2017 to 2022. In terms of Retail Volume, the category is expected to grow at a CAGR of about 8.0% through 2017-2022, to clock 16.6 million unit sales by end of 2022.

Exhibit 26: Large Cooking Appliances: Market Size (by Volume and Value)

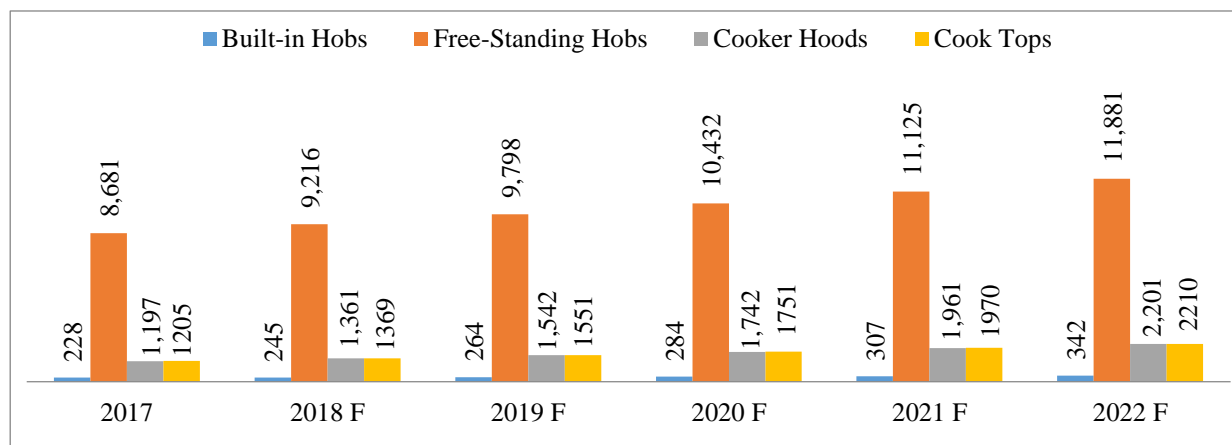


Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast

5.5.3 'Large Cooking Appliances' category, primarily include the following appliances:

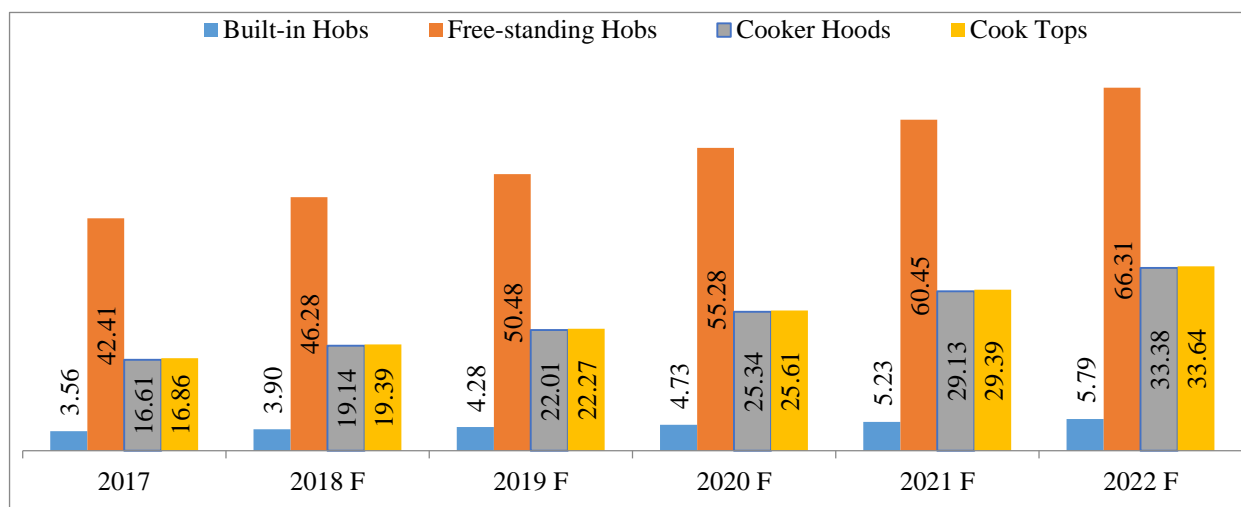
- **Cooker Hood** (colloquially known as 'Kitchen Chimney'),
- **Cooking Hob** (Built-In and Free-Standing), and,
- **Cooktops**

Exhibit 27: Large Cooking Appliances: Volume ('000 Units) Trend by sub-segments



Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast.

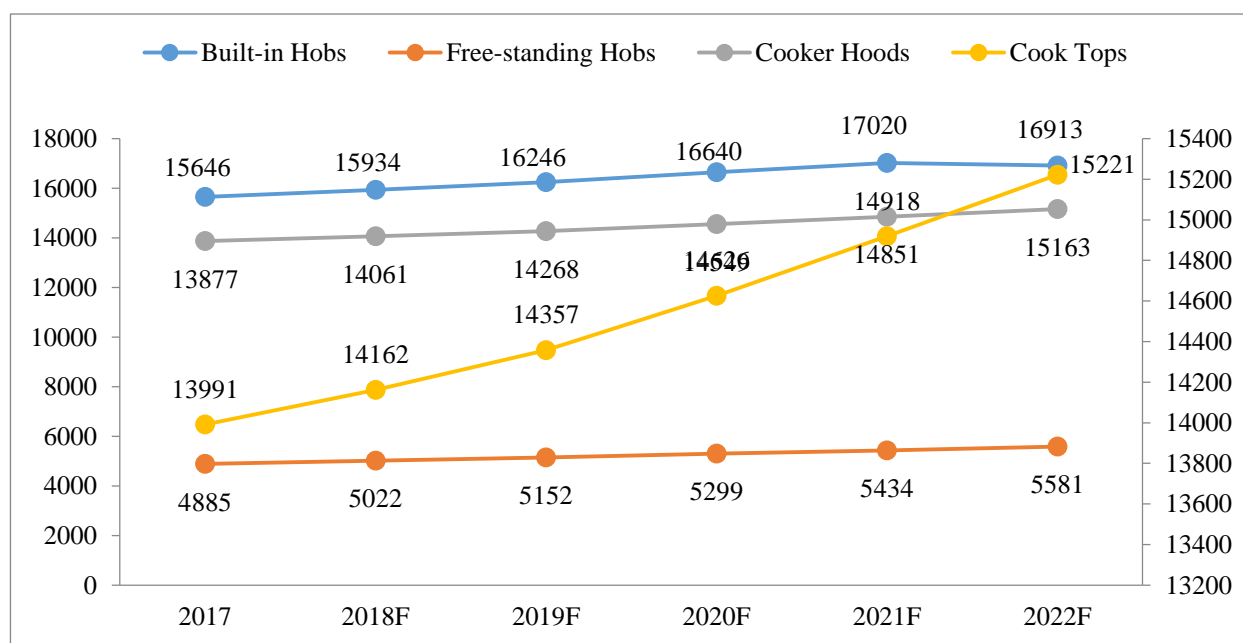
Exhibit 28: Large Cooking Appliances: Value (INR billion) Trend by sub-segments



Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast.

5.5.4 Large Cooking Appliances are almost exclusively sold through Store-Based retailing, which accounted for 98.6% of the category's total retail volume sales. Remaining 1.4% was sold through Non-Store based retailing.

Exhibit 29: Large Cooking Appliances: Average Unit Price (in INR) Trend by sub-segments



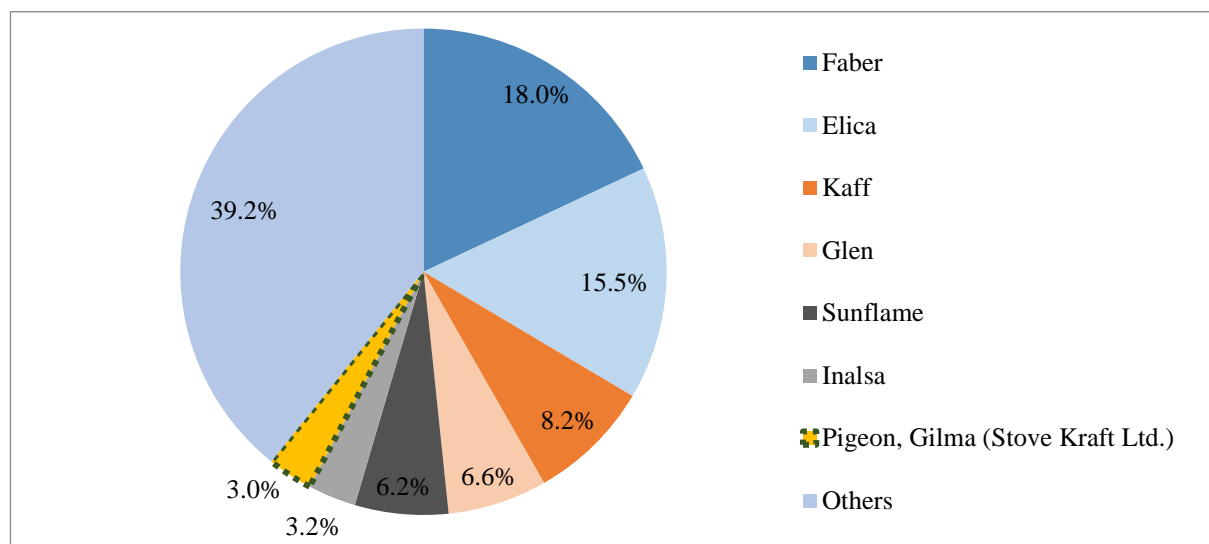
Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast

COOKER HOODS (colloquially referred to as 'Kitchen Chimney')

Cooker Hoods	2017	2022	CAGR (2017-2022F)
Retail Volume ('000 units)	1,197	2,201	13.0%
Retail Value (INR Million)	16,608	33,381	15.0%
Average Price (in INR)	13,877	15,163	1.8%
Market Leader (2017)	Faber	(18.0% Retail Volume share)	
Stove Kraft Limited's Share (2017)	Pigeon, Gilma	(3.0% Retail Volume share)	

- 5.5.5 'Cooker Hoods' or 'Kitchen Chimneys' has become an almost essential appliance in modern Indian kitchens as they help to avoid the fumes of the food from spreading into the kitchen and to other attached rooms.

Exhibit 30: Brand Share 2017 (by Volume): Cooker Hoods (Kitchen Chimney)



Source: Euro-monitor and Frost & Sullivan analysis

- 5.5.6 The starting price of a kitchen hood in Indian market is around INR 6000. In 2017, the average retail unit price stood at INR 13,877. By end of 2022, the average price is expected to touch INR 15,163 per unit, growing at a CAGR of about 1.8%. COOKING HOBS ('Built-in' and 'Free-Standing' versions)

Built-In Hobs	2017	2022	CAGR (2017-2022F)
Retail Volume ('000 units)	228	342	8.5%
Retail Value (INR Million)	3,561	5,791	10.2%
Average Price (in INR)	15,646	16,913	1.6%
Market Leader (2017)	Faber	(21.1% Retail Volume share)	
Stove Kraft Limited's Share (2017)	Pigeon, Gilma	(4.4% Retail Volume share)	

*Including LPG Gas Stoves

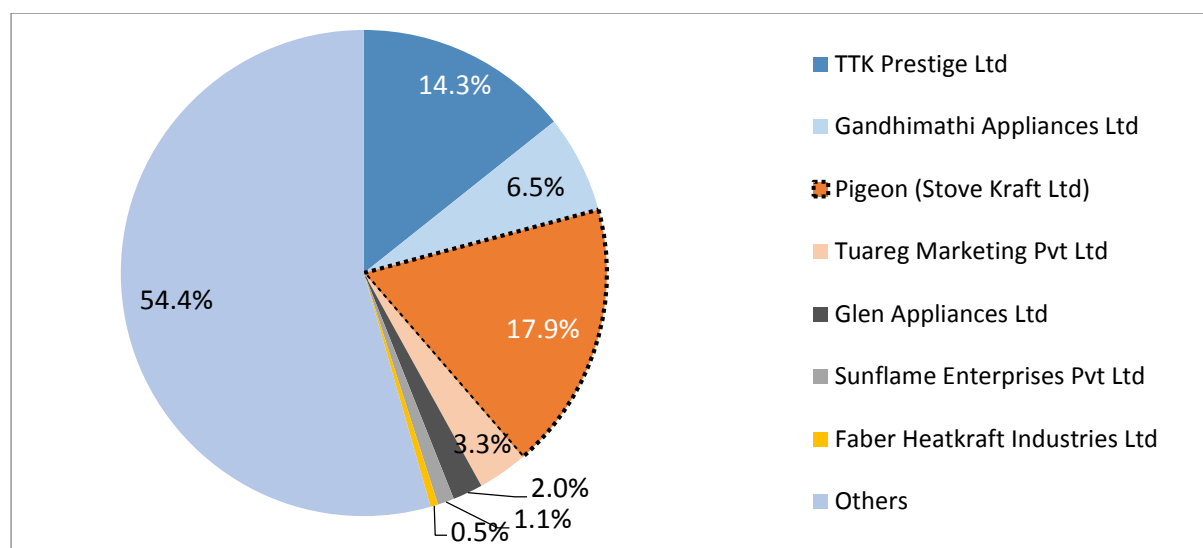
Free-Standing Hobs*	2017	2022	CAGR (2017-2022F)
Retail Volume ('000 units)	8,681	11,881	6.5%
Retail Value (INR Million)	42,410	66,313	9.4%
Average Price (in INR)	4,885	5,581	2.7%
Market Leader (2017)	Stove Kraft Limited	(17.9% Retail Volume share)	
Stove Kraft Limited's Share (2017)	Pigeon	(17.9% Retail Volume share)	

- 5.5.7 'Cooking Hobs' are built-in appliance and are to be set in the kitchen counter by cutting the slab according to the dimension of the gas hob.

- 5.5.8 Hobs are usually available in 3 burners or 4 burners with one small, one large and two medium-sized burners to adjust different sizes of vessels. The most popular options in India: gas and electric hobs:

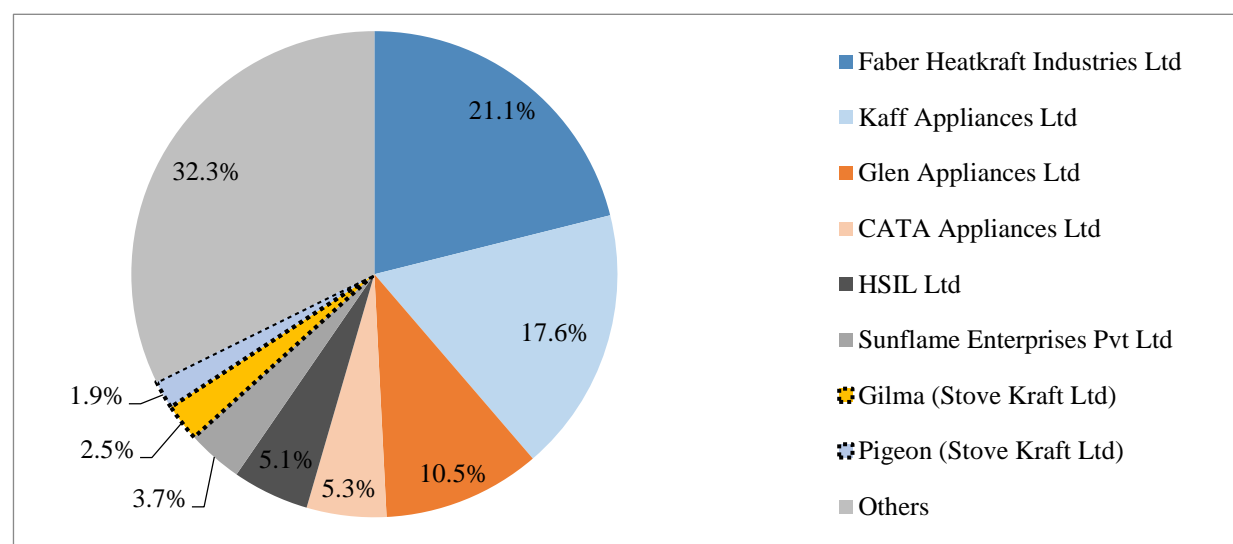
- 5.5.9 'Free-standing' Hobs are much more prevalent in Indian households. The brand Pigeon (from the house of Stove Kraft Ltd.) has grown at 8.2% CAGR over 2012-2017 and Stove Kraft Limited is the current market leader with 17.9% retail volume share in 2017. It is followed closely by TTK Prestige Ltd. which garnered 14.3% market share in 2017.

Exhibit 31: Brand Share 2017 (By Volume): 'Free-Standing' Hobs



Source: Euro-monitor and Frost & Sullivan Analysis

Exhibit 32: Brand Share 2017 (By Volume): Built-In Hobs



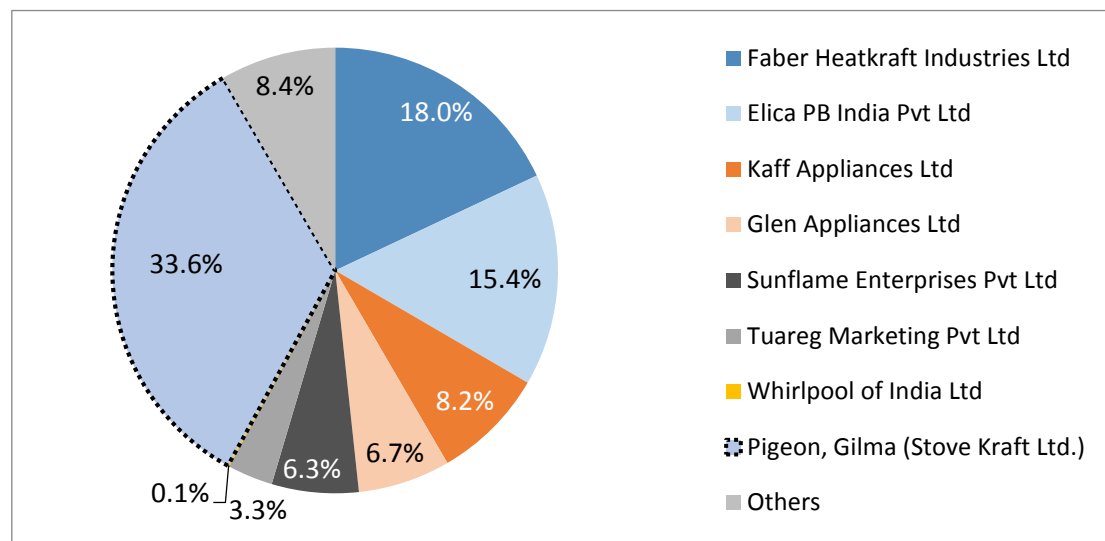
Source: Euro-monitor and Frost & Sullivan Analysis

COOKTOPS:

Cooktops	2017	2022	CAGR (2017-2022F)
Retail Volume ('000 units)	1,205	2,210	12.9%
Retail Value (INR Million)	16,859	33,644	14.8%
Average Price (in INR)	13,991	15,221	1.7%
Market Leader (2017)	Stove Kraft Limited	(33.6% Retail Volume share)	
Stove Kraft Limited's Share (2017)	Pigeon, Gilma	(33.6% Retail Volume share)	

- 5.5.10 Cooktops are essentially Cooking Stoves. They are most frequently used and essential tool in most Indian kitchens. A cooktop can be a free-standing unit or 'built-in' with one or more burners or smooth tops with circular rings. Cooktops are categorized, based on their nature of fuel usage – gas or electricity and their appearance/design.
- 5.5.11 India cooktops market stood at INR 16.9 billion in 2017, and is expected to grow at a CAGR of 14.8%, in retail value terms, to reach INR 33.6 billion by the end of 2022, on the back of increasing consumer spending on smart kitchen appliances due to the increasing number of working women coupled with busy lifestyle, rising awareness for indoor pollution, and increasing demand for innovative smart electrical appliances across the country.

Exhibit 33: Brand Share 2017 (By Volume): Cooktops



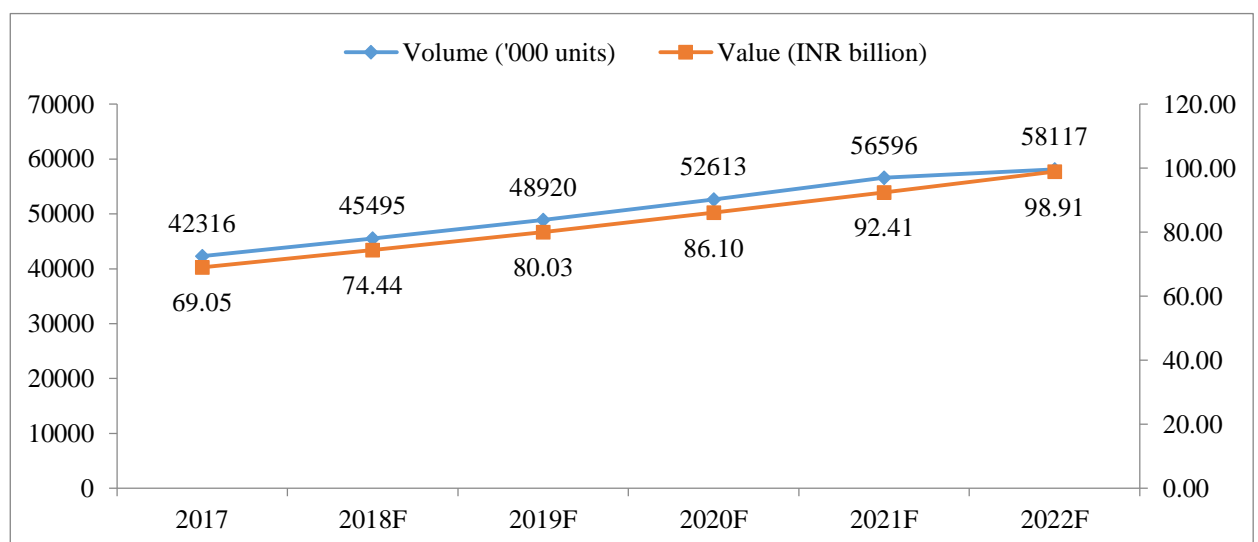
Source: Euro-monitor and Frost & Sullivan Analysis

- 5.5.12 India Cooktops market is dominated by these major players, namely – Stove Kraft Limited, Franke Faber India Ltd., TTK Prestige Ltd., Sunflame Enterprises Private Limited, Butterfly Gandhimathi Appliances Ltd., Elica PB India Private Limited, Bajaj Electricals Ltd., Philips India Ltd, among others. In this segment, indigenous brands like Stove Kraft Limited followed by Sunflame has registered prominent market share in 2017. Stove Kraft Limited is the leading brand in this segment with 33.6% retail volume share and it sells its cooktops through the brand routes of Pigeon and Gilma, as well as by OEM and exports.

5.6 SMALL COOKING APPLIANCES

- 5.6.1 Successful marketing by leading companies TTK Prestige, Stove Kraft Limited, Bajaj Electricals etc. and others has created a market for small cooking appliances in India

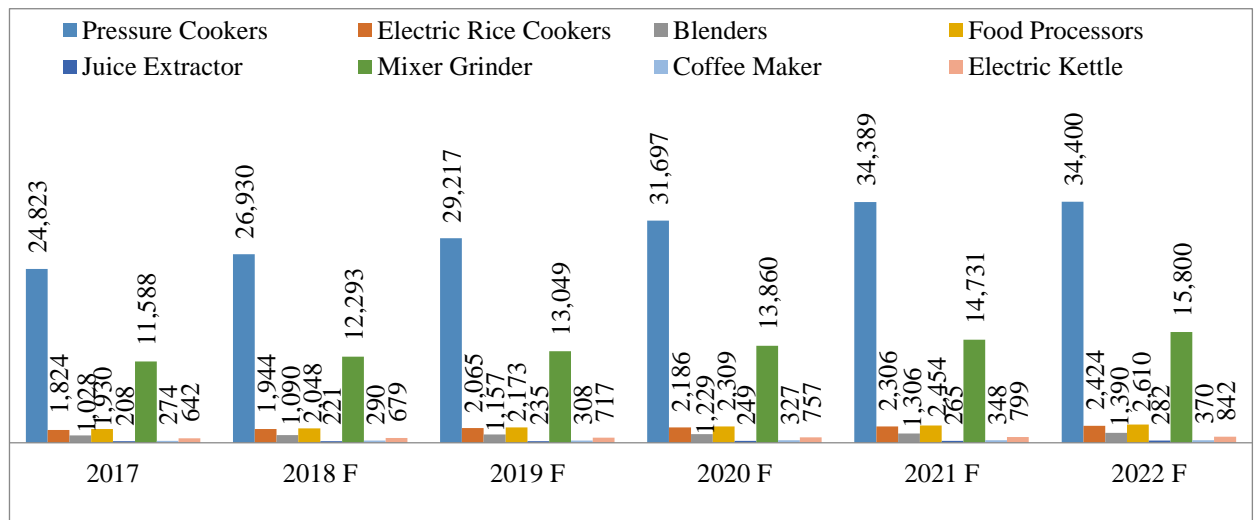
Exhibit 34: Small Cooking Appliances: Market Size (by Volume & Value)



Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast.

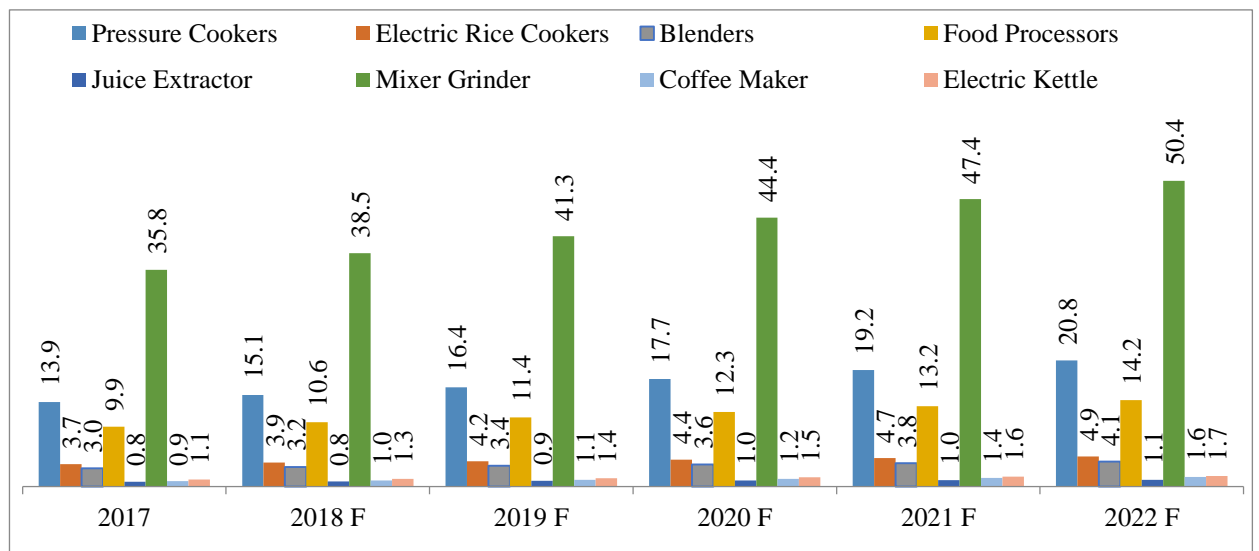
- 5.6.2 Small Cooking Appliances are also almost exclusively sold through Store-Based retailing. In 2016, 97.4% of total retail volume sales were registered through Store-based retailing, and the remaining 2.6% only was sold through Non-Store based retailing.

Exhibit 35: Small Cooking Appliances: Volume ('000 Units) Trend by sub-segments



Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast.

Exhibit 36: Small Cooking Appliances: Value (INR billion) Trend by sub-segments



Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast.

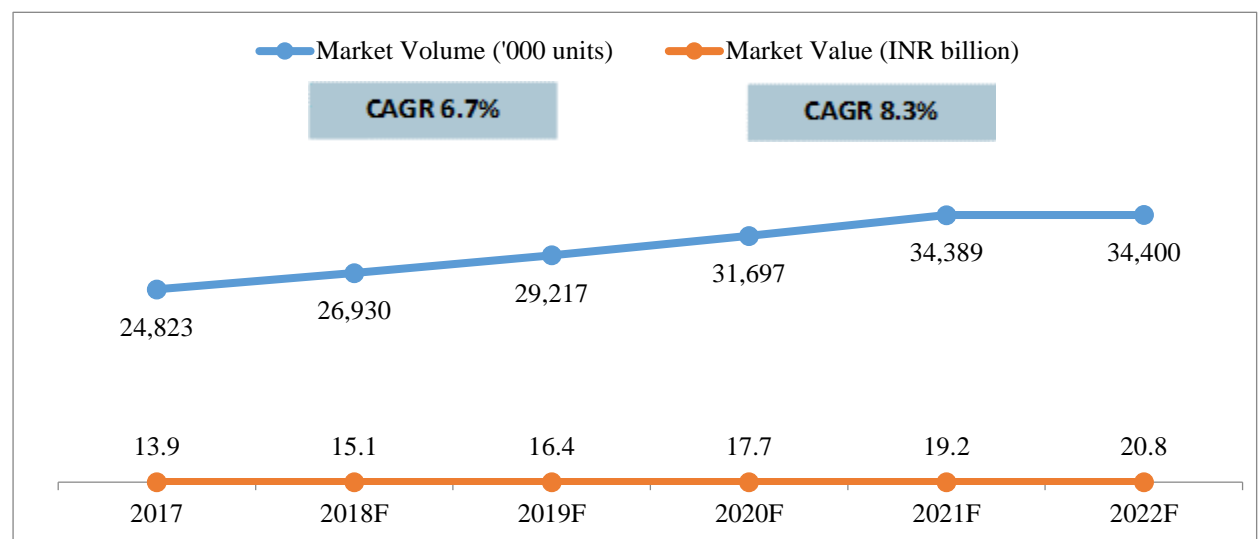
Pressure Cooker

Pressure Cooker	2017	2022	CAGR (2017-2022F)
Retail Volume ('000 units)	24,823	34,400	6.7%
Retail Value (INR Million)	13,949	20,800	8.3%
Average Price (in INR)	562	605	1.5%
Market Leader (2017)	TTK Prestige	(44.9% Retail Volume share)	
Stove Kraft Limited's Share (2017)	Pigeon	(7.6% Retail Volume share)	

5.6.3 A pressure cooker is an airtight cooking device that enables the cooking liquid (mostly water) to heat and build up steam pressure inside the vessel, which in turn makes the food moist and enables quick cooking.

5.6.4 Depending on the type of material, Pressure Cookers can be of Aluminium, Stainless Steel or Hard Anodized.

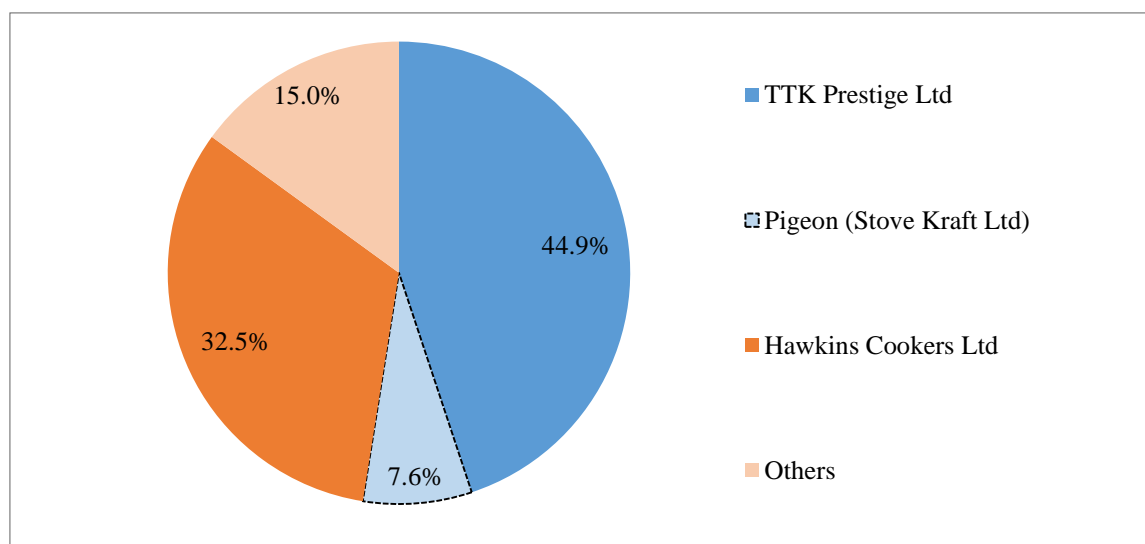
Exhibit 37: Pressure Cooker: Market Size by Value Growth Forecast (INR billion)



Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast.

- 5.6.5 The retail sales 'Value' of the pressure cooker market in India stands at about INR 14 billion in 2017, growing at a healthy CAGR of about 9% through 2012-2017. Stove Kraft Limited, TTK Prestige and Hawkins have a dominant position in the market for pressure cookers.

Exhibit 38: Brand Share (by Volume) 2017: Pressure Cookers



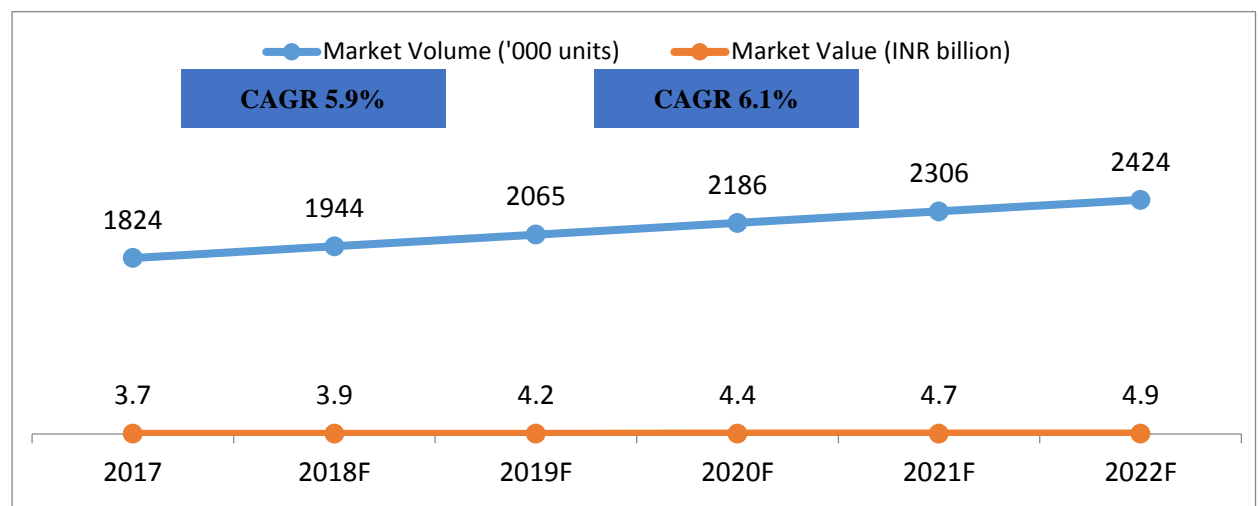
Source: Euro-monitor and Frost & Sullivan Analysis

Electric Rice Cookers

Electric Rice Cookers	2017	2022	CAGR (2017-2022F)
Retail Volume ('000 units)	1,824	2,424	5.9%
Retail Value (INR Million)	3,664	4,935	6.1%
Average Price (in INR)	2,009	2,036	0.3%
Market Leader (2017)	Panasonic	(32.8% Retail Volume share)	
Stove Kraft Limited's Share (2017)	Pigeon, B&D	(4.4% Retail Volume share)	

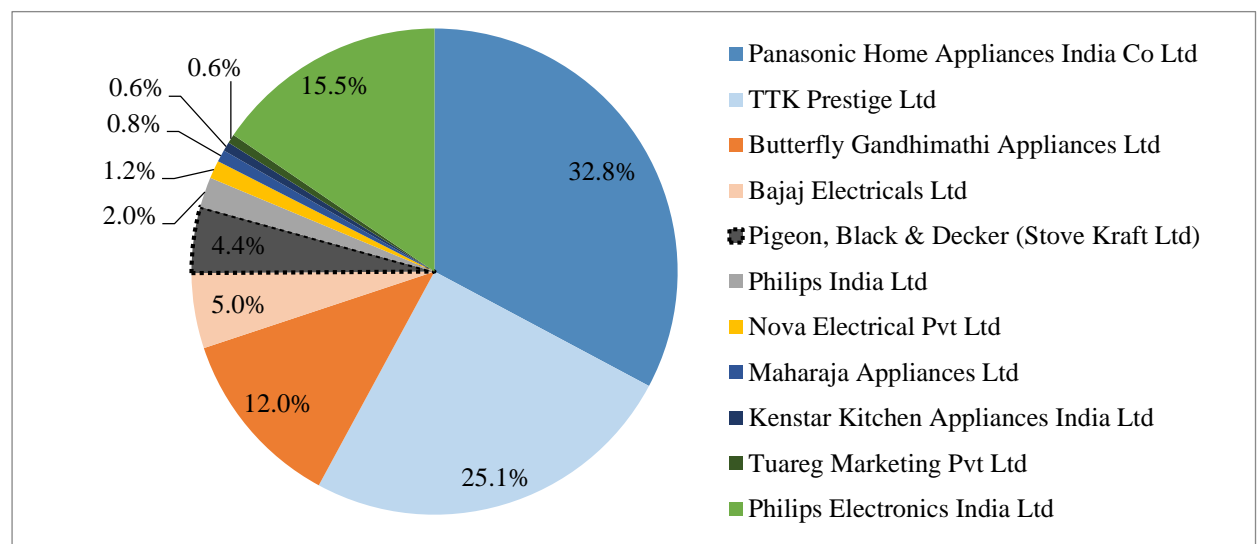
- 5.6.6 A rice cooker is an electrical kitchen appliance used essentially for cooking of rice. However, it can be used to make other food that needs to be steamed, such as dumplings, idli, dhokla, steamed vegetables for salads etc.
- 5.6.7 A key driver of the global rice cookers market is that they cook rice by evenly keeping the grain separate, neither undercooking nor overcooking.

Exhibit 39: Electric Rice Cookers: Market Size by Value Growth Forecast (INR billion)



Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast

Exhibit 40: Brand Share (by Volume) 2017: Electric Rice Cookers



Source: Euro-monitor and Frost & Sullivan Analysis

Panasonic Home Appliances led the Electric Rice cooker market in 2017 with about 32.8% market share, followed by TTK Prestige at 25.1%. Stove Kraft Limited garners a healthy market share of 4.4% offering Electric Rice Cookers, predominantly through its flagship brand 'Pigeon'. It has also initiated sales of premium category through 'Black & Decker' brand (as per licensing agreement).

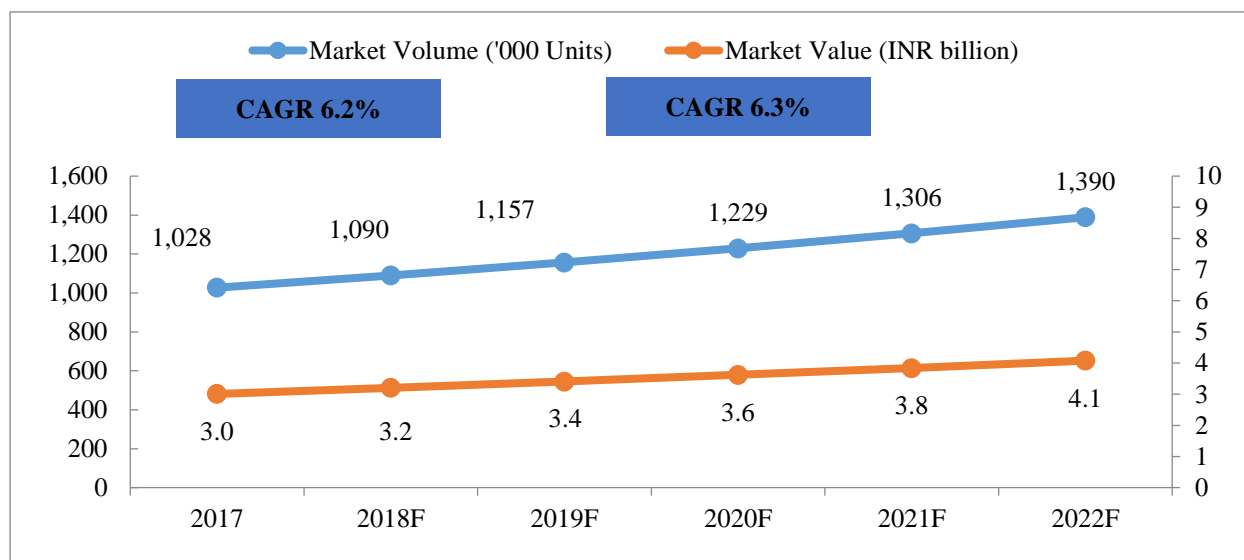
Food Preparation Appliances

BLENDERS:

Blenders	2017	2022	CAGR (2017-2022F)
Retail Volume ('000 units)	1,028	1,390	6.2%
Retail Value (INR Million)	3,009	4,078	6.3%
Average Price (in INR)	2,928	2,935	0.1%
Market Leader (2017)	Philips	(41.7% Retail Volume share)	
Stove Kraft Limited's Share (2017)	Pigeon	(0.5% Retail Volume share)	

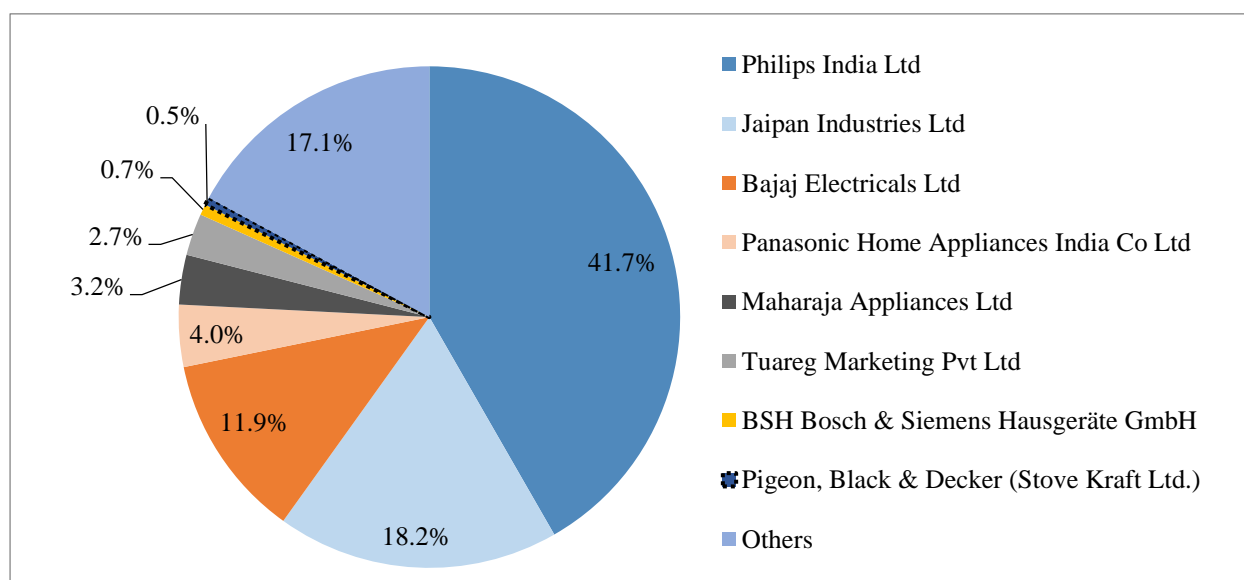
5.6.8 Blenders are multipurpose appliances that have a variety of uses in the kitchen. The major function in home and bar application is geared toward ice crushing. Blenders also emulsify softer food ingredients such as yogurt and fruit, which ultimately results in a thick consistency and smooth texture. Blenders are essentially appliances which are used in kitchen to blend smoothies, juices, puree vegetables in the soup, blend batter for pancakes etc. and also chop down vegetables to some extent.

Exhibit 41: Blenders: Market Size by Volume ('000 units) and Value (in INR billion)



Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast

Exhibit 42: Brand Share (by Volume) 2017: Blenders



Source: Euro-monitor and Frost & Sullivan Analysis

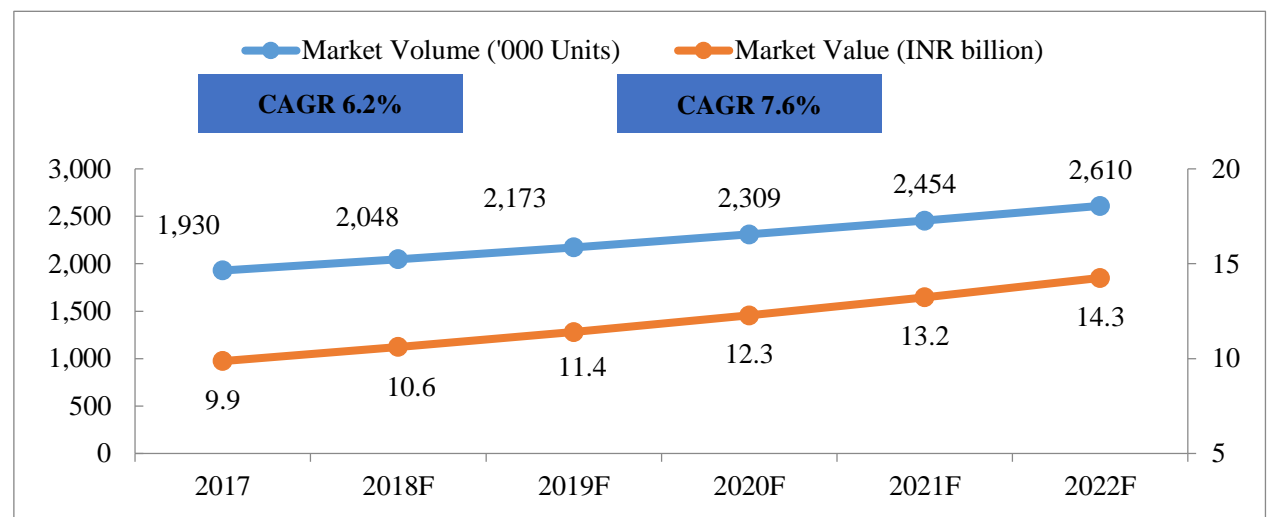
5.6.9 While Stove Kraft Limited, offers 'Hand-Blenders' through its flagship brand 'Pigeon', however, it is its premium offering through 'Black & Decker' brand route, that has picked up higher sales in 2017.

FOOD PROCESSORS

Food Processors	2017	2022	CAGR (2017-2022F)
Retail Volume ('000 units)	1,930	2,610	6.2%
Retail Value (INR Million)	9,880	14,247	7.6%
Average Price (in INR)	5,119	5,459	1.3%
Market Leader (2017)	Philips	(24.0% Retail Volume share)	
Stove Kraft Limited's Share (2017)	B&D	Just setting footsteps in the category	

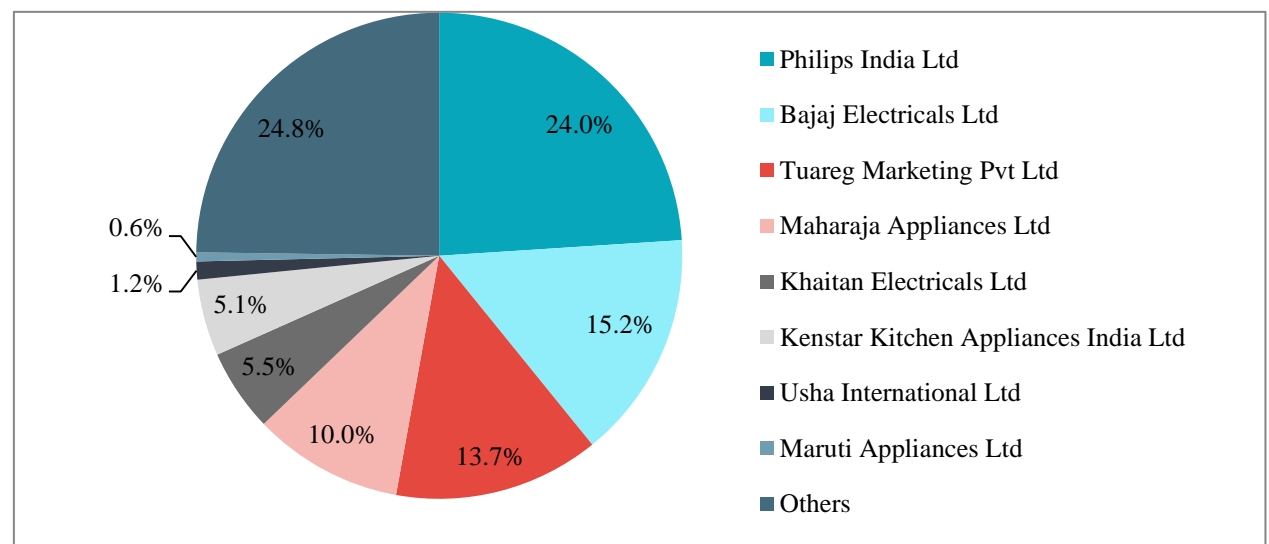
Food processor is a versatile kitchen appliance which is used to facilitate repetitive tasks in the preparation of food. It can perform multiple operations like chopping, grinding, puree, shredding, cutting and blending.

Exhibit 43: Food Processors: Market Size by Volume ('000 units) and Value (in INR billion)



Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast.

Exhibit 44: Brand Share (by Volume) 2017: Food Processors



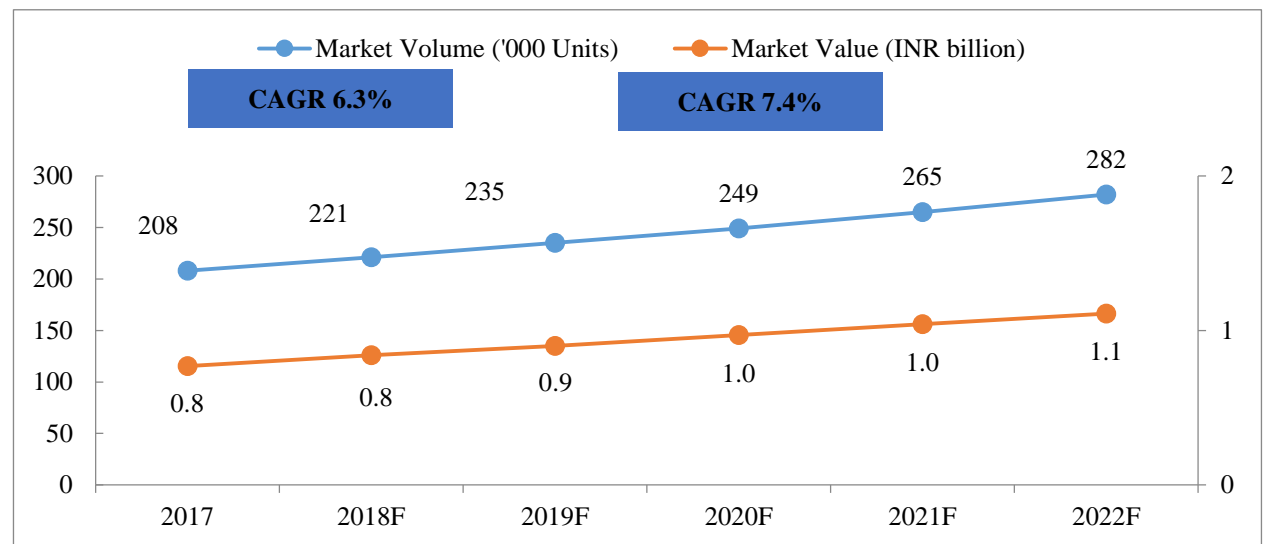
Source: Euro-monitor and Frost & Sullivan Analysis

JUICE EXTRACTORS

Juice Extractors	2017	2022	CAGR (2017-2022F)
Retail Volume ('000 units)	208	282	6.3%
Retail Value (INR Million)	775	1,109	7.4%
Average Price (in INR)	3,719	3,936	1.1%
Market Leader (2017)	Bajaj	(24.1% Retail Volume share)	
Stove Kraft Limited's Share (2017)	Pigeon, B&D	(3.6% Retail Volume share)	

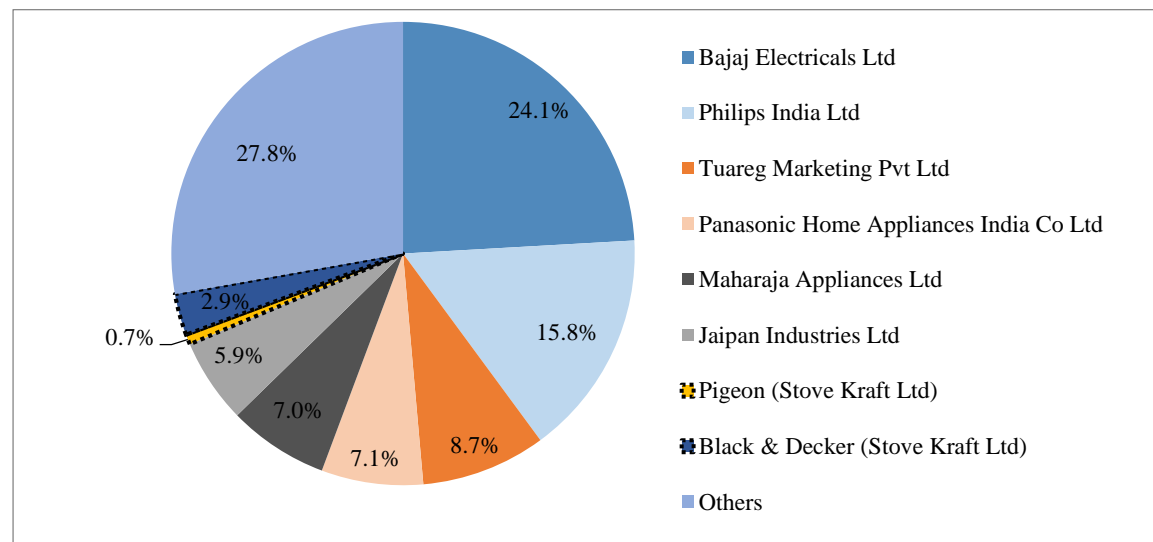
Juice extractors are kitchen appliances that extract the juice from whole fruits and vegetables, while the pulp and skin are left behind. A Centrifugal juicer can be noisy, and, because they are fast, and tend to heat up, is considered to somewhat affect nutritional value of the juice.

Exhibit 45: Juice Extractors: Market Size by Volume ('000 units) and Value (in INR billion)



Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast.

Exhibit 46- Brand Share (by Volume) 2017: Juice Extractors

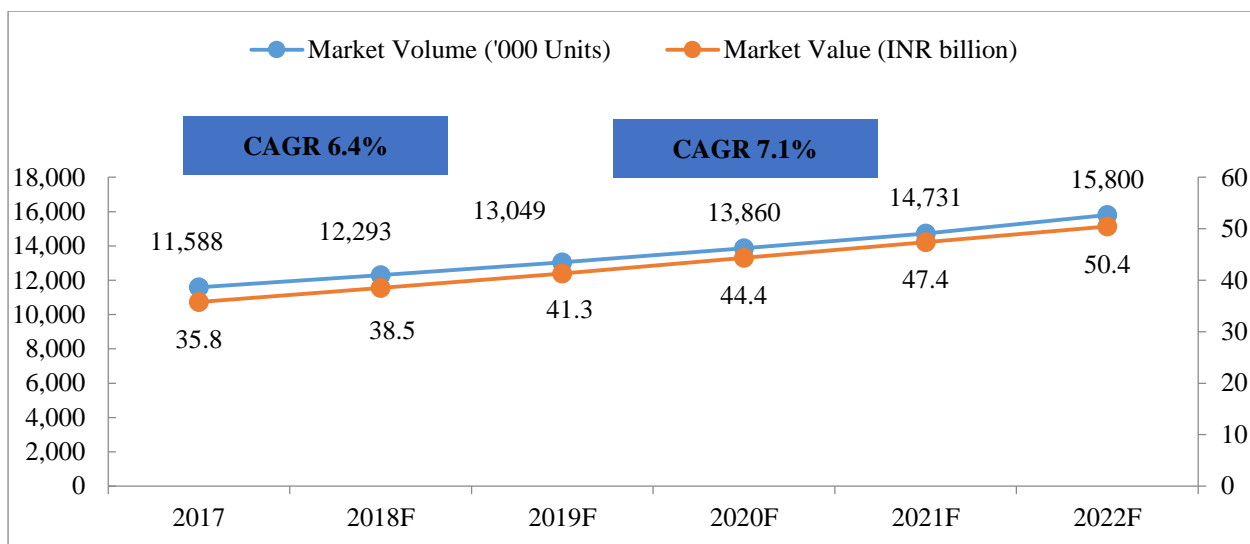


Mixer-Grinder	2017	2022	CAGR (2017-2022F)
Retail Volume ('000 units)	11,588	15,800	6.4%
Retail Value (INR Million)	35,773	50,446	7.1%
Average Price (in INR)	3,087	3,193	0.7%
Market Leader (2017)	Bajaj	(19.5% Retail Volume share)	
Stove Kraft Limited's Share (2017)	Pigeon	(2.5% Retail Volume share)	

A mixer is a kitchen device that uses a gear-driven mechanism to rotate a set of "beaters" in a bowl containing the food or liquids to be prepared by mixing them. It is a kitchen appliance intended for mixing, folding, beating, and whipping food ingredients.

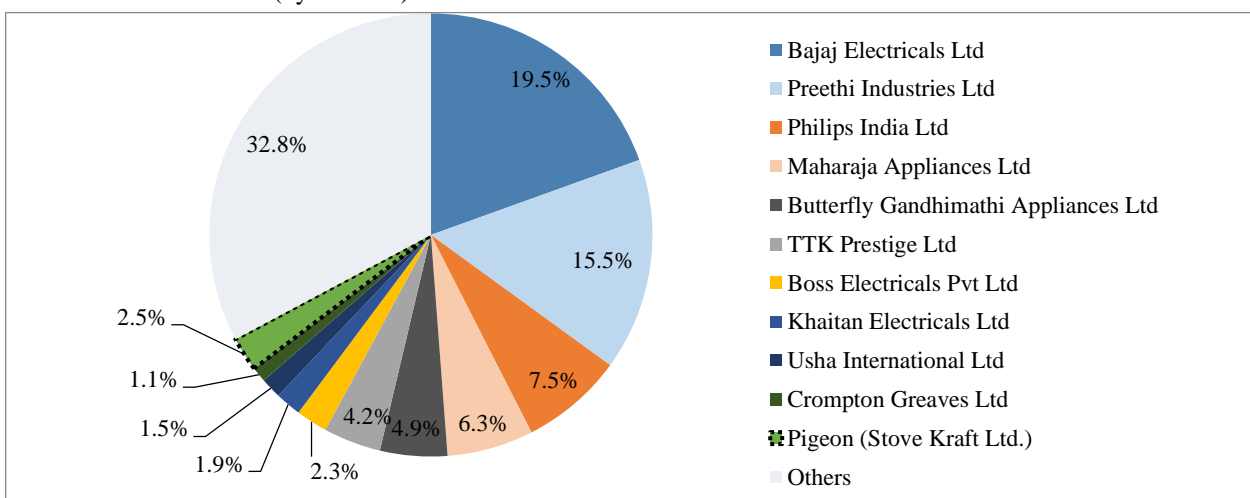
MIXER-GRINDER

Exhibit 47: Mixer-Grinder: Market Size by Volume ('000 units) and Value (in INR billion)



Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast.

Exhibit 48: Brand Share (by Volume) 2017: Mixer-Grinder



Source: Euro-monitor and Frost & Sullivan Analysis

Other Non-Cooking Small Appliances:

In Indian households, there are two key categories in non-cooking small appliances that are slowly gaining foothold, mainly through the urban consumers' kitchen –

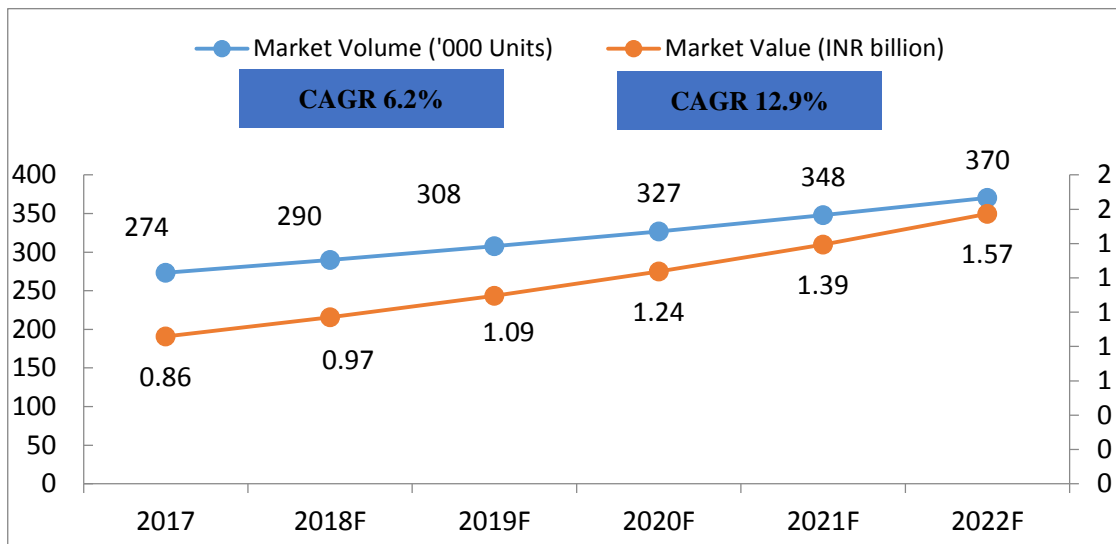
- Coffee Maker, and
- Electric Kettle

COFFEE MAKER:

Coffee Maker	2017	2022	CAGR (2017-2022F)
Retail Volume ('000 units)	274	370	6.2%
Retail Value (INR Million)	859	1,573	12.9%
Average Price (in INR)	3,142	4,248	6.2%
Market Leader (2017)	Bajaj	(27.2% Retail Volume share)	
Stove Kraft Limited's Share (2017)	B&D	(6.2% Retail Volume share)	

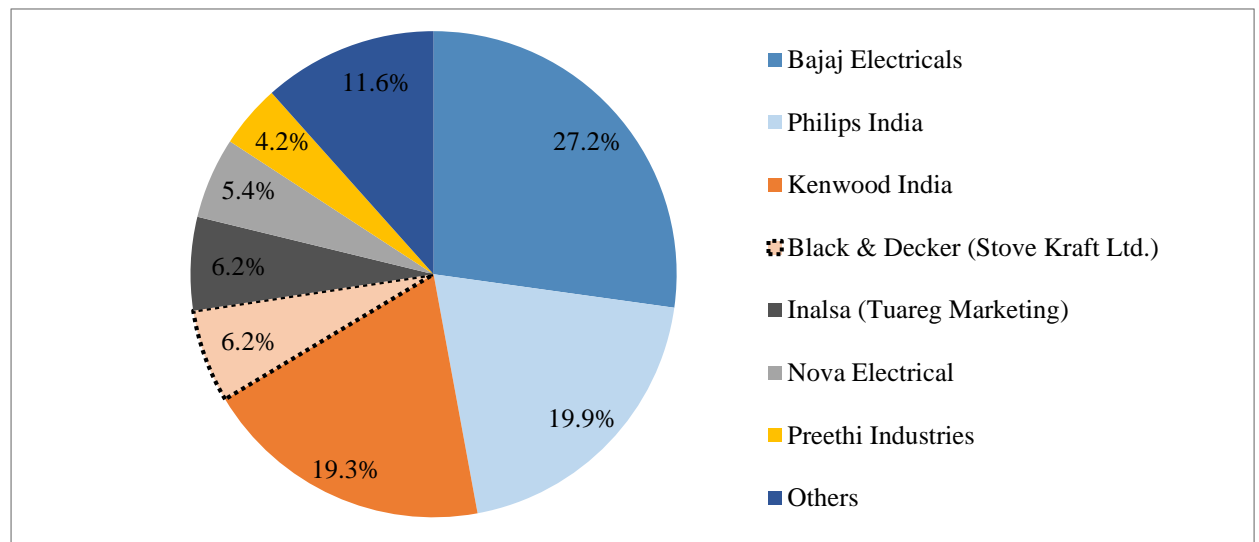
Coffee machines are electrical appliances used to brew coffee and work on different types of brewing processes.

Exhibit 49: Coffee-Maker: Market Size by Volume ('000 units) and Value (in INR billion)



Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast.

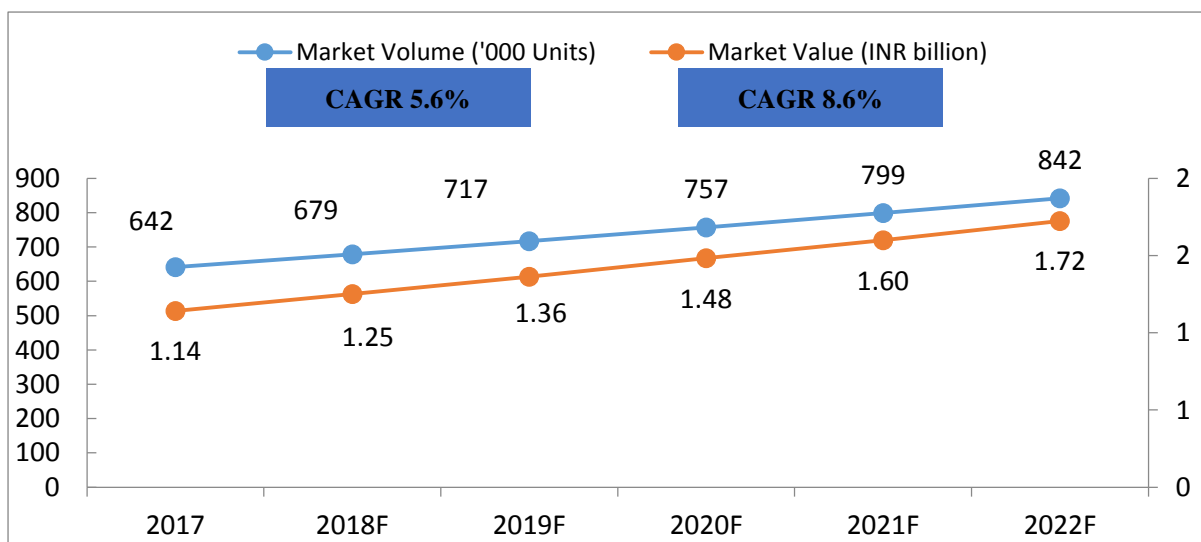
Exhibit 50: Brand Share (by Volume) 2017: Coffee Maker



Source: Euro-monitor and Frost & Sullivan Analysis

ELECTRIC KETTLE

Exhibit 51: Electric Kettle: Market Size by Volume ('000 units) and Value (in INR billion)



Electric Kettle	2017	2022	CAGR (2017-2022F)
Retail Volume ('000 units)	642	842	5.6%
Retail Value (INR Million)	1,142	1,725	8.6%
Average Price (in INR)	1,779	2,048	2.9%
Market Leader (2017)	Bajaj	(22.4% Retail Volume share)	
Stove Kraft Limited's Share (2017)	Pigeon, B&D	(19.9% Retail Volume share)	

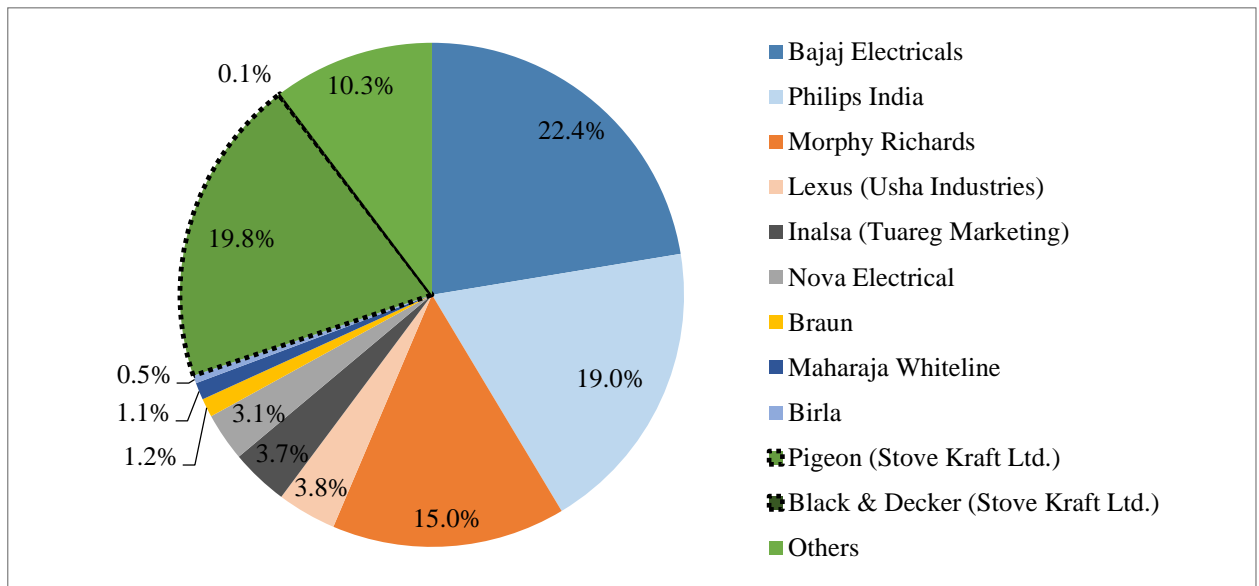
- 5.6.10 An Electric Kettle is a metallic pot specifically used for the boiling of water. The electric kettle has a spout, a lid and a handle. An electric kettle is just like the conventional kettle which was used in early times, but it is heated with the help of electricity.

Exhibit 1: Electric Kettle: Market Size by Volume ('000 units) and Value (in INR billion)

Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast.

- 5.6.11 In year 2017, Electric Kettles market recorded 0.6 million units' retail volume sales clocking total retail sales value of INR 1.14 billion. The category value sale is expected to grow at a CAGR of about 8.6% over forecast period 2017-2022 to reach value sales of INR 1.72 billion by end 2022.

Exhibit 52: Brand Share (by Volume) 2017: Electric Kettles



Source: Euro-monitor and Frost & Sullivan Analysis

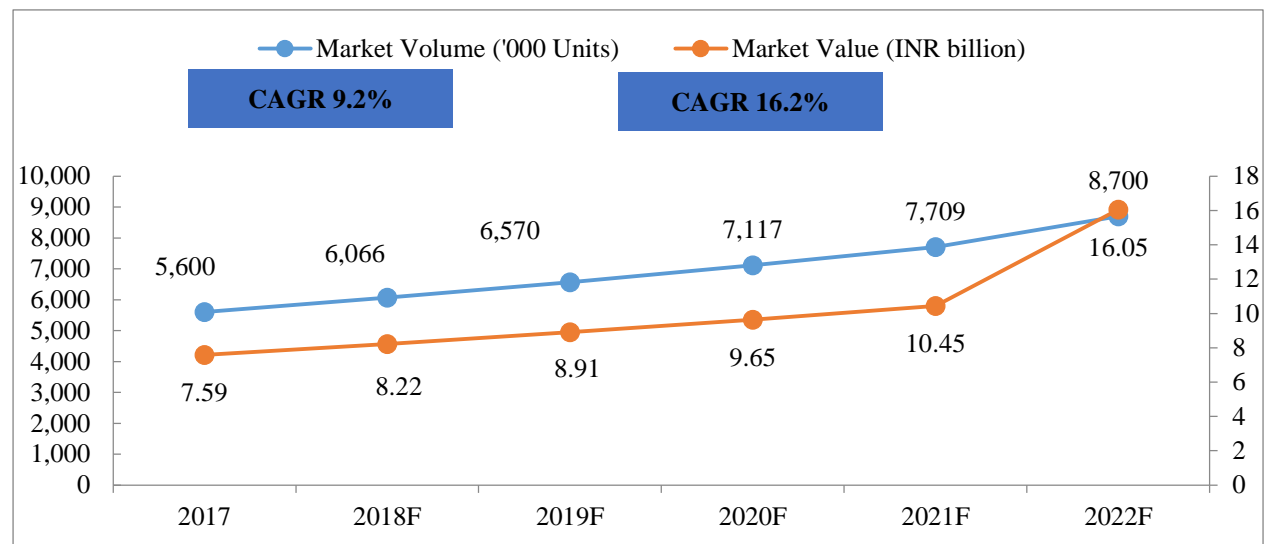
- 5.6.12 Bajaj Electricals recorded the highest (retail volume) market share in 2017, followed by Phillips India and brand 'Pigeon' from the house of Stove Kraft Limited. Stove Kraft Limited also initiated sales of premium range 'Electric Kettles' through the 'Black & Decker' channel.

6. BRIEF OVERVIEW OF NON-STICK COOKWARE MARKET IN INDIA

Non-Stick Cookware	2017	2022	CAGR (2017-2022F)
Retail Volume ('000 units)	5600	8700	9.2%
Retail Value (INR Million)	7,590	16,050	16.2%
Average Price (in INR)	1,355	1,845	6.4%
Market Leader (2017)	TTK Prestige	(53.8% Retail Volume share)	
Stove Kraft Limited's Share (2017)	Pigeon	(13.3% Retail Volume share)	

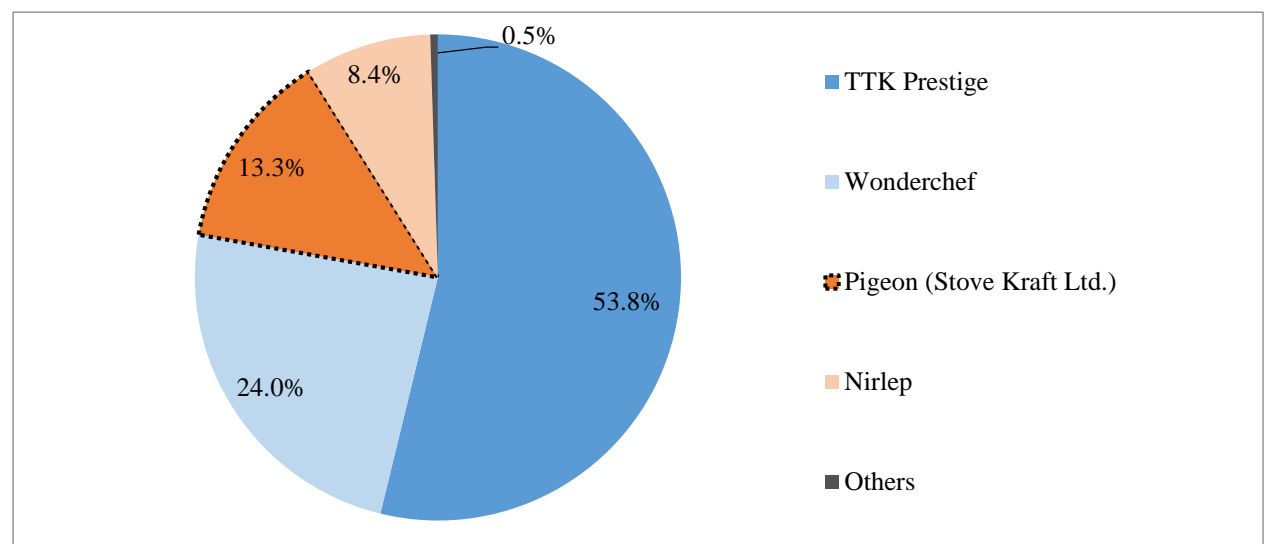
- 6.1 The term 'Non-stick' in cookware, usually refers to the surface which is coated with a synthetic polymer called Polytetrafluoroethylene (PTFE) or with ceramic, anodized aluminium, enamelled iron which decreases the ability of other materials to stick to it. The term 'Teflon' coating has become synonymous with Non-stick coating in the market. Hence, non-stick cookware is often also addressed as Teflon coated cookware.

Exhibit 53: Non-Stick Cookware: Market Size by Volume ('000 units) and Value (in INR billion)



Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast.

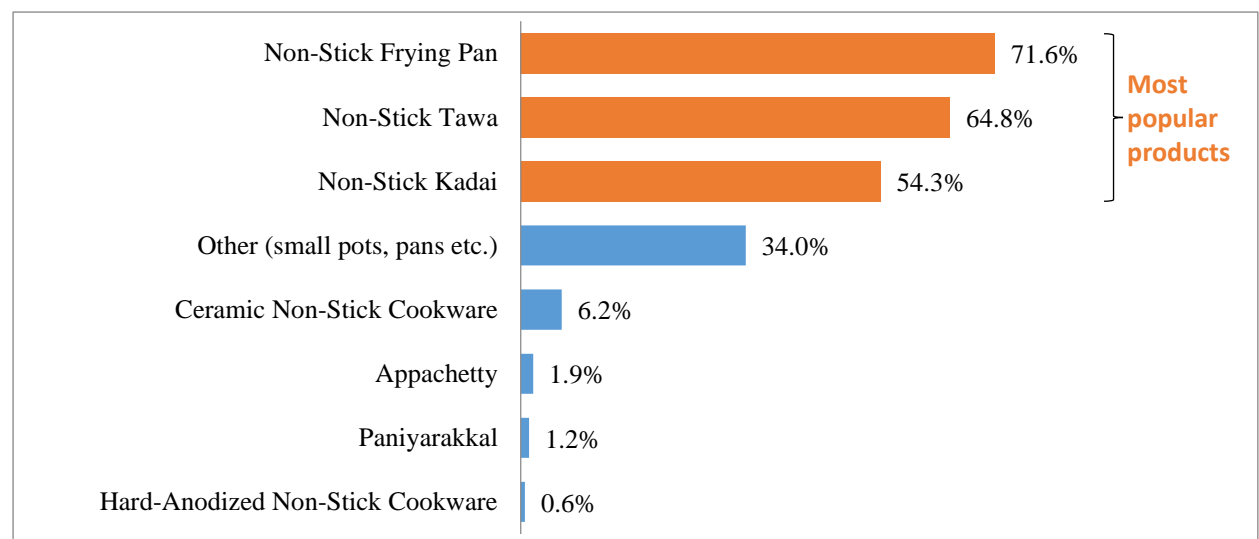
Exhibit 54: Brand Share (by Volume) 2017: Non-Stick Cookware



Source: Euro-monitor and Frost & Sullivan Analysis

- 6.2** In 2017, Stove Kraft Limited sold about 0.7 million non-stick cookware and 0.6 million roller-coat non-stick cookware. While it sells 'Non-stick cookware' mainly through its 'Pigeon' brand route, its 'Roller coat' products are sold through both through 'Pigeon' brand as well as OEM exports.
- 6.3** Most popularly used Non-stick cookware includes Tawa, followed by Kadai and frying pan. The latest trend-setting Hard anodized and ceramic non-stick cookware register prominent usage in Southern India, along with regional cuisine-making cookware like 'Appachetty' and 'Paniyarakkal'.

Exhibit 55: Types of Non-Stick Cookware used in Indian Kitchen, 2018



Source: Euro-monitor and Frost & Sullivan Analysis

- 6.4** Nirlep Appliances Limited, established in 1968, marked the launch of Non-Stick technology in India. Today, Nirlep and Stove Kraft Limited are the only players to have a roller coating line. While Stove Kraft Limited's roller coating line is completely automated, that of Nirlep is only partially automated.
- 6.5** In South India, TTK Prestige dominates the market, followed closely by Stove Kraft Limited, both having very strong brand equity in the region.
- 6.6** Stove Kraft Limited enjoys a prominent position in the Non-Stick cookware market, especially in the Southern region. Stove Kraft Limited also offers a special range of non-stick cookware which is induction cook-safe. The range includes the usual Pans, Tawa, and Pots and also offers special cookware like Appachetty and Paniyarakkal, focussed on catering to the regional cuisine of Southern India.
- 6.7** In its continuous bid for innovation aimed at product efficiency and user convenience, Stove Kraft Limited's latest offerings include a new MIO™ non-stick cookware range, which is developed using latest Italian technology that ensures high durability and smoothness of the products. The cookware in this range has 5 layer 'Scandia' coating, comes with 1 year Warranty and includes Tawa, Kadai, Appachetty, Square Griddle as well as 2, 4, 6 and 8 piece gift sets.

7. BRIEF OVERVIEW OF SOME HOUSEHOLD UTILITY PRODUCTS

Most manufacturers operating in the Kitchen Appliances market in India, especially those which manufacture small kitchen appliances and food preparation appliances, are also involved in manufacturing and trading of some common Household utility items, the market for which is primarily unorganized, dominated by small local/regional players and Chinese manufacturers.

7.1 Floor Mop and Bucket

About 21% urban households in India currently use floor mop and bucket, which amounts to about 17 million units of the product being used in urban India. In terms of retail sales value, urban market size is estimated to be around INR 37 billion in 2017-18.

7.2 Dustbin

Dustbin usage is almost universal across all urban households in India. Current retail volume of dustbins (all types included), is estimated to be about 114 million. In terms of retail sales value, urban market size is estimated to be around INR 209 billion in 2017-18.

7.3 Ladders

- 7.3.1** Ladders are commonly used in households for attending to ceiling fixtures like lights, fan etc., or for placing or taking off things from shelves/lofts located at significant height. In terms of retail sales value, urban market size is estimated to be around INR 55 billion in 2017-18.

Source: Primary research & data analysis by Frost & Sullivan

7.4 Clothes Drying Stand

- 7.4.1 Use of clothes-drying stands in Indian households is still in its preliminary stage, as most still prefer to use the balcony or roof railings and ropes attached to them, for hanging washed clothes to dry. Currently, just about 28% of urban Indian households use clothes drying stand, which amounts to about 24 million units of the product being used in urban India. In terms of retail sales value, urban market size is estimated to be around INR 51 billion in 2017-18.
- 7.4.2 Clothes Drying Stands are usually made of metal – iron, steel, or aluminium. Average Retail unit price starts from around INR 1,000, and can range up to INR 10,000.

7.5 Water Bottles and Flasks

Water bottles are used for transporting and storage of drinking water, and almost all urban households currently have at least one or more water bottles. In terms of retail sales value, the current market estimates of the overall Water Bottle and flask categories are INR 242 billion and INR 139 billion, respectively, in 2017-18.

7.6 Emergency Lamps

With the increasing adoption of emergency lighting in residential areas, companies are focusing on increasing their portfolios dedicated to this sector. Small (portable) emergency lamps usage penetration in urban Indian households is estimated to be about 23%, which translates to market volume of 20 million. In value terms it's estimated at INR 69 billion.

8. SNAPSHOT: KEY PRODUCT CATEGORIES IN INDIAN KITCHEN APPLIANCES MARKET

Product Categories:	Market Size: Retail Volume (2017)	Market Size: Retail Volume (2022F)	CAGR* (2017-2022F)	Market Size: Retail Value (2017)	Market Size: Retail Value (2022F)	CAGR* (2017-2022F)	Market Leader Company (2017)	Market Share of Market Leader (2017)	Market Share of Stove Kraft Ltd. (2017)
	'000 units	'000 units	%	INR million	INR million	%		%	%
Large Cooking Appliances	11,310	16,635	8.0%	79,438	139,128	11.9%			
Built in Hobs	228	342	8.5%	3,561	5,791	10.2%	Faber	21.1%	4.4%
Free-Standing Hobs	8,681	11,881	6.5%	42,410	66,313	9.4%	Stove Kraft Limited	17.9%	17.9%
Cooker Hoods	1,197	2,201	13.0%	16,608	33,381	15.0%	Faber	18.0%	3.0%
Cook Tops	1,205	2,210	12.9%	16,859	33,644	14.8%	Stove Kraft Limited	33.6%	33.6%
Small Cooking Appliances	42,316	58,117	6.5%	69,052	98,912	7.5%			
Pressure Cooker	24,823	34,400	6.7%	13,949	20,800	8.3%	TTK Prestige	44.9%	7.6%
Electric Rice Cooker	1,824	2,424	5.9%	3,664	4,935	6.1%	Panasonic	32.8%	4.4%
Blender	1,028	1,390	6.2%	3,009	4,078	6.3%	Philips	41.7%	0.5%
Food Processor	1,930	2,610	6.2%	9,880	14,247	7.6%	Phillips	24.0%	-
Juice Extractor	208	282	6.3%	775	1,109	7.4%	Bajaj	24.1%	3.6%
Mixer Grinder	11,588	15,800	6.4%	35,773	50,446	7.1%	Bajaj	19.5%	2.5%
Coffee Maker	274	370	6.2%	859	1,573	12.9%	Bajaj	27.2%	6.2%
Electric Kettle	642	842	5.6%	1,142	1,725	8.6%	Bajaj	22.4%	19.9%
Non-Stick Cookware									
Non-Stick Cookware	5,600	8,700	9.2%	7,590	16,050	16.2%	TTK Prestige	53.8%	13.3%

(11) *Forecast Period: 2017-2022 (Data Source: Euro-monitor and Frost & Sullivan Analysis)
Source: Euro-monitor and Frost & Sullivan analysis. Time Series represents Calendar years. F=Forecast.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled “Forward Looking Statements” on page 13 for a discussion of the risks and uncertainties related to those statements and also the section titled “Risk Factors” on page 14 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward looking statements. Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the twelve month period ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus on page 161.

You should carefully consider all the information in this Draft Red Herring Prospectus, including this section, “Risk Factors”, “Industry Overview”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 14, 88, 161 and 280, respectively, before making an investment in the Equity Shares. In this section, any reference to the “Company” “we”, “us” or “our” refers to Stove Kraft Limited, unless otherwise specified. Unless otherwise stated, the financial information of our Company used in this section has been derived from our Restated Consolidated Financial Statement. Unless noted otherwise, some of the information in this section is obtained or extracted from F&S Report on our request.

Overview

We are a kitchen solutions and an emerging home solutions brand. Further, we are one of the leading brands for kitchen appliances in India and are one of the dominant players for pressure cookers and a market leader in the sale of free standing hobs and cooktops (*Source: F&S Report*). We are engaged in the manufacture and retail of a wide and diverse suite of kitchen solutions under our *Pigeon* and *Gilma* brands, and propose to commence manufacturing of kitchen solutions under the *BLACK + DECKER* brand, covering the entire range of value, semi-premium and premium kitchen solutions, respectively. Our kitchen solutions comprise of cookware and cooking appliances across our brands, and our home solutions comprise various household utilities, including consumer lighting, which not only enables us to be a one stop shop for kitchen and home solutions, but also offer products at different pricing points to meet diverse customer requirements and aspirations.

As of August 31, 2018, our *Pigeon* branded products contributed 81.61% to our overall sales and for Fiscal 2018 and Fiscal 2017, *Pigeon* branded products contributed 86.89% and 86.86% to our overall sales respectively and enjoy a leading position in the market for certain products such free standing hobs, cooktops, non-stick cookware, LPG gas stoves and induction cooktops (*Source: F&S Report*). Similarly, our *Gilma* branded products contributed 4.74% of our overall sales, as of March 31, 2018 and *BLACK + DECKER* products contributed 0.88% of our overall sales as of March 31, 2018. Our *Gilma* portfolio comprises chimneys, hobs and cooktops across price ranges and designs. We believe we have been able to leverage the distribution network of our *Pigeon* branded products, and their brand recall value to enter new product segments and markets. In 2016, we further diversified the *Pigeon* brand by launching LED products under it. We maintain a continuous focus on the development of our brands, and invest significant resources towards their growth and outreach. Further, our dedication to R&D, quality and customer satisfaction, our in-house servicing capabilities and our owned maintenance and service network also contribute to the market perception of our brands and products.

Our flagship brands, *Pigeon* and *Gilma*, have enjoyed a market presence of over 13 years and enjoy a high brand recall amongst customers for quality and value for money. *Pigeon* has been listed as one of the “India’s Most Admired Brands 2016” by White Page International. As a result of our co-branding initiative over 7 years with LPG companies such as Indian Oil Corporation Limited and Hindustan Petroleum Corporation Limited to utilize their sale and distribution channels, our *Pigeon* brand has enjoyed a wide customer outreach and continues to have a high brand recall value. As of the date of this Draft Red Herring Prospectus, we manufacture and retail a wide and diverse range of affordable (value segment), quality products under our *Pigeon* brand, including, *inter alia*, cookware, cooking appliances and household utilities (including consumer lighting). We currently offer a wide range of products such as chimney, hobs and cooktops under the *Gilma* brand, which is targeted at the semi-premium segment.

In addition to our established presence in the value and semi-premium segments through the *Pigeon* and *Gilma* brands, we also entered the premium segment in 2016 pursuant to our exclusive *BLACK + DECKER* Brand Licensing Agreement with Stanley Black & Decker, Inc. and The Black and Decker Corporation, which enables us to exclusively retail, and provide post-sales services in relation to, a wide range of products such as blenders and juicers, breakfast appliances, small cooking appliances and small domestic appliances (as defined under the *BLACK + DECKER* Brand Licensing Agreement) in India under the *BLACK + DECKER* brand, up to December 31, 2027. We are yet to commence manufacturing under the *BLACK + DECKER* brand.

As of August 31, 2018, we manufacture 68.61% of our *Pigeon* and *Gilma* branded products (in terms of number of units) at our well-equipped and backward integrated manufacturing facilities at Bengaluru (Karnataka) and Baddi (Himachal Pradesh), which enables us to control and monitor the quality and costs. Our Bengaluru Facility is spread over approximately 40 acres and 16 guntas, out of which 27 acres and 22 guntas is available for future expansion. As of March 31, 2018, it had an installed annual production capacity of 15 million units, with the capability to manufacture products in the pressure cookers, non-stick cookware (roller coated and spray coated), LPG stoves, mixer grinders and induction cooktops categories. Our Baddi Facility,

which is focused on the Oil Company Business, which includes manufacturing and co-branding of products with such Companies, (“OCB”) has an installed capacity of 1.8 million units per 300 days, with the capability to manufacture products such as LPG stoves.

For certain product categories and sub-categories which do not enjoy economies of scale in India, we engage in sourcing from third party OEMs outside India. For sourced products, we have a dedicated team to undertake inspection and ensure that such products are built to suit our specifications in terms of design and quality. For Fiscal 2018, such products which are retailed under our brands but sourced from third-party manufacturers, such as chimneys, hobs, irons, air coolers, kettles, water bottles, flasks, chairs, rice cookers, etc., contributed 31.50% to our turnover, as compared to 20.26% for Fiscal 2014.

We have a separate distribution network for each of our *Pigeon*, *Gilma* and *BLACK + DECKER* brands. Further, there is a separate distribution network for the *Pigeon* LED products. As on August 31, 2018, our manufacturing facilities in Bengaluru and Baddi are well connected with 14 strategically located C&F agents. Additionally, we have 363 distributors in more than 23 states of India and 12 distributors for our products that are exported as of August 31, 2018. As of August 31, 2018, the C&F agents and distributors are, in turn, connected with a dealer network comprising of over 26,000 retail outlets, which are driven through a sales force of 580 personnel. We have entered into commercial arrangements with retail chains such as Metro Cash And Carry India Private Limited for the sale of our *Pigeon* branded products from several of their retail outlets in India. Further, we have also entered into agreements with e-commerce platforms such as Flipkart India Private Limited, for the sale of our products on their portals. Outside of India, we export our products which are manufactured by us to retail chains in the United States of America.

Our *Gilma* brand products are sold through exclusively branded outlets owned and operated by franchisees. As on August 31, 2018, there were 62 such stores spread across five states and 28 cities, with a presence in the urban market in south India. *Gilma* stores are designed to be ‘experience’ stores.

As of August 31, 2018, we have a dedicated service team of 241 personnel to address service calls for all our brands. Our CRM software enables us to track customer requests, pre-installation and post-sales support to ensure customer satisfaction. Specifically for our *Gilma* products, we have a mobile application which enables our customers to register themselves and raise requests for installation and post-sales services through the app. For *Pigeon* and *BLACK + DECKER* products, our customers can reach our Company through toll free numbers, giving missed calls, sending us emails on the customer care ID, sending an SMS to our dedicated number or through our dealers and trade partners.

Our Company was founded by our Promoter, Rajendra Gandhi, a first generation entrepreneur with over 19 years of experience in the kitchen appliances industry. We believe that the sector-specific experience and expertise of our senior management has contributed significantly in the growth of our Company.

For Fiscal 2018, our revenue from operations as per our Restated Consolidated Financial Statements was ₹5,289.52 million, EBITDA was ₹156.05 million and loss after tax for the year was ₹127.62 million. Between Fiscals 2014 and 2018, our loss after tax for the year has decreased from ₹304.69 million in Fiscal 2014 to ₹127.62 million in Fiscal 2018. Between Fiscals 2015 and 2018, our EBITDA increased at a CAGR of 101.06% from ₹19.20 million in Fiscal 2015 to ₹156.05 million in Fiscal 2018 (excluding Fiscal Year 2014, where we made an EBITDA Loss of ₹35.80 million).

Our Competitive Strengths

A one stop shop for well recognized, award winning portfolio of kitchen solutions brands with a diverse range of products across consumer preferences.

Since our inception in the year 1999, we have grown from a single brand small LPG stove manufacturing company to become one of India’s leading manufacturers of kitchen appliances, with revenue from operations of ₹5,289.52 million in Fiscal 2018, and a presence in 23 states of India and 12 countries across the world. Our brand portfolio, comprising of the *Pigeon*, *Gilma* and *BLACK + DECKER* brands caters to the value, semi-premium and premium customer segments in the kitchen solutions industry, and allows our customers to engage with the brand specifically designed for their budget and lifestyle. Our award winning *Pigeon* brand is well established in the Indian kitchen appliances industry. As a result of our co-branding initiatives of over 7 years with LPG companies such as Indian Oil Company Limited and Hindustan Petroleum Corporation Limited to utilize their sale and distribution channels, the *Pigeon* brand has enjoyed a wide customer outreach and continues to have a high brand recall value. In this regard, the *Pradhan Mantri Ujjwala Yojana*, which is a scheme of the Ministry of Petroleum & Natural Gas, GoI for providing LPG connections to women from BPL households, has enabled us to increase volume sales and reach the interior regions of the country (*Source: F&S Report*). We believe that the existing market presence and strength of the *Pigeon* brand has been instrumental in enabling us to successfully enter into home solutions vertical with products like LED products in 2016.

Our *Gilma* brand is focussed on offering the semi-premium experience to our customers with a wide variety of products such as chimneys, hobs, glass cooktops etc. In September 2016, we entered into the *BLACK + DECKER* Brand Licensing Agreement with Stanley Black & Decker, Inc. and The Black and Decker Corporation, a diversified global provider of hand tools, with a large presence in the small domestic appliances space. We believe that our tie-up with Stanley Black & Decker, Inc. and The Black and Decker Corporation will enable us to penetrate the premium segment of the kitchen appliances industry, and contribute significantly in the recognition, demand and growth of our overall brand portfolio.

We engage in a wide range of marketing and advertising activities, including in-shop displays, merchandising, kiosks, live demo stands, social media marketing, which enable us to maintain the popularity and recall value of our brand portfolio. We also maintain an in-house team of 18 personnel who continuously engage with various publications, TV channels and other media to coordinate our marketing efforts. We believe that we have undertaken the diversification of our product portfolio on the basis of the needs of the customers, and we regularly seek their insights and feedback to ensure that our product range is optimized to suit the needs of our customers.

Widespread, well connected distribution network with a presence across multiple retail channels and a dedicated after-sales network.

We believe that the integration of our supply chain and distribution network with our manufacturing facilities provides us with a competitive advantage over other players in the Indian kitchen appliances industry. As on August 31, 2018, our manufacturing facilities in Bengaluru and Baddi are well connected with 14 strategically located C&F agents. Additionally, we have 363 distributors in more than 23 states of India as of August 31, 2018. The C&F agents and distributors are, in turn, connected with a dealer network comprising of over 26,000 retail outlets, which are driven through a sales force of 580 personnel as on August 31, 2018. In addition to independent third-party retail stores, we have also partnered with major Indian retailers for the sale of our products, and for Fiscal 2018, our products are available in retail chains such as Metro Cash And Carry India Private Limited. We have also partnered with e-commerce retailers such as Flipkart India Private Limited for the sale of our *Pigeon* branded products on their portals. As on August 31, 2018, our *Gilma* brand products are sold exclusively through 62 Gilma stores located across 28 cities in five states. Internationally, our products are exported to 12 countries including UAE, Qatar, Bahrain, Kuwait, Iran, Tanzania, Uganda, Nepal, Philippines, Sri Lanka, the United Kingdom and the Netherlands in Fiscal 2018. Further, we supply our products to retail chains in the United States of America and we also undertake original equipment manufacturing for retail chains in the United States of America and Mexico under their brands. In Fiscal 2016, our inherent skill to scale led us to foray into a new line of business, i.e. LED products, which has grown to a revenue of ₹254.70 million within a period of 18 months. As of August 31, 2018, we hold registered design in relation to our super cooker, which further showcases our innovative approach.

We strive to balance product availability and inventory levels such that we can continue to deploy resources in a value-creating manner, and believe that our wide presence generates economies of scale and contributes to the effective cost structure of our Company. We believe that even with our vast geographical outreach, our operations have the ability to quickly respond to a complex web of suppliers and trade customers, changing consumer preferences and constantly fluctuating demand. Our sales team, comprising of 580 employees as of August 31, 2018, are constantly monitored and well connected through sales force automation. We have also implemented BIZOM, a secondary sales software which enables us to track and capture the secondary movement of our field sales executives and servicing engineers in the market in real time. We have also implemented the 'Bizom' software across our operations for the real time distribution management. Being technology driven enables us to gain a deep understanding of the market trends in the kitchen solutions industry and shifts in customer preferences, and enables us to expand strategically and with agility.

We strive to ensure that the quality of our products is complemented by the after-sales services provided to our customers across segments, through a dedicated centralized CRM, and a large team of in-house service personnel to cater to the requirements of our customers. We utilise a distributor management system (DMS), which helps the organisation to track secondary and tertiary sales and maintain inventory level at the distributor's centre. As of August 31, 2018, our servicing team comprised of 241 employees, with full in-house capabilities.

Strong manufacturing capability with efficient backward integration.

We believe the scale at which we undertake the manufacture of our products, combined with our raw material sourcing, packaging, transportation practices and quality control, enables us to derive higher margins from the sale of our products. Our Bengaluru Facility is a large facility for the manufacture of kitchen solutions, which is spread over approximately 40 acres and 16 guntas with 27 acres available for future expansion. It is an integrated facility comprising of eight manufacturing units, tailored to manufacture pressure cookers, non-stick cookware, hard anodized cookware, mixer grinders, induction cooktops, LPG stove and glass cooktops. For Fiscal 2018, it had an aggregate integrated capacity of 15 million units per annum. It is also one of the few facilities in India to have a fully automated roller coating line for the manufacture of non-stick cookwares (Source: F&S Report). Our manufacturing facilities are backward integrated. We have the ability to manufacture components such as bakelite handles, sheet metal components, moulded parts, die cast parts, moulds, dies and fixtures in house for the manufacture of our products. We believe the backward integration of our manufacturing facilities has reduced our dependence on third party suppliers and OEMs for such components.

Our Baddi Facility, which has been operational since 2005 and engaged with our Company ever since, has an annual installed capacity of 1.8 million units per 300 days, with the capability to manufacture products in the LPG stove and glass cooktop categories. Both our manufacturing facilities are ISO 9001:2015 certified for implementing quality management systems.

Consistent focus on quality and innovation.

We believe that quality is a pre-requisite for a positive consumer experience and long-term brand loyalty. This philosophy has formed the foundation of the expansion and diversification of our product portfolio since our inception. Our focus on quality is maintained at all stages – right from the sourcing of raw materials, which is undertaken from manufacturers to the product

development and manufacturing stage, which is subject to a rigorous review and monitoring process undertaken at our Bengaluru Facility. For products which are sourced by us from third party OEMs, we have a dedicated sourcing team and quality assurance team based out of China, which closely monitors the quality of such products. Our efforts to maintain the quality of our products have been well recognized in the industry, and we have been awarded the ‘Gold Award’ by Quality Circle Forum of India (Bengaluru chapter) in the years 2013 and 2014.

Over the years, based on our experience we have focussed on investing in experience based product innovations that are most relevant in creating the best consumer experience. The year on year expansion and optimisation of our product portfolio has also been innovative, and we have added segments based on shifts in consumer preferences and market demand. As of August 31, 2018, we have a dedicated in-house R&D facility, comprising of 11 personnel, and we have progressively increased our investment in R&D in the last few years. To further our efforts in innovation, in the past, we had also entered into tie-ups with foreign companies for technology enablement and tech knowhow agreements with them from Fiscal 2013 to Fiscal 2015. As a result of our focus on innovation, we developed the ‘*Super Cooker*’ which has a registered design and is customizable into products with multiple utilities. We have also developed the ‘*Super Storm Advanced*’ mixer grinder, with forced air cooling technology, and the ‘*Infinity*’ glass cooktops with a fastener free body.

Professional management with successful track record and extensive experience in the kitchen solutions industry, and a young and dynamic workforce.

We are a professionally managed company with a track record of corporate governance and robust internal controls. Our strong corporate culture that originates from the founder of our Company, Rajendra Gandhi, who is a first generation entrepreneur with over 19 years of experience in the kitchen appliances and home appliances industry. We have a qualified and competent leadership team. Our Chief Financial Officer, Company Secretary and Compliance Officer, Shashidhar SK, has over 25 years of experience in the corporate finance and corporate governance fields, and has previous experience of working with *inter alia* WaterHealth India Private Limited, Tata Advanced Materials Limited and Craigmere Textiles Private Limited. Our Chief Operating Officer, Senthil Kumar R. has over 30 years of experience in the manufacturing sector, and our Head of Corporate Planning, Venkitesh N., has over 25 years of experience in the manufacturing sector, having previously worked with BPL Limited. Our Company’s capable management team has an average of more than 18 years of experience. While core functions are centralized, we have focused management teams as well as shared management teams which manage the different brand portfolios, and our product heads have significant expertise in their respective product categories. In addition to the experience of the senior management and staff, we believe we benefit significantly from the youth and dynamism of our workforce, which comprises of a majority of young professionals such as Tamal Krishna Chaudhuri, Rohit Mago, Manoj N.G., Kiran Prabhakar Joshi and Kumaravelu Chandrasekar who are also part of our key management personnel. For further details, see “*Our Management- Brief profiles of our Key Management Personnel*” on page 151.

Strong track record and financial stability.

We have maintained a strong track record of growth over the years through expansion of brand portfolio, distribution network, improved procurement costs and increase in sales growth. Our operational efficiencies and efficient supply chain network has resulted in better control of operational expenses and thereby enabled rise in profits after tax. Further, we have been able to capitalize on our existing logistics, supply chain network and backward integrated manufacturing facilities to utilize our capital efficiently.

Over the past few years, we have added manufacturing and warehousing infrastructure, scaled up our retail franchisee operations, added a number of new product categories and entered new customer segments. We believe that these initiatives have prepared a strong base for future growth. As per our Restated Financial Statements, from Fiscal 2014 to Fiscal 2018, our revenue increased at a CAGR of 0.91%, our EBITDA increased at a CAGR of 101.06% between Fiscal 2015 and Fiscal 2018 (excluding Fiscal Year 2014, where we made an EBITDA Loss of ₹35.80 million). Between Fiscals 2014 and 2018, our loss after tax for the year has decreased from ₹304.69 million in Fiscal 2014 to ₹127.62 million in Fiscal 2018.

Strategies

Increase our geographical reach and expansion of addressable market

We continually seek to enhance our addressable market through our network of over 26,000 dealers, over 363 distributors and 14 C&F agents across the country, as on August 31, 2018. Our erstwhile sales channel comprised of super distributors and their business partners and was limited to the extent of their reach. However, since 2014, we have started appointing C&F agents to undertake our stocking and distribution, enabling us to reach our customers faster by reducing transportation time, optimise inventory, and limit trade over-dues.

Toward this objective, we have also engaged a leading management consulting firm to undertake a project to improve our distribution operations and productivity of our salesforce, as part of improving our sales, collect and analyse secondary sales data. We believe that this project will enhance our network, penetration, distribution and effectively, maximise revenues from the sale of our products.

Further, a large untapped customer base has surfaced with the advent of several Government initiatives such as Pradhan Mantri Ujjwala Yojana, which has provides for free LPG connections (*Source: F&S Report*). These initiatives will provide us with an

opportunity to increase our market share. As the country's largest cooktop manufacturer (*Source: F&S report*), we look forward to leverage this vast network of rural households.

Scale up branding, promotional and digital activities

Our wide spread presence and scale of operations allows us to increasingly focus on branding and promotional activities to enhance our visibility in the cookware and kitchen appliances industry. While our consumer brands are well established and enjoy a high brand recall amongst our customers, we seek to continue to enhance brand awareness and customer loyalty through our promotion and marketing efforts such as increased advertising in print and social media, retail branding, product branding, hyperlocal activities, factory visits for our trade partners, substantially increasing our digital presence and engagements, generating contemporary educational content and engaging in brand associations.

With 481 million Internet users in India as on December 2017 (*Source: F&S Report*), there is access to information. The digital platform and social media has enabled us to reach and engage with a wider audience and also customise product offering to our prospective customers. We believe that our consumer-focused products and product information along with our well recognized brands increase customer confidence in our products and influences our customers' buying decisions.

Expand our portfolio in the existing product categories

Our product portfolio under the brand Pigeon consists of four categories - cookware, cooktops and other solutions, small kitchen appliances and home utilities aiding different functions and utilities in the kitchen and home. We have consistently focused on expanding and optimising our product range to offer utility, a range of features and value for money. We seek to utilise our research and development capabilities to develop new products to cater to the evolving requirements of a large customer base and cover newer customer segments.

India has a relatively young demographic profile, with a median age of 27.3 years and 850 million of the country's population will be in the age group of 35 years or below, making India the globe's youngest population by 2020 (*Source: F&S Report*). With increase in overall per capita income (*Source: F&S Report*) they have a significant impact on kitchen appliances and cookware market (*Source: F&S Report*). Being technology driven enables us to gain a deep understanding of the market trends in the kitchen solutions industry and shifts in customer preferences, and enables us to expand strategically and with agility.

As of Fiscal 2018, traded products contribute to 31.50% of our sales. We propose to significantly increase this proportion to enable us to provide a large assortment of products across categories and sales channels, drive sales volumes faster and increase our market share.

Invest in new plants and increase automation in existing manufacturing facilities

We have two backward integrated manufacturing facilities in Bengaluru and Baddi with dedicated plants for each of our core product categories - LPG cooktops, aluminium pressure cookers, non-stick cookware, induction cooktops and mixer grinders. These robust facilities with a constant focus on technology upgradation are equipped to manufacture a wide and diverse range of products, as well as several components used in our products. We propose to increase the level of automation at our facilities as we believe that would enable us to achieve greater efficiency in reducing time taken for and the cost of manufacturing our products, from design to commercial production and, in our in-house testing and quality assurance processes, resulting in higher profit margins.

The increase in per capita disposable incomes is fuelling the growth of newer segments of categories and products across different demographics. To enhance our market share, we propose to invest in new plants, with high degree of automation, specifically for the manufacture of new classes of products where economies of scales are rapidly evolving viz. electric irons, wet grinders, stainless steel pressure cookers, bucket mops etc. We also intend to focus on manufacturing value added products across product verticals ensuring our presence in each rung of the value chain.

Focus on and augment our LED consumer lighting business

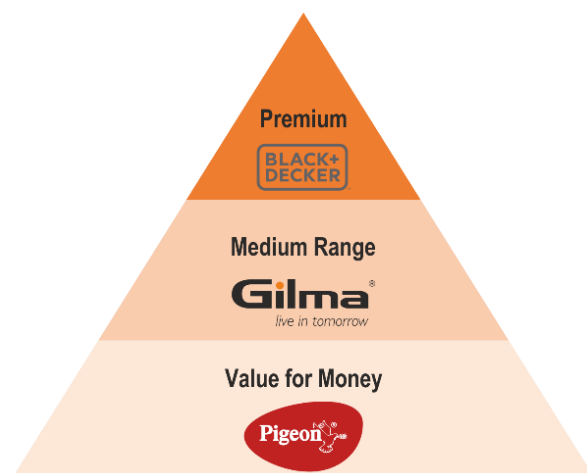
Owing to the increasing government initiatives to boost LED adoption and growing awareness regarding lower power consumption of LED lighting products, the LED lighting market is expected to grow significantly in India. We seek to capture this growing demand for LED lighting products with our range of consumer lighting products including bulbs, battens, downlight and panels. In a short span of two years, we have leveraged the strength of our brand 'Pigeon' and our capabilities to scale up a large distribution network in the southern states of India. We will continue to introduce a wider range of LED lighting products for different end-use segments and expand to newer and broader geographies.

Increase exports

As of March 31, 2018, our export sales contributes to 5.61% of our total sales. With our manufacturing and technological competence in non-stick cookware, we are globally competitive to cater to both the developed and the developing markets. Our presence is currently spread across 12 countries including USA, Mexico, UAE, Qatar, Bahrain, Kuwait, Iran, Tanzania, Uganda, Nepal, Philippines, Sri Lanka, the United Kingdom and the Netherlands. We seek to expand our global reach, through constant innovation and increased customer acceptance of our products in international markets.

Our Products and Brands Overview

Our products are sold under three brands, viz. *Pigeon*, *Gilma* and *BLACK + DECKER* to cater to the value, semi-premium and premium customer segments, respectively. Set out below is a brief overview of the class of products retailed under each of the brands:



Pigeon



Pigeon, which is our value for money brand, offers a wide array of products under various sub-categories. Set out below is an overview of the products currently offered by us under the *Pigeon* brand:

Cookware	Cooktops and other kitchen solutions	Small appliances	Other products
<ul style="list-style-type: none"> Pressure cookers Titanium Hard anodized cookware Wondercast cookware Non-stick cookware Electric rice cookers 	<ul style="list-style-type: none"> Hobs Glass cooktops Stainless steel cooktops Induction cooktops Chimneys 	<ul style="list-style-type: none"> Mixer Grinders Rice cookers Electric kettles Toasters Sandwich makers Knives Roti makers Steam irons Juicers Food steamers Air fryers Electric grills 	<ul style="list-style-type: none"> Emergency lamps Water bottles and flasks Aluminum ladders Cloth dryers Water heaters Dustbins Mops

Some of our marquee innovative products, such as the *Super Cooker*, *Infinity* glass cooktops and *Super Storm Advanced* mixer grinder, are sold under the *Pigeon* brand. The *Pigeon* ‘super cooker’ is an innovative offering which provides the functionalities of straining, serving, induction cooking compatibility and non-stick, energy efficient cooking in a single product.

Gilma



Our *Gilma* brand, which focuses on the semi-premium customer segment, is sold exclusively through *Gilma* branded stores which are designed to offer the customer a modular kitchen experience. Currently, the *Gilma* portfolio comprises of chimneys, hobs and cooktops across price ranges and design offerings. We believe that our *Gilma* products combine premium design with effective performance, offered at a competitive price. While *Gilma* chimneys come built with higher suction power and a lifetime warranty, the hobs offer features such as anti-rust stainless steel body, energy efficiency and one touch auto ignition. Similarly, *Gilma* LPG stoves are designed keeping in mind thermal efficiency, durability and portability. *Gilma* LPG stoves use toughened glass and brass burners, and come with a two year warranty.

The *Gilma* range of kitchen sinks come in two variants – glass and stainless steel. These sinks are stain resistant, easy to clean with sound absorbers. The sinks are built with an extra thick body for durability, and come with a 25 year guarantee to ensure customer satisfaction. In addition to the kitchen solutions set out above, *Gilma* also offers a wide range of massage apparatus, aimed at ergonomics and comfort, and heating solutions which include a range of water heaters.

BLACK + DECKER



BLACK + DECKER is a renowned name internationally in the field of, *inter alia*, kitchen appliances. Presently, we offer the following products under the ***BLACK + DECKER*** brand, aimed at the premium segment of customers:

Small appliances	Other products
<ul style="list-style-type: none"> Food processors Juicers Hand blenders Hand mixers Mini choppers Oven toaster grills Rice cookers Coffee makers Toasters Sandwich makers Kettles 	<ul style="list-style-type: none"> Steam irons Dry irons Water heaters Oil Fin Radiators

Pigeon LED



In 2016, we entered a new segment by launching the *Pigeon* brand of LED products, which are designed for better heat dissipation and voltage surge protection. Presently, the products sold under the *Pigeon* LED brand include LED bulbs, battens, and downlights.

Our Manufacturing Facilities

As of the date of this Draft Red Herring Prospectus, we have two manufacturing facilities, one each in Bengaluru, Karnataka and Baddi, Himachal Pradesh. Both our manufacturing facilities are ISO 9001:2015 certified for implementing quality management systems. Our manufacturing facilities also have a high level of backward integration, and our ability to manufacture bakelite handles, critical components, and mold & die in-house ensures that our manufacturing process is not dependent on third party suppliers and OEMs.

Bengaluru

Our Bengaluru Facility is a large facility for the manufacture of kitchen solutions, which is spread over approximately 40 acres and 16 guntas, out of which 27 acres and 22 guntas is available for future expansion. It is an integrated facility comprising of eight manufacturing units, tailored to manufacture cookware, cooktops, pressure cookers, mixer grinders, non-stick cookware and induction cooktops. Each unit is headed by an experienced unit head who is in-charge of production, purchase, inventory and quality. Further, the Bengaluru Facility also houses a research and development department for the designing, engineering and testing of new products before they are launched in the market.

The following table sets forth information relating to the aggregate installed production capacities for our products manufactured at our manufacturing facilities as of March 31, 2018 and March 31, 2017 at our Bengaluru Facility:

Number of units manufactured are in million

Products	As at March 31, 2017			As at March 31, 2018		
	Installed Capacity (in mn units of the product p.a.)	No. of Units manufactured	Capacity Utilisation (%)	Installed Capacity (in mn units of the product p.a.)	No. of Units manufactured	Capacity Utilisation (%)
Pressure Cooker	3.00	1.38	46.00%	3.00	1.70	56.67%

Products	As at March 31, 2017			As at March 31, 2018		
	Installed Capacity (in mn units of the product p.a.)	No. of Units manufactured	Capacity Utilisation (%)	Installed Capacity (in mn units of the product p.a.)	No. of Units manufactured	Capacity Utilisation (%)
LPG Stoves	1.20	0.39	32.50%	2.40	0.44	18.33%
Non Stick- Spray Coating	2.40	1.49	62.08%	2.40	1.27	52.92%
Non Stick- Roller Coating	6.00	1.79	29.83%	6.00	1.85	30.83%
Mixer Grinder	0.60	0.21	35.00%	0.60	0.27	45.00%
Induction Cooktops*	-	-	0.00%	0.20	0.04	20.00%
Total	13.20	5.26	39.85%	14.60	5.57	38.15%

*Production started from December, 2017.

Calculation of Utilized Capacity (%): Actual Production during the Year /Period /Installed Capacity during the Year /Period *100

As of Financial Year 2018, our Bengaluru Facility had an operational capacity of 15 million units per annum. It is also one of the few facilities in India to have a fully automated roller coating line for the manufacture of non-stick cookwares (*Source: F&S Report*) As a result, our Bengaluru facility has both spray coating and roller coating capabilities for the manufacture of non-stick cookware, which has enabled us to increase the production of non-stick cookware with greater productivity and minimize rejection.

Baddi

Our Baddi Facility, has been operational since 2005 and engaged with our Company ever since. For Fiscal 2018, it had an installed capacity of 1.8 million units per 300 days, with the capability to manufacture products in the LPG stove and glasstops categories. We believe that our Baddi Facility benefits from its strategic location, as most LPG stove manufacturers are located in northern India which enables the facility to source raw material and skillful resources in an efficient manner.

The following table sets forth information relating to the aggregate installed production capacities for our products manufactured at our manufacturing facilities as of March 31, 2018 and March 31, 2017 at our Baddi Facility:

Product	As at March 31, 2017			As at March 31, 2018		
	Installed Capacity (in million units of the product per annum)	Number of Units manufactured (in million)	Capacity Utilisation (%)***	Installed Capacity (in million units of the product per annum)	Number of Units manufactured (in million)	Capacity Utilisation (%)***
LPG Stove **	1.20	1.03	86%	1.80	0.77	45
Induction Cooktop *	0.75	0.40	54%	0.75	0.11	15
Total	1.95	1.43	74%	1.95	0.88	28.6

*In Fiscal 2017-18 the product shifted to the Bangalore plant completely

** Decrease in capacity utilisation is due to low demand of LPG Stoves for Oil Company Business.

*** Calculation of Utilized Capacity (%): Actual Production during the Year /Period /Installed Capacity during the Year /Period *100

Manufacturing Processes

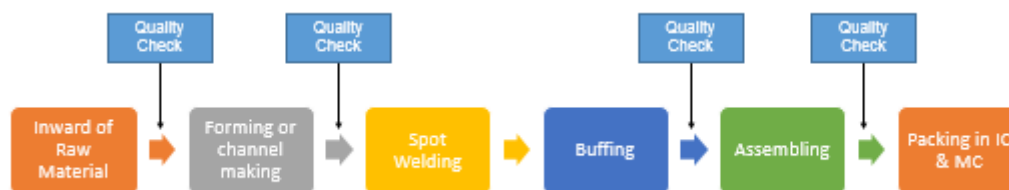
Our manufacturing facilities are well equipped to ensure end-to-end manufacturing capabilities. Set out below is a brief overview of the manufacturing process followed in relation to different kinds of products:

Pressure Cookers



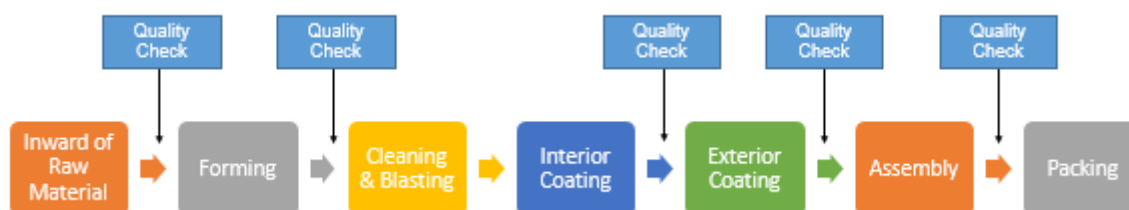
The manufacturing process for pressure cookers is fully automated, with skilled and trained staff operating the assembly line machinery. The quality check at various points ensures that there are minimal defects in the end product. Pursuant to this process, our Company is able to manufacture pressure cookers at an average rate of 8,220 units per day.

LPG Stove or Glass Cooktops



The manufacturing process for LPG stoves and glass cooktops is similar to the one adopted for pressure cookers, with the difference being that it also involves spot welding – where metal components are welded together through the application of pressure and heat, and buffing – which entails polishing of the welded product before assembly.

Non Stick – Spray



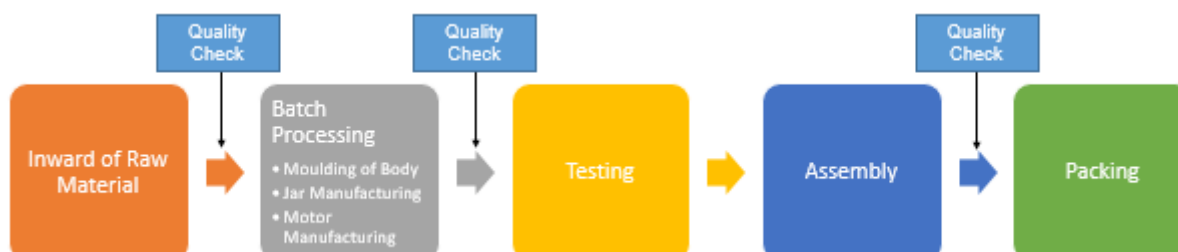
In case of the non-stick spray process, aluminum circles are pressed together to form the shape of the desired product, following which the product undergoes buffing and sun blasting to create roughness on the inner side of the formation. Subsequently, the unfinished product goes through the coating section where interior coating and exterior coating is undertaken, following which our in-house manufactured handles are fixed and the product is packed for dispatch.

Non Stick – Roller Coating



This is a much advanced manufacturing process than the non-stick spray coating process. It is completely automated, where the interior and exterior coating of circles is undertaken before pressing to form the shape of the desired end product. Post forming, our in-house manufactured handles are fixed and the product is packed for dispatch.

Mixer



Different components of the mixer, such as the outer body, jars and motors are manufactured in-parallel by us. Subsequently, the components are assembled and the product is run through a quality test, following which the products are packed for dispatch.

Induction Cooktop

Telangana	2171	1439	16	
Karnataka	2603	2584	21	42
Kerala	2245	819	5	
TN	4382	1877	4	35
MP	1270	0		
Chhattisgarh	520	0		
Gujarat	1242	0		
Maharashtra	1673	66		149
Rajasthan	1357	0		
Delhi	459	0		102
Chandigarh	115	0		65
Punjab	658	0		
Jammu & Kashmir	219	0		10
Haryana	253	0		
Himachal Pradesh	196	0		
Uttar Pradesh	950	0		
Uttarakhand	368	0		
West Bengal	1119	0		60
Bihar	367	0		
Jharkhand	372	0		
Orissa	510	0		
ASSAM	285	0		
NE	143	0		
Total	26288	7948	62	499

Further, either under the *Pigeon* brand or as OEM manufacturers, our products are also sold internationally in the following countries:



Marketing, Sales and Distribution

We have entered into advertising and marketing agreements with third party agencies such as Beehive Communications Private Limited for the marketing of our brands and products. We ensure that our product packaging design includes images and written content on the product features, specifications, highlights, etc. All packaging designs are based on the brand guidelines of specific brands. Our marketing initiatives comprise of in-shop displays, merchandising, kiosks, live demo stands, social media marketing, including e-mailers, customer engagement programs and brand visibility, and circulation of offer leaflets, brochures, postures, standees, banners, posters. Our marketing agency also engages in making product application videos and creatives for press releases and outdoor advertisement.

Each of the states where our products are retailed has a sales head, who reports to the national head of sales. The distribution of our products is undertaken through a network of C&F Agents, which are spread across the country. As of August 31, 2018, we have entered into agreements with 14 C&F Agents, which in turn cover the following territories:

Name of C&F Agent	Location	Territories covered
Sri Bhagavathy Traders Private Limited	Kumbalam, Kerala	South Kerala
KRR Agencies	Kondotty, Kerala	North Kerala
Jatin Associates	Jaipur, Rajasthan	Rajasthan
Sudha Gupta	Ghaziabad, Uttar Pradesh	Uttar Pradesh, Delhi, Jammu & Kashmir, Himachal Pradesh, Punjab, Haryana and Uttarakhand
Mani Distributors	Indore, Madhya Pradesh	Madhya Pradesh
Namo Enterprises	Ahmedabad, Gujarat	Gujarat
Plastico Agencies	Ranchi, Jharkhand	Jharkhand
Ashok Glass	Patna, Bihar	Bihar
Rajprotim Supply Chain Solutions Private Limited	Kolkata, West Bengal	West Bengal
Rajprotim Supply Chain Solutions Private Limited	Guwahati, Assam	Assam, Arunachal Pradesh, Manipur, Meghalaya, Manipur, Nagaland and Tripura
Rajprotim Supply Chain Solutions Private Limited	Cuttack, Orissa	Orissa
Pawan Enterprises	Mumbai, Maharashtra	Maharashtra
Pooja Enterprises (Gilma)	Bengaluru, Karnataka	Karnataka
Mahaveer Marketing (Gilma)	Secunderabad, Telangana	Andhra Pradesh and Telangana

The branded business for our southern region (*Pigeon* and *BLACK + DECKER*) are serviced from the master warehouse situated in our Bengaluru Facility. For *BLACK + DECKER*, business for eastern Indian states is serviced from a warehouse in Kolkata, business in western Indian states is serviced from a warehouse situated in Mumbai and business for north Indian states is serviced from a warehouse in Ghaziabad. *Pigeon* brand products are serviced through all the C&F Agents listed above, and serviced from the master warehouse situated in our Bengaluru Facility.

For modern retail stores and e-commerce platforms, our distribution is presently serviced from the master warehouse in our Bengaluru Facility. We rely on third party logistic service providers for the transport of our products from our warehouse to the C&F Agents.

Servicing

Our Company has a dedicated service team to address service calls for our *Pigeon*, *Gilma* and *BLACK + DECKER* branded products. As of August 31, 2018, our service team comprised of 241 employees. Our CRM software enables us to track customer requests, pre-installation and post-sales support to ensure customer satisfaction. Specifically for *Gilma* products, we have a mobile application which enables our customers to register themselves and raise requests for installation and post sales services through the app. Basis the customer's request, the call is assigned to either the service executive or service franchisee, as the case may be. For *Gilma* products, we have different models of servicing in different states, and as of August 31, 2018, our *Gilma* service model is as follows:



S. No.	State	Service Model	Service Incharge	Service Employees	Service Franchisee	Total
1	Andhra Pradesh and Telangana	Hybrid	1	1	2	4
2	Kerala	Owned	1	5	0	6
3	Tamil Nadu	Franchisee	1	0	7	8
4	Karnataka	Owned	1	20	0	21
5	Corporate office			4	0	4
	Total		4	30	9	43

For our *Pigeon* and *BLACK + DECKER* products, our customers can reach our Company through toll free numbers, giving missed calls, sending us emails on the customer care ID, sending an SMS to our dedicated number or through our dealers and trade partners. The service to our end customer is provided through Company technicians. All calls are registered at a centralized call centre and thereafter allocated to respective branches based on mapping. At the outlet level, the branch service in-charge/coordinators manually allocate calls to service technicians to attend servicing and installation requests.

Competition

The Indian kitchen solutions and appliances market is highly competitive. We face competition from various domestic and multinational companies in India. Amongst listed players, our major competitors in the cookware, cooktops and small kitchen appliances segments include TTK Prestige Limited, Hawkins Cookers Limited, Butterfly Gandhimati Appliances Limited and Bajaj Electricals Limited. Amongst unlisted companies, our major competitors include Preethi Kitchen Appliances Private Limited, Franke Faber Private Limited and Sunflame Enterprises Private Limited. Additionally, we face competition from a number of regional, unorganized manufacturers and retailers (*Source: F&S Report*)

Intellectual Property

We have registered certain business names and logos as trademarks under various classes with the Registrar of Trademarks in India, under the Trade Marks Act, 1999. Some of the registrations include “”, “GILMA”, including for our corporate logo, “”. For details of our intellectual property rights, see “*Government and Other Approvals*” on page 301 of this Draft Red Herring Prospectus.

Human Resources

As of August 31, 2018, we had 2,087 permanent employees on the payroll of our Company. The following table sets forth the break-up as of August 31, 2018:

S. No.	Departments	No. of Employees
1.	Sales and marketing	602
2.	Finance, accounts and administration	51
3.	Supply chain management and procurement	92
4.	Factory workers, plant team and management team	1,101
5.	Service	241
	Total	2,087

In addition to the employees listed above, we also engage contract labourers to facilitate our manufacturing operations. As of August 31, 2018, we engaged 391 contract workers.

Insurance

We maintain insurance policies for our manufacturing and retail business which is customary for our industry. These include policies in relation to burglary insurance, money insurance, personal accident and fire and special perils insurance. Additionally, we maintain mediclaim insurance policies for our employees and our key management personnel.

Information Technology

We have implemented a company-wide ERP system. This system is used to manage and co-ordinate all resources, information and functions of the business on a real-time basis. The ERP system helps in integration of different functional areas to ensure proper communication, productivity, quality and efficiency in decision making. It further helps in tracking customer demands and assisting in maintaining optimum inventory levels. We have a dedicated IT team which is involved in maintaining the ERP system.

Property

Our registered and corporate office situated at 81/1, Medamaranahalli Village, Harohalli, Hobli, Kanakapura Taluk, Ramanagar District 562 112, Karnataka, India, is owned by us. Our manufacturing facilities are located on mix of freehold and leasehold land. Further, we have a sales office in Jaipur which are operated out of leased premises. We also operate a service centre in Jayanagar, Bengaluru, which is operated out of leased premises.

REGULATIONS AND POLICIES

Given below is a summary of certain sector-specific relevant laws and regulations as prescribed by the Government of India or state governments which are applicable to our Company. The information in this chapter has been obtained from publications available in the public domain. The description of the applicable laws and regulations as given below has been provided in a manner to provide general information to the investors is indicative and is not exhaustive, and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Our Company is primarily engaged in the business of retail and manufacture of kitchen solutions and products. For further details, see “*Our Business*” on page 114.

Under the provisions of various Central Government and state government statutes and legislations, our Company is required to obtain, and periodically renew certain licenses or registrations, and to seek statutory permissions to conduct our business and operations. For further details, see “*Government and Other Approvals*” on page 301.

I. Regulations regarding foreign investments

Under the current consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion (“**DIPP**”) including any modifications thereto or substitutions thereof, issued from time to time (the “**Consolidated FDI Policy**”), 100% FDI through automatic route is permitted in the manufacturing sector. Additionally, trading under the Consolidated FDI Policy is also under the automatic route and FDI is permitted up to 100% therein. Trading under the Consolidated FDI Policy includes sale of goods/ merchandise to retailers, industrial, commercial, institutional or other professional business users or to other wholesalers and related subordinated service providers.

II. Environmental laws and regulations

We are subject to various environmental laws and regulations as the operation of our establishments might have an impact on the environment. The basic purpose of such statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“**PCBs**”), have been set up in each state and at a central level. Establishments, as prescribed under various regulations are required to obtain consent orders from the PCBs. These consent orders are required to be renewed periodically.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set out by the concerned state PCB. The Water Act also provides that the consent of the concerned state PCB must be obtained prior to establishing any industry, operations or any treatment and disposal system, which is likely to discharge sewage or effluent into a water body.

Water (Prevention & Control of Pollution) Cess Act, 1977 (“Water Cess Act”) and Water (Prevention & Control of Pollution) Cess Rules, 1978 (“Water Cess Rules”)

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries by local authorities constituted under the Water Act, with a view to augment the resources of the central and state PCBs for the prevention and control of water pollution. The Water Cess Rules have been notified under Section 17 of the Water Cess Act and provide, *inter alia*, standards for meters and places where they are to be affixed and the furnishing of returns by consumers.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act requires that any industry or institution emitting smoke or gases must apply in a prescribed form and obtain consent from the state PCB prior to commencing any activity. The state PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Environment (Protection) Act, 1986 (“EPA”)

The EPA has been enacted with the objective of protecting and improving the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of, *inter alia*, protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person, officer or any authority for any of the purposes of the EPA. Such directions include, *inter alia*, the power to direct the closure, prohibition or regulation of any industry, operation or process.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)

An “occupier” has been defined as a person who has control over the affairs of a factory or premises, or any person in possession of hazardous waste. In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous and other wastes generated in their establishments and are required to obtain license/ authorisation from concerned PCBs, for handling, generating, collecting, processing, treating, packaging, storing, transporting, using, recycling, recovering, pre-processing, co-processing, offering for sale, transfer, or disposal of the hazardous and other wastes.

III. Industrial and Labour Laws

Shops and establishments legislations in various states

The provisions of shops and establishment legislations, as may be applicable in a state in which establishments are set up, regulate the conditions of work and employment and generally prescribe obligations in respect of, *inter alia*, registration, opening, and closing hours, daily and weekly working hours, holiday, leave, health and safety measures, and wages for overtime work.

The Factories Act, 1948 (“Factories Act”)

The Factories Act defines a “factory” to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and, any premises where there are at least twenty workers even though there is no electrically aided manufacturing process being carried on. Each state government has rules in respect of the prior submission of plans and their approval for the establishment of factories, and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier and the manager of a factory may be punished in accordance with the Factories Act for different offences in case of contravention of any provision thereof and in case of a continuing contravention after conviction, an additional fine for each day of contravention may be levied.

In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees’ State Insurance Act, 1948;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Maternity Benefit Act, 1961;
- Industrial Disputes Act, 1947;
- Employees Compensation Act, 1923;
- Equal Remuneration Act, 1976;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Industrial Employment (Standing Order) Act, 1946; and
- Child Labour (Prohibition and Abolition) Act, 1986.

IV. Tax Laws

The tax related laws that are applicable to our Company include the Central Goods and Services Tax Act, 2017, Karnataka Goods and Services Tax Act, 2017, Customs Act, 1962, Income Tax Act, 1961, the Income Tax Rules, 1962 and Finance Act, 2018.

V. Other applicable laws and policies

The Legal Metrology Act, 2009 (“Legal Metrology Act”)

The Legal Metrology Act replaces the Standards of Weights and Measures Act, 1976. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weights, measures or numbers, and matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of government approved test centres for verification of weights and measures; (b) permitting the establishments to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act; and (c) more stringent punishment for violation of provisions.

Trade Marks Act, 1999 (“Trade Marks Act”)

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. An application for the registration of trademarks has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trade Marks for the purposes of the Trade Marks Act. It also provides for penalties for infringement, falsifying, and falsely applying trademarks and using them to cause confusion among the public.

Design Act, 2000 (“Design Act”)

The Design Act, which came into force in May 2001, along with the rules made thereunder consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms, by an industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye. In order to register a design, it must be new or original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or by use or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registered. A registered design is valid for a period of 10 years after which the same can be renewed for a second period of five years, before the expiration of the original period of 10 years. After such period, the design is made available to the public by placing it in the public domain.

The Bureau of Indian Standards Act, 2016 (“BIS Act”)

The BIS Act provides for the establishment of the Bureau of Indian Standards (“BIS”) for the development of the activities, *inter alia*, standardization, marking and quality certification of goods. Functions of the BIS include, *inter alia*, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. The BIS certification IS 2347:2017 is an applicable standard for domestic pressure cookers. Further, we are required to obtain mandatory BIS certification for certain of our products. For details, see “*Government and Other Approvals*” on page 301.

Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)

The FTA seeks to increase foreign trade by regulating imports and exports to and from India. The FTA read with the Indian Foreign Trade Policy, 2015-20 provides that no person or company can make exports or imports without having obtained an importer exporter code number unless such person or company is specifically exempted. An application for an importer exporter code number has to be made to the Office of the Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

Foreign Trade Policy 2015-20 (“EXIM Policy”)

Under the FTA, the Government of India is empowered to periodically formulate the EXIM Policy and amend it thereafter whenever it deems fit. All exports and imports have to be in compliance with such EXIM Policy. The EXIM Policy provides for certain schemes for the promotion of export of finished goods and import of inputs.

***Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012
("Compulsory Registration Order")***

The Compulsory Registration Order mandates that the manufacturing, storage, import, sale or distribution of goods which do not meet the specified standard and/or bear a self-declaration confirming conformance to relevant Indian Standard is prohibited. The only exception is for those goods which are manufactured for export. Further, any sub-standard or defective goods must be deformed beyond use by the manufacturer and disposed of as scrap. The Compulsory Registration Order is issued by the Department of Electronics and Information Technology, Ministry of Communication and Information Technology, Government of India ("DEIT").

For details of approvals obtained in accordance with applicable regulations, see "*Government and Other Approvals*" on page 301.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as Stove Kraft Private Limited on June 28, 1999 with a certificate of incorporation issued by the RoC at Bengaluru, Karnataka, India as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM on May 28, 2018, and the name of our Company was changed from Stove Kraft Private Limited to Stove Kraft Limited and a fresh certificate of incorporation consequent upon change of name was issued to our Company by the RoC on August 13, 2018.

Business and Management

For details regarding the description of our activities, services, products, built-up capacity, market of each segment, the growth of our Company, foreign operations, technology and standing with reference to prominent competitors in connection with our products, management, managerial competence, major suppliers and customers, environmental issues, geographical segment etc., see “Our Management”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Our Business” and “Industry Overview” on pages 139, 280, 114 and 88, respectively.

Changes in Registered Office

Except as disclosed below, there have been no changes in the registered office of our Company since the date of its incorporation:

Effective date of change of Registered Office	Details of the address of Registered Office
October 30, 2000	From No: 34, 1 st Main 4 th Cross, Arakere Mico Layout, 1 st stage, Bengaluru 560 076, Karnataka, India to No: 58/2, Subramanyapura Road, Chickallasandra, Bengaluru, 560 061, Karnataka, India
January 30, 2001	From No.: 58/2, Subramanyapura Road, Chickallasandra, Bengaluru 560 061, Karnataka, India to No. 28/1, Adjacent to AGS Layout, 3 rd Main Road, Arehalli Village, Uttarahalli Hobli, Bengaluru 560 061, Karnataka India
May 1, 2009	From No. 28/1, Adjacent to AGS Layout, 3 rd Main Road, Arehalli Village, Uttarahalli Hobli, Bengaluru 560 061 Karnataka India to 81/1, Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk, Ramanagar District 562 112, Karnataka, India

The changes in the address of the Registered Office were to, *inter alia*, ensure greater operational efficiency and for administrative convenience.

Main Objects of our Company

The main objects contained in the MoA of our Company are as follows:

- To carry on the business of manufacturers, importers, exporters, buyers, sellers and dealers in all kinds and varieties of metal components and metals, heating stoves for domestic and other applications, tools and jigs of various composition for consumer durables, automobile, electrical and electronic industries.*
- To carry on the business of Mechanical Engineers, structural engineers, automobile engineers, electrical engineers, aviation engineers, chemical engineers, refrigeration, air conditioning, insulating and heating engineering activities and/or services and engineers in all branches of work whatsoever, steel makers, fabricators, iron founders, welders, tool makers, brass, copper, aluminium and other metal founders, iron and steel converters, smiths, wood workers, carpenters, builders, wheel wrights castings, tube, pipe and tool makers, moulders, fitters, saddlers, galvanizers, enamellers, smelters, electroplaters, painters, japanners, annealers, silver platers, nickel platers, varnishers, vulcanisers, packing case makers, containers, drums, pressure vessel makers in all their respective branches, repair, convert, alter, let on loan or hire and deal in plant and equipment, machinery of all kind of tools, appliances, instruments, implements, rolling stock, mechanical and electrical and electronic appliances.*

The main objects as contained in the MoA enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of the Offer. For further details, see “Objects of the Offer” on page 77.

Amendments to the MoA

Set out below are the amendments to our MoA since the incorporation of our Company:

Date of Shareholders' Resolution	Particulars
April 20, 2002	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹ 10,00,000 divided into 100,000 Equity Shares of ₹ 10 each to ₹ 3,00,000 divided into 300,000 Equity Shares of ₹ 10 each
March 31, 2004	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹ 30,00,000 divided into 300,000 Equity Shares of ₹ 10 each to ₹ 4,00,000 divided into 400,000 Equity Shares of ₹ 10 each
November 20, 2006	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹ 4,00,000 divided into 400,000 Equity Shares of ₹ 10 each to ₹ 9,00,000 divided into 900,000 Equity Shares of ₹ 10 each
December 21, 2007	Clause V of the MoA was amended to reflect the increase in the authorized share capital of our Company from ₹ 9,00,000 divided into 900,000 Equity Shares of ₹ 10 each to ₹ 20,00,000 divided into 2,00,000 Equity Shares of ₹ 10 each.
March 17, 2008	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹ 20,00,000 divided into 2,00,000 Equity Shares of ₹ 10 each to ₹ 100,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each
March 11, 2009	Clause V of the MoA was amended to reflect the increase in the authorized share capital of the Company from ₹ 100,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each to ₹ 200,00,000 divided into 20,00,000 Equity Shares of ₹ 10 each
February 2, 2010	Clause V of the MoA was amended to reflect the re-classification of equity share capital from ₹ 200,00,000 divided into 20,00,000 Equity Shares of ₹ 10 each to ₹ 200,00,000 divided into 19,999,995 Equity Shares of ₹ 10 each and 5 Class A Equity Shares of ₹ 10 each.
September 16, 2013	Clause V of the MoA was amended to reflect the increase and re-classification in the authorized share capital of the Company from ₹ 200,00,000 divided into 19,999,995 Equity Shares of ₹ 10 each and 5 Class A Equity Shares of ₹ 10 each to ₹ 200,00,050 divided into 19,999,995 Equity Shares of ₹ 10 each and 10 Class A Equity Shares of ₹ 10 each.
September 10, 2018	Clause V of the MoA was amended to reflect the increase in the authorized share capital of the Company from ₹200,00,050 divided into 19,999,995 Equity Shares of ₹10 each and 10 Class A Equity Shares of ₹10 each to ₹400,00,050 divided into 39,999,995 Equity Shares of ₹10 each and 10 Class A Equity Shares of ₹10 each.

Major events, milestones and achievement of our Company

The table below sets forth the key events in the history of our Company:

Calendar Year	Particulars
1999	Our Company was incorporated as Stove Kraft Private Limited
2001	Granted trademark registrations for our brand Gilma
2003	Granted trademark registrations for our brand Pigeon
2004	Commenced manufacturing at our Baddi unit
2008	<ul style="list-style-type: none"> Investments into our Company by SIDBI Received factory license for commencing operations for our Unit I at our Bengaluru Facility
2010	Investment into our Company by SCI
2010	Recorded total revenues of more than ₹ 3,000 million
2011	Recorded total revenues of more than ₹ 5,000 million
2011	Implemented SAP Business One at our manufacturing facilities
2013	Bought and installed Roller Coating Line and Finishing Lines machine at our Bengaluru Facility
2013	Investment into our Company by SCI and SCI-GIH
2014	Commenced exports to a retailer in the USA
2014	Received factory license for commencing operations for our unit II of our Bengaluru Facility
2015	Certificate of registration of design was granted for our product 'Pressure cooker' granted by the Patent Office, Government of India
2016	Implementation of quality management system in accordance with ISO 9001:2008 for the scope of design and development, manufacture and supply of LPG stoves, pressure cookers, non-stick cook wares, mixer grinders and trading of kitchen and home appliances, by TUV-SUD South Asia Private Limited
2016	Entered into licensing agreement with Stanley Black & Decker, Inc. and The Black and Decker Corporation
2016	Acquisition of manufacturing unit from Saya Industries
2017	Best fill rate accreditation received from Flipkart for our Pigeon products list on Flipkart's Big Billion Day
2018	Achieved sales of 9.1 million total units in Fiscal 2018

Awards and Accreditations

We have received the following awards and accreditations:

Calendar Year	Awards and Accreditations
2012	<ul style="list-style-type: none"> Awarded a "Star Performer" award (2011-12) in the Domestic Appliances and Parts thereof, Small Enterprises Category by EEPC India
2013	<ul style="list-style-type: none"> Gold Award by Quality Circle Forum of India, Bengaluru Chapter
2014	<ul style="list-style-type: none"> Gold Award by Quality Circle Forum of India, Bengaluru Chapter

Calendar Year	Awards and Accreditations
2015	<ul style="list-style-type: none"> • Award for being the Presenting Sponsor for ‘Tiecon Hubli 2015’ • Silver Award by Quality Circle Forum of India, Bengaluru
2016	<ul style="list-style-type: none"> • Award for “Highest Selling Non-Fuel Partner in the kitchenware category (2015-2016)” by Indian Oil • Pigeon listed as one of the “Most Admired Brands 2016” by White Page International • Award for “Overall Highest Export/Import and Bonding-2016” by Marigold Logistics Private Limited • Certificate of Quality Management System in accordance with ISO 9001: 2008 for the scope of design and development, manufacture & supply of LPG stoves, pressure cookers, non-stick cook wares, mixer grinders and trading of kitchen and home appliances, by the certification body of TUV SUD South Asia Private Limited

Lock-outs and Strikes, injunctions or restraining orders

There have been no lock-outs or strikes at any time in our Company since incorporation, and as on the date of this Draft Red Herring Prospectus, our Company is not operating under any injunction or restraining order.

Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, if any

Except as disclosed below, our Company has neither acquired any entity, business, undertaking, nor undertaken any merger, amalgamation or revaluation of assets.

Slump sale agreement dated March 31, 2016 entered into between our Company and Saya Industries (“Saya Industries”) (“Slump Sale Agreement”)

Our Company entered into the Slump Sale Agreement with Saya Industries in relation to the purchase of the unit of Saya Industries (a partnership between our Company and Rajendra Gandhi which was dissolved by dissolution deed dated March 31, 2018) situated at village Buranwala, Tehsil Baddi, Himachal Pradesh (“Unit”), with all its tangible and intangible assets (including its goodwill, copyrights, trademarks, brand tenancy rights) and liabilities (including contingent liabilities, permits, contracts, consumables, etc.), as a going concern on an as-is-where-is basis. Saya Industries was engaged in the business of, inter alia, the manufacturing and trading of LPG stoves at its Unit. Pursuant to the Slump Sale Agreement, the books of accounts, documents and records pertaining to the Unit, possession of the assets of Saya Industries and relevant contracts pertaining to the Unit were transferred to our Company. Further, our Company also undertook to employ all employees of Saya Industries as employees of our Company. Pursuant to the Slump Sale Agreement, the total consideration for the transfer of the Unit was ₹75 million.

Capital raising activities through equity and debt

Except as mentioned in “*Capital Structure*” on page 67, our Company has not raised any capital through equity issuances. For details on the outstanding debt facilities of our Company as on August 31, 2018, see “*Financial Indebtedness*” on page 294.

Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions/ banks. None of our outstanding loans have been converted into Equity Shares.

Time and cost overruns

During the course of our business, our Company has set up manufacturing facilities for conducting our operations. In the course of setting up such manufacturing facilities, our Company has not experienced any time or cost overruns in relation thereto.

Changes in the activities of our Company during the last five years

There have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Accumulated Profits or Losses of subsidiaries not accounted for by us

We do not have any subsidiaries as of the date of this Draft Red Herring Prospectus.

Our Shareholders

Our Company has seven Shareholders as of the date of this Draft Red Herring Prospectus. For further details, regarding our Shareholders, see “*Capital Structure*” on page 67.

Strategic or Financial Partners

Our Company does not have any financial and strategic partners as of the date of this Draft Red Herring Prospectus.

Interest in our Company

Our Associate does not have any interest in our Company's business.

Common Pursuits

There are common pursuits between us and our Associate. For details, see "*Our Business*" and "*Risk Factors*" on pages 114 and 14, respectively. We have and shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For further details of related business transactions and their significance on the financial performance of our Company, see "*Related Party Transactions*" on page 159.

Significant Sales and Purchases

Other than as disclosed in "*Related Party Transactions*" on page 159, there are no sales/ purchases between our Company and our Associate, where such sales or purchases exceed, in value, the aggregate of 10% of the total sales or purchases of our Company as on the date of the last financial statements.

Additionally, in the past, our Company has entered into certain purchase transactions with our Associate Company, PAPL, of which Rajendra Gandhi is a director. For further details see "*Related Party Transactions*" and "*Financial Statements*" on page 159 and page 161 respectively.

Our Associate

As on the date of this Draft Red Herring Prospectus, our Company has one Associate, PAPL. Unless stated otherwise, information contained herein in relation our Associate is as on the date of this Draft Red Herring Prospectus. Our Company holds 7,500 shares of ₹ 10 each aggregating to 37.46% of the issued and paid up share capital of PAPL, as per the annual audited accounts of PAPL dated July 4, 2014 for Fiscal 2014.

Holding Company

Our Company does not have a holding company.

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary.

Summary of Key Agreements and Shareholders' Agreements

Shareholders Agreements

1. ***Investment Agreement dated February 2, 2010 entered into between our Company, our Promoters, Atul Jindal, Stovekraft India, SME Growth Fund ("SGF") and SCI (together with SME Growth Fund "Investors") ("Series A Investment Agreement") as amended by amendment agreement dated March 18, 2010 entered into between Company, our Promoters, Atul Jindal, Stovekraft India, SME Growth Fund and SCI ("Series A Amendment Agreement"); Series B Investment Agreement dated September 13, 2013 between our Company, our Promoters, Stovekraft India, SCI and SCI-GIH (together with SCI "Investors" or "Sequoia") ("Series B Investment Agreement"); and Amendment Agreement dated September 27, 2018 entered into between Company, our Promoters, Stovekraft India and Sequoia ("Amendment Agreement")***

In terms of the Series A Investment Agreement dated February 2, 2010, SCI was allotted 5 fully paid-up Class A Equity Shares and 8,100,045 CCDs for an aggregate consideration of ₹500 million.

The Series A Investment Agreement confers certain rights and obligations upon our Promoters, SGF and Sequoia including, *inter alia*, a put option to Sequoia on the shares allotted to it, rights in relation a first offer to Sequoia prior to issuance of additional capital by our Company, a right of first refusal in relation to transfers proposed to be effected by our Promoters and right of first offer of proposed transfers by the Investors, a tag along right to the Investors in relation to transfer of shares held by our Promoters, affirmative voting rights in relation to certain reserved matters and rights to our Promoters, Sequoia and SGF to nominate directors on the Board. The Series A Investment Agreement also mandated that no changes to the Company's capital structure shall be effected without the prior written consent of the Investors. Additionally, the Company was also required to redeem 219,999,000 debentures held by SGF on or prior to February 26, 2010. Additionally, the CCDs issued under the Series A Investment Agreement have been issued for a maximum of 19 years with interest at a coupon rate of 0.0000001%. Additionally, the CCDs holders have a right to convert them into equity shares of our Company at the option of the holders of the CCDs.

Our Company has executed the Series A Amendment Agreement in which, *inter alia*, the parties amended certain terms of the Series A Investment Agreement, including mandating our Company to obtain trademark registrations for 'Pigeon', 'WonderCast' and 'Gilma Spagnol Cucine', changing closing conditions and including certain definitions and substitution of clauses pertaining to the covenants of the Company.

Subsequently, pursuant to the Series B Investment Agreement, Rajendra Gandhi transferred 228,089 Equity Shares held by him to SCI for a consideration of ₹50.00 million and our Company allotted series B CCDs to SCI for a consideration of ₹250 million. Additionally, Rajendra Gandhi transferred 228,089 Equity Shares held by him to SCI-GIH for a consideration of ₹50.00 million and the Company allotted series B CCDs and 5 fully paid-up Class A Equity Shares to SCI-GIH for a consideration of ₹200.00 million. The Series B Investment Agreement also amended certain terms of the Series A Investment Agreement including, *inter alia*, addition of SCI-GIH as a party to the Series A Investment Agreement, including Series B CCDs in the CCDs issued and allotted in the Series A Investment Agreement, increasing the number of directors allowed to be nominated to the board by our Promoters and amendment of certain definitions as stated in the Series A Investment Agreement. Additionally, the CCDs issued under the Series B Investment have been issued for a maximum of 19 years with interest at a coupon rate of 0.0000001%. Additionally, the CCDs holders have a right to convert them into equity shares of our Company at the option of the holders of the CCDs. Further, on receipt of notices of conversion from SCI and SCI-GIH, and by a board resolution dated September 23, 2018 and shareholders' resolution dated September 24, 2018 of our Company, 5,489,149 Series A CCDs held by SCI and 1,083,111 CCDs held by SCI-GIH have been converted into 4,733,516 Equity Shares and 1,083,111 Equity Shares respectively. For further details in relation to these allotments, see "*Capital Structure- Share Capital History of our Company*" on page 67.

Further, our Company has also executed the Amendment Agreement, which *inter alia*, provides for the termination of the Series A Investment Agreement, together with the Series A Amendment Agreement and the Series B Investment Agreement with effect from the date of listing of the Equity Shares of our Company pursuant to the Offer. Additionally, it also provides for a right to Sequoia, subject to approval of the post-Offer shareholders in the first general meeting of our Company pursuant to the Offer, to nominate 1 (one) director on the board of directors of our Company, until such time Sequoia holds 5.00% (Five percent) of the fully diluted post-Offer share capital of our Company.

Other Agreements

Except as disclosed below, our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the two years preceding this Draft Red Herring Prospectus.

1. *License agreement dated September 1, 2016 entered into between our Company and Stanley Black & Decker, Inc. ("SBD") and The Black and Decker Corporation ("TBDC") (SBD and TBDC collectively "B&D") ("License Agreement")*

Our Company has entered into the License Agreement with B&D in relation to licensing of certain proprietary trademarks held by B&D ("**Black + Decker Marks**") for the purpose of manufacturing, distributing, marketing and selling blenders and juicers, breakfast appliances, small cooking appliances and small domestic appliances. Pursuant to the License Agreement, B&D has granted a non-transferable, non-sublicenseable, exclusive license to use in India the Black + Decker Marks for the licensed products with packaging materials and advertising materials therefor, and to sell, distribute and advertise the licensed products in India. Pursuant to the License Agreement, our Company is required to provide B&D with an annual marketing plan with respect to each of the licensed products, including the marketing timetable, sales projections, advertising expenditures, product return rates, etc. on a product by product basis. Our Company has also agreed to commit a percentage of its annual total sales of licensed products towards marketing and promotion of licensed products. The License Agreement mandates that the licensed products may only be sold through channels of trade specified in the License Agreement. Further, our Company is required to maintain, at its expense, a toll-free customer support number to address consumer complaints in relation to the licensed products.

The License Agreement stipulates that B&D shall have no liability to our Company or any other person on account of any injury, loss or damage or any other liability, costs, etc. imposed upon our Company or any other person resulting from the production, use or sale of any licensed product, or any labelling, packaging, advertising or promotional activities with respect to the licensed products. Our Company has also agreed to indemnify B&D and its officers, agents, representatives, etc. against claims, demands, damages, liabilities, expenses, losses and costs, etc. arising out of the usage of the licensed products or the Black + Decker Marks. The License Agreement is valid up to December 31, 2027, with B&D having the right to terminate it at any time upon the occurrence of the events of default specified in the License Agreement, upon the failure of our Company to cure such defaults within a 30 day period. Further, during the term of the Agreement and for a period of one year after the expiration of the License Agreement or its termination, our Company is prohibited from developing or selling in India, any products on the lines of the licensed products, which may be considered competitive with The Black + Decker Marks or any brands owned or licensed by B&D. Pursuant to the License Agreement, for each contract year, our Company is required to pay B&D royalties at a fixed rate on all total sales of licensed products. Further, for the first 10 contract years, B&D is also entitled to guaranteed minimum royalty payments as specified in the License Agreement. Pursuant to the License Agreement, the suitability, styles, designs, packaging, contents, workmanship and quality of all licensed products is required to be approved by B&D in writing prior to the development, manufacture, distribution, publication, production, sale or use thereof. Further, prior to the shipping of any licensed product to a distributor or customer, our Company is required to furnish to B&D three production samples for each licensed product along with the packaging material, for the approval of B&D.

2. ***Energy Purchase Agreement dated April 28, 2016 entered into between our Company and Vyshali Energy Private Limited (“Vyshali”) (“EPA”)***

Our Company has entered into an EPA with Vyshali for the purchase of 6,000,000 units per annum from a 100 MW wind based power generation project (“**Project**”) being developed by Vyshali. Pursuant to the EPA, our Company will purchase the agreed units from Vyshali on the basis of a monthly plan devised by our Company, priced at Bangalore Electricity Supply Company Limited (“**BESCOM**”) rates minus 55 paise per unit. Additionally, we are required to comply with a minimum energy purchase of 80% of the total contracted energy, and a failure to do so would make us liable to be penalized by Vyshali as per the terms of the EPA, which may result in *inter alia* penalty for the shortfall, as per the terms of the EPA. Further, the EPA provides for force majeure events including, *inter alia*, load shedding by BESCOM explosion, and accident which would discharge Vyshali from performing its obligations under the EPA to the extent it is affected by such force majeure events. The rates which have been agreed upon, under the EPA are liable to be changed in case there is an increase in cost because of an imposition of any levy, surcharge or tax on the sale price under the EPA. In case such change in price is not agreed to by both the parties, pursuant to providing notices as given under the EPA, our Company and Vyshali have the option to terminate the EPA. Our Company is required to, *inter alia*, maintain a valid bank guarantee, a failure of which would be an event of default.

3. ***Subscription and Shareholders’ Agreement dated April 28, 2016 entered into between our Company, Greenko Wind Projects Private Limited (“Greenko”) and Vyshali (“SSA”)***

Our Company has entered into a SSA with Greenko and Vyshali, wherein our Company has agreed to subscribe to 10,800 shares of Vyshali, aggregating to 1.08% of the paid up equity share capital of Vyshali for a consideration of ₹ 0.10 million. Our Company is not entitled to any dividends as a result of its shareholding in Vyshali. All transactions of our Company with Vyshali are to be conducted on an arm’s length basis. Additionally, our Company is not allowed to transfer its shares in Vyshali, without Greenko’s prior written consent. This SSA can be terminated, *inter alia*, by mutual consent amongst the parties.

4. ***Share Purchase Agreement dated April 28, 2016 entered into between Company, Greenko and Vyshali (“SPA”)***

Our Company has, entered into an SPA with Greenko and Vyshali, pursuant to which our Company has agreed to sell its entire shareholding in Vyshali to Greenko in the event of termination of the SSA. Further, this sale of its shares of Vyshali held by our Company, shall also be effected if the EPA is terminated for any reason.

Guarantees issued by our Promoters

Except as stated below, our Promoters have not provided any guarantee in relation to the loans availed by our Company:

Personal guarantee issued by our Promoters and others in favour of the South Indian Bank Limited

Pursuant to cash credit open loan and term loan facilities pursuant to sanction letter dated September 26, 2017 and a loan agreement dated October 30, 2017, our Company has availed a working capital facility from the South Indian Bank Limited (“**SIBL**”) amounting to ₹225.00 million. Our Promoters have entered into an agreement of guarantee dated October 30, 2017 pursuant to which they have agreed to be a continuing security for all the amounts advanced by SIBL to the Company. Further, our Promoters have also agreed to indemnify and keep SIBL indemnified against all losses that it may suffer due to any default by our Company.

Personal guarantee issued by our Promoters in favour of the Tata Capital Financial Services Limited

Pursuant to a sanction letter dated August 31, 2018, our Company has availed a working capital facility from Tata Capital Financial Services Limited (“**TCFSL**”) amounting to ₹200 million. Our Promoters have executed a letter of guarantee dated August 31, 2018 pursuant to which our Promoters have guaranteed to repay the facility amount to TCFSL on the terms and conditions contained in the letter of guarantee. Further, our Promoters have agreed to pay the amount of the facility along with interest to TCFSL if there is a default in the payment of the principal amount or interests on the facility. Additionally, this guarantee would remain in full force and operative until all dues of our Company have been full discharged.

Personal guarantee issued by our Promoters in favour of State Bank of India

Pursuant to sanction letter dated February 23, 2018 our Company has availed a working capital facility from State Bank of India (“**SBI**”) amounting to ₹454 million. Our Promoters have executed a supplemental deed of guarantee dated March 23, 2013 wherein our Promoters have covented to jointly and severally pay SBI the whole of the principal amount, including any interest or other costs, in the event there is a default by our Company.

Personal guarantee issued by our Promoters in favour of Standard Chartered Bank

Pursuant to loan agreement dated May 9, 2008, and subsequent sanction letters, our Company has availed a working capital facility from Standard Chartered Bank (“**SCB**”) amounting to ₹500.00 million. Our Promoters have executed a guarantee agreement dated May 9, 2008, as amended by a supplemental guarantee dated August 9, 2012, where our Promoters have agreed

to pay any amounts due to SCB by our Company in case of a default by our Company. Additionally, our Promoters shall be the considered the principal debtors under this facility if SCB invokes this guarantee.

OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors.

As on the date of this Draft Red Herring Prospectus, our Board comprises of six Directors.

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
1.	<p>Rajendra Gandhi</p> <p><i>Designation:</i> Managing Director</p> <p><i>Address:</i> No. 203, Olympus 1, Prestige Acropolis, No. 20, Hosur Road, Bengaluru, 560 029, Karnataka, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 01646143</p>	50	<p><i>Domestic Companies</i></p> <ul style="list-style-type: none"> Pigeon Appliances Private Limited
2.	<p>Bharat Singh</p> <p><i>Designation:</i> Nominee Director</p> <p><i>Address:</i> RZL-115 Old no. 43/8, Vijay Enclave Palam Village Darbri, Delhi, 110 045, New Delhi, India</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Not liable to retire by rotation</p> <p><i>DIN:</i> 08222884</p>	40	Nil
3.	<p>Neha Gandhi</p> <p><i>Designation:</i> Executive Director</p> <p><i>Address:</i> 203, Olympus 1, Prestige Acropolis, Hosur Road, Koramangala, Bengaluru, 560 029, Karnataka, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 07623685</p>	25	Nil
4.	<p>Rajiv Mehta Nitinbhai</p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> 7, 3rd Floor, Aquaforte Apt, 12 Kensington Road, Halasuru, Bengaluru, 560 042, Karnataka, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of five consecutive years from June 1, 2018</p>	40	<p><i>Domestic Companies</i></p> <ul style="list-style-type: none"> Fourseven Services Private Limited Kan Dfy Sports Private Limited Unicorn Contractors and Developers Private Limited

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
	<i>DIN:</i> 00697109		
5.	Lakshmikant Gupta <i>Designation:</i> Independent Director <i>Address:</i> A-202, The Icon DLF Phase V, Gurgaon, 122 009, Haryana, India <i>Occupation:</i> Self-employed <i>Nationality:</i> Indian <i>Term:</i> For a period of five consecutive years from June 1, 2018 <i>DIN:</i> 07637212	50	Nil
6.	Shubha Rao Mayya <i>Designation:</i> Independent Director <i>Address:</i> No. 60/45, 6th Cross, Cambridge Layout, Ulsoor, Bangalore 560 008, Karnataka, India <i>Occupation:</i> Professional <i>Nationality:</i> Indian <i>Term:</i> For a period of five consecutive years from August 30, 2018 <i>DIN:</i> 08193276	55	<i>Domestic Companies</i> <ul style="list-style-type: none"> Ace Manufacturing Systems Limited

Relationship between our Directors

Except Rajendra Gandhi, who is the father of Neha Gandhi, none of our directors are related to each other.

Brief Biographies of our Directors

Rajendra Gandhi is the Managing Director of our Company. He has cleared the S.S.L.C. examination conducted by the Karnataka Secondary Education Examination Board. He is the founder of our Company and has been on the Board since 1999. He has an experience of over 19 years and is involved in the day to day affairs of our Company.

Bharat Singh is a nominee Director of SCI and SCI-GIH on the Board of our Company. He holds a bachelor's degree in commerce from the University of Delhi and is a chartered accountant with the Institute of Chartered Accountants of India. He has previously worked as the chief financial officer of Ibibo Group private Limited (formerly known as Pilani Soft Labs Private Limited) and SBI Business Process Management Services Private Limited.

Neha Gandhi is an Executive Director of our Company. She holds a bachelor's degree in business administration from Christ University, Bengaluru and has completed a post graduate certificate programme in sales and marketing management from MICA (formerly Mudra Institute of Communications, Ahmedabad). She has served as a graduate trainee at Viacom 18 Media Private Limited. She has an experience of over two years of working with our Company.

Rajiv Mehta Nitinbhai is an Independent Director of our Company. He holds a bachelor's degree in chemical engineering from University of Mumbai and master's degree in science from University of Pennsylvania, and in business administration from INSEAD. He has previously served as the chief executive officer of Arvind Limited. He also serves as a director on the board of directors of, *inter alia*, Unicorn Contractors and Developers Private Limited, Fourseven Services Private Limited and Kan Dfy Sports Private Limited.

Lakshmikant Gupta is an Independent Director of our Company. He holds a bachelor's degree in economics from Hans Raj College, University of Delhi and a post-graduate diploma in business management from Institute of Management Technology, Ghaziabad. He has previously been associated with Ibibo Group Pte Limited, Procter & Gamble Gulf FZE, LG Electronics India Private Limited and Girnar Software Private Limited. He is also a partner of CMOnow Marketing Consulting LLP.

Shubha Rao Mayya is an Independent Director of our Company. She holds a bachelor's degree in commerce from the University of Mumbai and is a chartered accountant with the Institute of Chartered Accountants of India. She has previously worked with ICICI Limited, ICICI Prudential Life Insurance Company Limited and Tata Consultancy Services Limited. She also serves as a Director on the board of Ace Manufacturing System limited.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of filing of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors have been or was identified as a wilful defaulter as defined under the SEBI ICDR Regulations.

None of our Directors are associated with the securities market. Further, neither our Company nor any of our Directors have committed any violation of securities laws in the past and no proceedings in this regard (initiated by the SEBI or otherwise) are pending against our Company or our Directors.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as members by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Terms of appointment of our Executive Directors

Rajendra Gandhi

The terms of appointment are as per the appointment letter dated March 17, 2015, as amended by the appointment letters dated March 31, 2016, April 1, 2017 and April 1, 2018. (“**MD Appointment Letter**”)

Term	Liable to retire by rotation
Compensation and benefits	<ul style="list-style-type: none">Total compensation of ₹8.96 million per annum includes, <i>inter alia</i>, house rent allowance of ₹1.75 million, medical allowance of ₹0.015 million and conveyance allowance ₹0.019 million per annum.Benefits include coverage under a group health insurance, group personal accident insurance policy.
Termination	As per the MD Appointment Letter, Rajendra Gandhi's employment as Managing Director can be terminated either at his instance or by the Company by giving a sixty days prior notice or basic salary for like period in lieu thereof.

Neha Gandhi

The terms of appointment are as per the appointment letter dated September 30, 2016, as amended by appointment letter dated April 1, 2017 and April 1, 2018.

Term	Liable to retire by rotation
Compensation and benefits	<ul style="list-style-type: none">Total compensation of ₹2.04 million includes, <i>inter alia</i>, house rent allowance of ₹.32 million, medical allowance of ₹0.015 million and conveyance allowance ₹0.019 million per annum.Benefits include official conveyance, coverage under group health insurance policy and group personal accident policy.
Termination	Neha Gandhi's employment as Executive Director can be terminated either on her instance or by the Company by giving a sixty days prior notice or basic salary for like period in lieu thereof.

Payment or benefit to Directors of our Company

The sitting fees/ other remuneration paid to our Directors during Fiscal 2018 are as follows:

Remuneration to Executive Directors:

The details of remuneration paid to our Executive Directors for Fiscal 2018 are as follows:

S.No.	Name of the Director	Gross Remuneration (including deferred compensation) (₹)
1.	Rajendra Gandhi*	8.73
2.	Neha Gandhi**	2.01

*Includes compensation amounting to ₹0.38 million accruing in Fiscal 2017, paid in Fiscal 2018

** Includes compensation amounting to ₹0.14 million accruing in Fiscal 2017, paid in Fiscal 2018

Remuneration to non-executive Directors:

Our Company has, pursuant to a board resolution dated July 26, 2018, fixed ₹100,000 as sitting fees payable to our Independent Directors, Rajiv Mehta Nitinbhai and Lakshmikant Gupta for attending the meetings of our Board and pursuant to a resolution dated August 30, 2018 and a shareholders' resolution dated September 10, 2018 fixed ₹100,000 as sitting fees payable to our Independent Director Shubha Rao Mayya for attending the meetings of our Board.

Our Company does not pay sitting fees to our nominee Director for attending the meetings of our Board.

The details of remuneration paid to the non-executive Directors of our Company in Fiscal 2018 are set forth in the table below:

S. No.	Name of the Director	Sitting fees paid (₹)
1.	Abhay Kumar Pandey	Nil*
2.	Rajiv Mehta Nitinbhai	Nil**
3.	Lakshmikant Gupta	Nil**
4.	Shubha Rao Mayya	Nil**
5.	Bharat Singh	Nil**

* Resigned with effect from September 21, 2018

** Appointed to our Board post March 31, 2018

Contingent or deferred compensation payable to Directors

There is no contingent or deferred compensation payable to our Directors which does not form part of their remuneration.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Other than our Director, Bharat Singh who has been nominated to our Board by SCI pursuant to the investment agreement dated February 2, 2010 entered into between our Company, our Promoters, Atul Jindal, Stovekraft India, SME Growth Fund and SCI as amended by amendment agreement dated March 18, 2010 entered into between Company, our Promoters, Atul Jindal, Stovekraft India, SME Growth Fund and SCI, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors has been appointed on the Board. For further details, “*History and Certain Corporate Matters - Summary of Key Agreements and Shareholders' Agreements*” on page 135.

Shareholding of Directors in our Company

The shareholding of our Directors in our Company as of the date of filing of this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares	Pre-Offer Percentage Shareholding (%)	Post-Offer Percentage Shareholding (%)
Rajendra Gandhi	18,184,619	73.57	●
Neha Gandhi	1	0.00	●
Total	18,184,620	73.57	●

Our Articles of Association do not require our Directors to hold any qualification shares.

Interest of Directors

Our Independent Directors may be deemed to be interested in our Company to the extent of sitting fees payable to them for attending meetings of our Board or any committee thereof. All our Directors may be deemed to be interested in our Company to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association and their respective terms of appointment, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Except as disclosed in “*Our Promoter and Promoter Group*” on page 154 in relation to Rajendra Gandhi, our Directors have no interest in any property acquired by our Company within two years prior to the date of filing of this Draft Red Herring Prospectus or presently intended to be acquired by our Company or in any transaction for acquisition of land, construction of building and supply of machinery.

Certain of our Directors may also be regarded as interested in the Equity Shares, and dividends and other distributions payable in relation to such Equity Shares, if any, held by them or their relatives or Equity Shares that may be subscribed by or allotted to them, their relatives or to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. Bharat Singh, our nominee Director may be deemed to be interested to the extent of shareholding of SCI in our Company.

Except, Rajendra Gandhi, our Managing Director, who is also a promoter of our Company, none of our Directors have any interest in the promotion of our Company.

No loans have been availed by our Directors from our Company.

None of the beneficiaries of loans, advances and sundry debtors are related to our Directors.

None of our Directors are party to any bonus or profit sharing plan of our Company.

Except as stated in this sub-section and “*Our Promoter and Promoter Group*” and “*Related Party Transactions*” on page 154 and page 159 respectively, our Directors do not have any other interest in our business or our Company.

Service Contracts with Directors

Except certain statutory benefits payable upon termination of employment in our Company to Rajendra Gandhi and Neha Gandhi in their capacity employees of our Company, none of our Directors have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in our Board in the last three years

The changes in our Board in the last three years preceding the date of filing of this Draft Red Herring Prospectus are as follows:

Name	Date of Appointment/ Resignation/ Re-designation/Cessation	Reason
Sunita Rajendra Gandhi	September 30, 2016	Resigned as a Director
Neha Gandhi	September 30, 2016	Appointed as an additional Director
Neha Gandhi	September 30, 2016	Re-designated as an Executive Director
Rajiv Mehta Nitinbhai	May 11, 2018	Appointed as an additional Independent Director
Lakshmikant Gupta	May 11, 2018	Appointed as an additional Independent Director
Rajiv Mehta Nitinbhai	June 1, 2018	Re-designated as an Independent Director
Lakshmikant Gupta	June 1, 2018	Re-designated as an Independent Director
Shubha Rao Mayya	August 30, 2018	Appointed as an Additional Director (Independent)
Abhay Kumar Pandey	September 21, 2018	Resigned as a non-executive nominee Director
Bharat Singh	September 21, 2018	Appointed as a nominee Director
Shubha Rao Mayya	September 10, 2018	Re-designated as an Independent Director

Borrowing Powers of Board

In accordance with the Articles of Association, subject to applicable law, and pursuant to a resolution passed by the Shareholders of our Company on July 12, 2018, our Board is authorised to borrow such sum or sums of money or monies for the purposes of the business of our Company as may be required from time to time either in foreign currency and/ or in Indian rupees, on such terms and conditions and with or without security as our Board may think fit, which together with the monies already borrowed by our Company, may exceed the aggregate for the time being of the paid up capital of our Company and its free reserves, provided that the total amount of money/ monies so borrowed by our Board shall not at any time exceed the limit of ₹ 3,500 million.

Corporate Governance

In addition to the corporate governance provisions under the Companies Act, 2013, which are currently applicable to us, the corporate governance provisions of the SEBI Listing Regulations will also become applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges.

Our Company undertakes to take all necessary steps to continue to comply with all applicable requirements of SEBI Listing Regulations and Companies Act.

Currently, our Board has six Directors, including two women directors. In compliance with the requirements of SEBI Listing Regulations, we have two Executive Directors, three Independent Directors and one nominee Director on our Board.

Committees of our Board

Our Company is in compliance with corporate governance norms prescribed under the SEBI Listing Regulations in relation to Board level committees.

In addition to the committees of our Board detailed below, our Board may from time to time, constitute committees for various functions.

Audit Committee

The members of the Audit Committee are:

Shubha Rao Mayya (Chairperson);

Rajiv Mehta Nitinbhai (Member);

Lakshmikant Gupta (Member); and

Rajendra Gandhi (Member);

The Audit Committee was constituted by a meeting of our Board held on September 21, 2018. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and SEBI Listing Regulations and its terms of reference include the following:

- a. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b. Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the internal auditor, cost auditors and statutory auditor and the fixation of audit fee;
- c. Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;
- d. Approving payments to the statutory, internal and cost auditors for any other services rendered by statutory auditors, internal and cost auditors;
- e. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
 - ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv) Significant adjustments made in the financial statements arising out of audit findings;
 - v) Compliance with listing and other legal requirements relating to financial statements;
 - vi) Disclosure of any related party transactions;
 - vii) Qualifications and modified opinions in the draft audit report.
- f. Scrutiny of inter-corporate loans and investments;
- g. Valuation of undertakings or assets of the Company, wherever it is necessary;
- h. Evaluating internal financial controls and risk management systems; and
- i. Approval or any subsequent modification of transactions of the Company with related parties, provided that the audit committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2 (zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

- j. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- k. Evaluating undertakings or assets of the Company, wherever necessary;
- l. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- m. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- n. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- o. Discussion with internal auditors on any significant findings and follow up thereon;

- p. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- q. Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- r. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- s. Approval of appointment of the chief financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- t. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- u. Carrying out any other functions as provided under the Companies Act, the Listing Regulations and other applicable laws; and
- v. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.

Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are:

Rajiv Mehta Nitinbhai (Chairman);

Shubha Rao Mayya (Member); and

Rajendra Gandhi (Member)

The Stakeholders Relationship Committee was constituted by our Board of Directors at their meeting held on September 21, 2018. The terms of reference of the Stakeholders' Relationship Committee include the following:

- a. Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;
- b. Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- c. Dematerialisation of shares and re-materialisation of shares, issue of duplicate certificates and new certificates on split/consolidation/renewal;
- d. Non-receipt of declared dividends, balance sheets of the Company, annual report or any other documents or information to be sent by the Company to its shareholders;
- e. Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and
- f. Carrying out any other function as prescribed under the Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Rajiv Mehta Nitinbhai (Chairman);

Shubha Rao Mayya (Member); and

Lakshmikant Gupta (Member)

The Nomination and Remuneration Committee was constituted by a meeting of our Board held on September 21, 2018. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include:

- a. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulating criteria for evaluation of independent directors and the Board;
- c. Devising a policy on Board diversity;
- d. Identifying persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- e. Analysing, monitoring and reviewing various human resource and compensation matters;
- f. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- g. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- h. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- i. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including the following:
 - (i) administering the ESOP Plan (the "**Plan**");
 - (ii) determining the eligibility of employees to participate under the Plan;
 - (iii) granting options to eligible employees and determining the date of grant;
 - (iv) determining the number of options to be granted to an employee;
 - (v) determining the exercise price under of the Plan;
 - (vi) deciding on matters such as quantum of and milestones for grant, eligibility of employees who shall be entitled to grant of options, vesting period and conditions thereof, termination policies etc. and
 - (vii) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan;
- j. Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- k. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;; and
- l. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

Corporate Social Responsibility Committee

The members of the CSR Committee are:

Rajendra Gandhi (Chairman);

Shubha Rao Mayya (Member); and

Lakshmikant Gupta (Member)

The CSR Committee was constituted by our Board at their meeting held on September 21, 2018. The terms of reference of the CSR Committee include the following:

- a. Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;
- b. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- c. Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- d. Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;
- e. Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- f. Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- g. Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

IPO Committee

The members of the IPO Committee are:

Rajendra Gandhi (Chairman);

Bharat Singh (Member); and

Shubha Rao Mayya (Member)

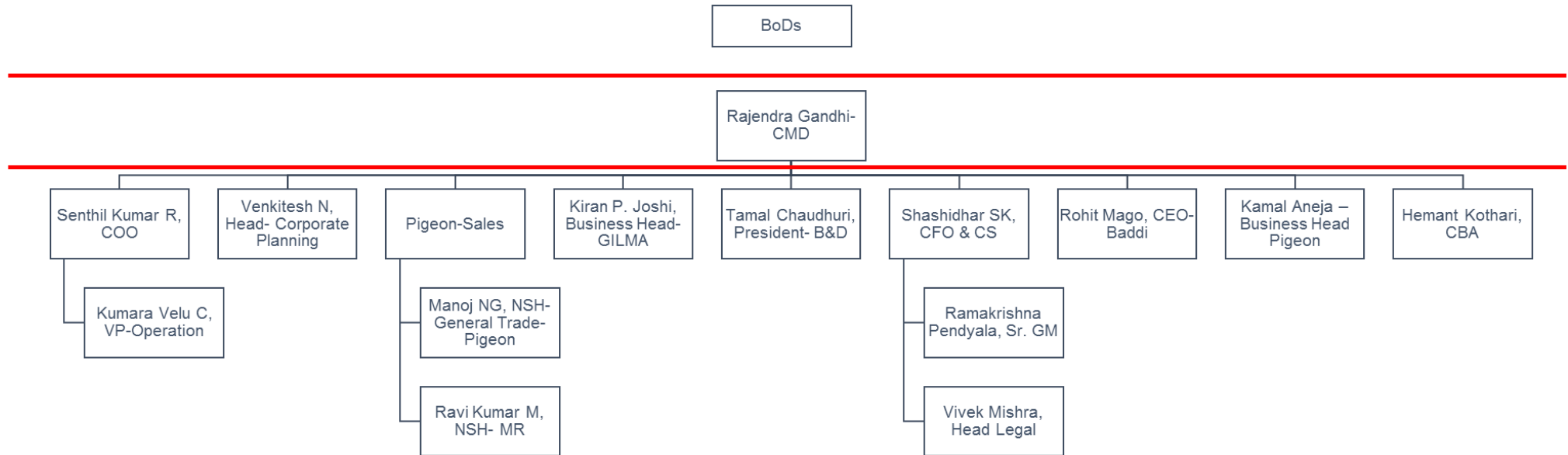
The IPO Committee was constituted by our Board of Directors on September 21, 2018. The IPO Committee has been authorised to approve and decide upon all activities in connection with the Offer, including, but not limited to, to approve the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Offer, including the Price Band and the Offer Price, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time. The terms of reference of the IPO Committee are as follows:

- a. To make applications where necessary, to the RBI and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;
- b. To finalize, settle, approve, adopt and file, in consultation with the BRLMs, where applicable, the DRHP, the RHP the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;
- c. To decide along with the Selling Shareholders and in consultation with the BRLMs on the size, timing, pricing and all the terms and conditions of the Offer, including the price band, bid period, Offer price, and to accept any amendments, modifications, variations or alterations thereto;
- d. To appoint and enter into and terminate arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, legal advisors, auditors, and any other agencies or persons or intermediaries to the Offer and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs;
- e. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement and all other documents, deeds, agreements and instruments as may be required or desirable in relation to the Offer;

- f. To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the Listing Regulations or any other Applicable Laws;
- g. To approve any corporate governance requirements, code of conduct for the Board, officers and other employees of the Company that may be considered necessary by the Board or the IPO Committee or as may be required under the Listing Regulations or any other Applicable Laws;
- h. To seek, if required, the consent of the lenders of the Company, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in relation to the Offer or any actions connected therewith;
- i. To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- j. To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- k. To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
- l. To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of the Company to sign all or any of the aforestated documents;
- m. To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;
- n. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules;
- o. To take all actions as may be necessary and authorized in connection with the Offer for Sale and to approve and take on record the transfer of Equity Shares in the Offer for Sale;
- p. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforestated documents;
- q. To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;
- r. To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary and permissible under Applicable Laws to the officials of the Company; and
- s. To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.
- t. To approve the list of ‘group of companies’ of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus;
- u. Deciding the pricing and all other related matters regarding the Pre-IPO Placement, including the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with applicable laws;
- v. To accept and appropriate the proceeds of the Offer in accordance with the applicable laws;

- w. To approve code of conduct as may be considered necessary by the IPO Committee or as required under applicable laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;
- x. appointing, in consultation with the BRLMs, the registrar and other intermediaries to the Offer, in accordance with the provisions of the SEBI ICDR Regulations and other Applicable Laws including legal counsels, banks or agencies concerned and entering into any agreements or other instruments for such purpose, to remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc. and to terminate any agreements or arrangements with such intermediaries/ agents;
- y. appointing the BRLMs in accordance with the provisions of the SEBI ICDR Regulations and other Applicable Laws;
- z. To approve of the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law; and
- aa. To withdraw the DRHP or RHP or to decide not to proceed with the Offer at any stage in accordance with the SEBI ICDR Regulations and applicable laws

Management Organisation Chart



Key Management Personnel

Apart from our Managing Director, Rajendra Gandhi, and our Executive Director, Neha Gandhi, the following persons are the Key Management Personnel of our Company:

Brief profiles of our Key Management Personnel

Rajendra Gandhi, our Managing Director, Neha Gandhi, our Executive Director and Shashidhar SK, our Chief Financial Officer, company secretary and compliance officer are also key managerial personnel of our Company as defined under Section 2(51) of the Companies Act, 2013.

Shashidhar SK is the Chief Financial Officer, Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in commerce from Bangalore University. He is a Chartered Global Management Accountant (CGMA) and Fellow Chartered Management Accountant (FCMA) as certified by the Chartered Institute of Management Accountants ("CIMA"). Additionally, he is also a Fellow member of the Institute of Company Secretaries of India and a Fellow of the Institute of Cost Accountants of India. Prior to joining our Company, he worked with WaterHealth India Private Limited as their Chief Financial Officer- Global, Tata Advanced Materials Limited as their Chief Financial Officer and Company Secretary, Craigmore Textiles Private Limited (part of the Inlaks Group), K.G. Gluco Biols Limited and Carrier Transcold India Private Limited. He has over 25 years of experience in the corporate finance and corporate secretarial field. He joined our Company on July 2, 2018. As he joined our Company post March 31, 2018, he was not paid any compensation during Fiscal 2018.

Venkitesh N. is the Head – Corporate Planning of our Company. He holds a bachelor's degree in technology from University of Kerala. He has more than 25 years of experience in the manufacturing sector. Prior to joining our Company, he was associated with BPL Limited for 13 years. Venkitesh N. joined our Company on January 4, 2007. During Fiscal 2018, he was paid a gross compensation of ₹2.84 million.

Senthil Kumar R. is the Chief Operating Officer of our Company. He holds a bachelor's degree in engineering from University of Madras. He has over 30 years of experience in manufacturing. Prior to joining our Company, he worked with BPL Limited. Senthil Kumar R. joined our Company on April 1, 2011. During Fiscal 2018, he was paid a gross compensation of ₹2.66 million.

Tamal Krishna Chaudhuri is the President of an internal division of our Company through which our licensed Black & Decker brand business is carried out. He holds a bachelor's degree in science from Presidency College, Calcutta. He has over 17 years of experience as a manager for various entities. He has previously worked with LML Limited, Shriram Honda Power Equipment Limited, Racold Electrical Appliances Limited and A.O. Smith India Water Products Private Limited. Prior to joining our Company, he was working with HaloSource Technologies Private Limited in the capacity of its managing director. Tamal Krishna Chaudhuri joined our Company on December 1, 2016. During Fiscal 2018, he was paid a gross compensation of ₹4.85 million.

Kamal Aneja is the Business Head of the Pigeon division of our Company. He holds a bachelor's degree in arts from Bhartiya Shiksha Parhad and a post graduate certificate in marketing and brand management from MICA and has completed a senior management programme from Indian Institute of Management, Calcutta. He has over 16 years of experience in sales. Prior to joining our Company, he worked with ECE Industries Limited and Future Retail Limited. Kamal Aneja joined our Company on July 10, 2018.

Ravikumar Mysamy is the National Sales Head - Modern Retail of our Company. He holds a bachelor's degree in mechanical engineering and a master's degree in business administration from Bharthiar University, Coimbatore. He has over 14 years of experience in Sales. Prior to joining our Company, he worked with Samsung India Electronics Private Limited and Aditya Birla Retail Limited. Ravikumar Mysamy joined our Company on May 7, 2018.

Rohit Mago is the Chief Executive Officer of our Company's manufacturing unit located at Baddi. He has passed the examination for the bachelor's degree in science conducted by Government Autonomous Science College, Jabalpur. He also holds a master's degree in business administration from Rani Durgavati Vishwavidyalaya, and a post-graduate certificate in retail management from XLRI Jamshedpur. He has over 18 years of experience in various industries. Prior to joining our Company, he worked with Hindustan Petroleum Corporation Limited for 14 years. Rohit Mago joined our Company on October 10, 2017. During Fiscal 2018, he was paid a gross compensation of ₹2.05 million.

Kumaravelu Chandrasekar is the Vice President – Operations of our Company. He holds a provisional certificate for a bachelor's degree in business administration from Annamalia University, a bachelor's degree in technology (mechanical) from Institute of Advanced Studies in Education University, and a post graduate diploma in business administration from the Symbiosis Centre for Distance Learning. He has 12 years of experience in the manufacturing sector. Prior to joining our Company, he worked with, *inter alia*, Carborundum Universal Limited, TVS Motor Company Limited, Sundram Fasteners Limited and Hi-Tech Gears Limited. He joined our Company on January 19, 2018. He was appointed as a Key Management Personnel on May 2, 2018. During Fiscal 2018, he was paid a gross compensation of ₹ 0.66 million.

Hemant Kumar Kothari is the Chief Business Analyst of our Company. He holds a bachelor's degree in commerce from the University of Calcutta and a post graduate diploma in management from the Globsyn Business School and, has completed a

Franklin Covey course on “The Seven Habits of Highly Effective People”. He has 11 years of experience in planning and corporate affairs. He is an associate of the Institute of Cost and Works Accountants of India and also holds an advanced diploma in management accounting from Chartered Institute of Management Accountants. Prior to joining our Company, he worked with Sahaj eVillage Limited. He joined our Company on May 18, 2015. During Fiscal 2018, he was paid a gross compensation of ₹1.62 million.

Ramakrishna Pendyala is a Senior General Manager at our Company. He holds a bachelor’s degree in commerce from Nagarjuna University and has passed the final examination held by the Institute of Chartered Accountants of India. Additionally, he also passed the final examination held by the Institute of Cost and Works Accountants of India. He has more than 10 years of experience in finance and accounting. Prior to joining our Company, he worked with Mann and Hummel Filter Private Limited, PriceWaterhouseCoopers and Areva T&D India Limited. Ramakrishna Pendyala joined our Company on March 26, 2014. During Fiscal 2018, he was paid a gross compensation of ₹3.76 million.

Vivek L. Kulkarni is a Senior General Manager at our Company. He holds a bachelor’s degree in science from Karnatak University and has completed a manufacturing management introduction course from the SANNO Institute of Management. He has more than 32 years of experience as a manager in various industries. Prior to joining our Company, he worked with Lakhanpal National Limited, Eveready Industries India Limited and BPL Limited. Vivek L. Kulkarni joined our Company on February 11, 2013. During Fiscal 2018, he was paid a gross compensation of ₹1.88 million.

Manoj N.G. is the National Sales Head – Pigeon division of our Company. He holds a bachelor’s degree in science from the University of Calicut and a post graduate diploma in business administration from Xavier Institute of Management & Entrepreneurship, Bangalore. He has more than 16 years of experience in the durable consumer goods sector. Prior to joining our Company, he worked with Samsung India Electronics Private Limited, Panasonic India Limited, MIRC Electronics Limited, IFB Industries Limited, BPL Limited and TCL India Holdings Private Limited. Manoj NG joined our Company on April 2, 2018. As he joined our Company post March 31, 2018, he was not paid any compensation during Fiscal 2018.

Kiran Prabhakar Joshi is the Business Head – Gilma division of our Company. He holds a bachelor’s degree in commerce in auditing, costing and management from University of Peer Mohammed. He has over 15 years of experience in various industries. Prior to joining our Company, he worked with Melrose Trading Company Limited, F2 Fun & Fitness (India) Private Limited, Pantaloon Retail (India) Limited, Unitech Wireless (Tamil Nadu) Private Limited, Tarz Distribution Private Limited, Dr. Batra’s Franchise Private Limited and Medwell Ventures Private Limited. Kiran Prabhakar Joshi joined our Company on March 12, 2018. During Fiscal 2018, he was paid a gross compensation of ₹0.25 million.

Vivek Mishra is the Legal Head of our Company. He holds a bachelor’s degree in commerce from the University of Calcutta, and a master’s degree in commerce from Vidyasagar University. He has also passed the final examination held by the Institute of Company Secretaries of India. Prior to joining our Company, he was associated with Shyam Sel and Power Limited. Vivek Mishra joined our Company on March 21, 2016. During Fiscal 2018, he was paid a gross compensation of ₹0.57 million.

All the Key Management Personnel are permanent employees of our Company.

Shareholding of Key Management Personnel

Except as disclosed below, none of our Key Management Personnel hold any Equity Shares as of the date of filing of this Draft Red Herring Prospectus:

Name	Number of Equity Shares	Pre-Offer Shareholding (%)	Post-Offer Shareholding (%)
Rajendra Gandhi	18,184,619	73.57	●
Neha Gandhi	1	0.00	●
Senthil Kumar R	1	0.00	●
Venkitesh N	1	0.00	●
Total	18,184,622	73.57	●

Bonus or profit sharing plan of the Key Management Personnel

Except Tamal Krishna Chaudhuri, President of the Black + Decker division of our Company, who is entitled to a 20% share in the total profit before tax accrued exclusively from our Black + Decker division, subject to achieving ₹1,000 million revenue in the Financial Year 2019, and Rohit Mago, Chief Executive Officer of our Company’s unit at Baddi, who is eligible to receive 25% share of the Company’s annual profit before tax from the business operations of our Baddi Facility, there is no bonus or profit sharing plan for the Key Management Personnel. Our Company makes certain performance linked bonus payment for each Fiscal to certain Key Management Personnel as per their respective terms of employment.

Interests of Key Management Personnel

Except as stated below, and as stated in relation to Rajendra Gandhi, in “– Interest of Directors” and “Our Promoter and Promoter Group” on pages 142 and 154, respectively, and with regard to Neha Gandhi, in “– Interest of Directors” on page 142 and as stated in relation to Senthil Kumar R and Venkitesh N in “Capital Structure”, the Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Our Company purchases aluminium gas valves from Revalve Systems, a partnership firm in which one of our Key Managerial Personnel, Venkitesh N., is a partner.

Contingent and deferred compensation payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to our Key Management Personnel which does not form part of their remuneration.

Service Contracts with Key Management Personnel

Except certain statutory benefits payable upon termination of their employment in our Company, or on superannuation, none of our Key Management Personnel have entered into any service contract with our Company pursuant to which they are entitled to benefits upon termination of employment.

Understanding with the major Shareholders, customers, suppliers or others

Further, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as a member of senior management.

No loans have been availed by the Key Management Personnel from our Company.

Relationship among Key Managerial Personnel

Except Rajendra Gandhi, who is the father of Neha Gandhi, none of the Key Management Personnel are related to each other.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years preceding the date of filing of this DRHP are as follows:

Name	Designation	Date of change	Reason for change
Sapna Bhatia	Company Secretary	October 3, 2015	Resignation
Vivek Mishra	Company Secretary and Legal Manager	March 22, 2016	Appointment
Senthil Kumar R	Chief Operation Officer	April 1, 2016	Appointment
Nagaraju Lade	Chief Financial Officer	July 13, 2016	Cessation on account of death
Sunita Rajendra Gandhi	Executive Director	September 30, 2016	Resignation
Neha Gandhi	Executive Director	September 30, 2016	Appointment
Tamal Krishna Choudhury	President – Black & Decker	December 1, 2016	Appointment
Manoj Pannalal Jain	Chief Financial Officer	April 1, 2017	Appointment
Rohit Mago	Chief Executive Officer, Baddi	October 1, 2017	Appointment
Manoj Pannalal Jain	Chief Financial Officer	December 22, 2017	Resignation
Anand Singh	SCM – Head	December 22, 2017	Appointment
Radhakrishnan S.	Chief Financial Officer	January 19, 2018	Appointment
Kumaravelu Chandrasekar	Vice President - Operations	January 19, 2018	Appointment
Kiran Prabhakar Joshi	Business Head – Gilma	March 12, 2018	Appointment
Anand Singh	SCM – Head	May 21, 2018	Resignation
Manoj N.G.	National Sales Head – Pigeon division	April 2, 2018	Appointment
Radhakrishnan S.	Chief Financial Officer	April 12, 2018	Resignation
Vivek Mishra	Company Secretary	April 30, 2018	Redesignated as Legal Head with effect from May 1, 2018
Ravikumar Mysamy	National Sales Head - Modern Retail	May 7, 2018	Appointment
Rehana Anna Rajan	Company Secretary and Compliance Officer	May 15, 2018	Appointment
Shashidhar SK	Chief Financial Officer	July 2, 2018	Appointment
Kamal Aneja	Business Head-Pigeon division	July 10, 2018	Appointment
Rehana Anna Rajan	Company Secretary and Compliance Officer	July 27, 2018	Resignation
Shashidhar SK	Company Secretary and Compliance Officer	July 27, 2018	Appointment

Payment or Benefit to officers of our Company

No non-salary amount or benefit has been paid or given to any of our Company's employees including the Key Management Personnel and our Directors within the two years preceding the date of filing of this Draft Red Herring Prospectus. No such non-salary amount or benefit is intended to be paid or given to any of our Company's employees including the Key Management Personnel and our Directors.

ESOP Plan

For details regarding our ESOP Plan, see “*Capital Structure*” on page 67.

OUR PROMOTER AND PROMOTER GROUP

Rajendra Gandhi and Sunita Rajendra Gandhi are the Promoters of our Company. Our Promoters hold an aggregate of 18,443,919 Equity Shares, aggregating to 74.62% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For further details, see “*Capital Structure*” on page 67.



Rajendra Gandhi

Rajendra Gandhi (DIN: 01646143), aged 50 years, is the Managing Director of our Company. He is a resident Indian national. For further details in respect of his address, educational qualifications, professional experience, posts held in the past and other directorships, see “*Our Management*” on page 139.

He holds a voter’s identification card bearing no. XUL5333869. He does not hold a driver’s license.

Rajendra Gandhi holds 18,184,619 Equity Shares in our Company. Other than as disclosed in “*History and Certain Corporate Matters*” and “*Our Management*” on pages 132 and 139, respectively, Rajendra Gandhi is a partner of Stovekraft India.

Sunita Rajendra Gandhi



Sunita Rajendra Gandhi (DIN: 01676100), aged 47 years, is a resident Indian national. She resides at 203, Olympus 1, Prestige Acropolis, Hosur Road, Adugodi, Bengaluru, 560 029, Karnataka, India. She is a resident Indian national. She is not involved in the day to day management of our Company. She has completed her senior secondary certificate examination from SS Jain V High School, Secunderabad.

She holds a driver’s license no. 7102/99 and a voter’s identification card bearing no. XUL5333810.

Sunita Rajendra Gandhi holds 259,300 Equity Shares in our Company. Sunita Rajendra Gandhi is not involved in any other venture. She is not a director in any Company.

Our Company confirms that the permanent account number, bank account number and passport number of Rajendra Gandhi and Sunita Rajendra Gandhi shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Interests of Promoters in the promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them. For details regarding the shareholding of our Promoters in our Company, see “*Capital Structure*” and “*Our Management*” on pages 67 and 139, respectively.

No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which they are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or otherwise for services rendered by such Promoter(s) or by such firms or Companies in connection with the promotion or formation of our Company.

Interests of Promoters in property of our Company

Our Promoter, Rajendra Gandhi, is interested (i) in slump sale agreement dated March 31, 2016 for purchase of all rights, title and interest of Saya Industries of which he was a partner in the unit situated in Buranwala, Baddi, Himachal Pradesh, together with all assets and liabilities by our Company; (ii) as a partner of Stovekraft India, from whom our Company proposed through an agreement to sell dated November 14, 2017, to acquire land admeasuring 6 bighas 12 biswa comprising no 201, K\K no. 120/121, Khasra no. 509/307 and factory constructed thereon, situated in village Buranwala, Tehsil Baddi, Solan, Himachal Pradesh; (iii) to the extent that land bearing survey number 81/6, admeasuring 1 acre and 5 guntas, forming part of unit II of our manufacturing facility in Bengaluru, situated at Medamaranahalli Village, Harohalli Hobli, Kanakapura Taluk, is proposed to be acquired by our Company from him; and (iv) in lands bearing re-survey number 89/2A and 89/2A3 (total area admeasuring 2 acres), 81/1 (total area admeasuring 2 acre), 89/2B (total area admeasuring 1 acre 24 guntas) forming part of Unit I of the manufacturing facility of our Company situated at Medamaranahalli Village, Harohalli Hobli, Kanakapura Taluk, Bengaluru which were acquired by the Company. Except as disclosed in this section and in “*Related Party Transactions*” and “*Financial Statements*” on pages 159 and 161, respectively, our Promoters have no interest in any property acquired by our Company during the two years preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business and other Interests

Our Promoters are interested in our Company (i) in case of Rajendra Gandhi, to the extent of being the Managing Director of our Company and the compensation, perquisites payable to him and as partner of Stovekraft India (in which he holds a 1% stake) which receives rent from the Company; (ii) in case of Sunita Rajendra Gandhi, to the extent of rent receivable from our Company for the premises situated at PID No. 169-W0079-2, 10th Main Road, 3rd Block, Block, Jayanagar, Bengaluru – 560 011, out of which we operate our service centre; and (iii) to the extent of any other transactions or business arrangements of our Company with our Promoters, or their relatives, or entities in which our Promoters hold shares or interest, or entities in which our Promoters are members of the board of directors or firms in which our Promoters or relatives of our Promoters are directly or indirectly interested. For details regarding the shareholding of our Promoters and the members of our Promoter Group in our Company, directorship of Rajendra Gandhi, and guarantees extended by our Promoters, see “*Capital Structure*”, “*Our Management*” and “*Financial Indebtedness*” beginning on pages 67, 139, and 294, respectively, and for business transactions between our Company and our Promoters, or their relatives or entities in which our Promoters or their relatives are directly or indirectly interested, see “*Related Party Transactions*” and “*Financial Statements*” beginning on pages 159 and 161, respectively.

Related Party Transactions

Except the related party transactions entered into by our Company as disclosed in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements which are not in the ordinary course of business during the preceding two years from the date of this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them. For further details of related party transactions, as per Ind (AS) - 24, see “*Related Party Transactions*” on page 159.

Payment of benefits to our Promoters or our Promoter Group

Except as stated in this section, “*Related Party Transactions*”, “*Our Management*”, and “*Financial Statements*” on pages 159, 139 and 161 respectively, no amount or benefit has been paid or given to our Promoters or Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or Promoter Group.

Litigation involving our Promoters

Except as stated in “*Outstanding Litigation and Material Developments*” on page 296, there is no litigation involving our Promoters as on the date of this Draft Red Herring Prospectus.

Confirmations

Our Promoters, relatives of our Promoters and members of our Promoter Group have not been identified as wilful defaulters as defined under the SEBI ICDR Regulations and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority or which is a wilful defaulter as defined under the SEBI ICDR Regulations.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time. Our Promoters are not related to any of the sundry debtors or beneficiaries of loans and advances of our Company.

Common Pursuits

Our Promoter, Rajendra Gandhi, is a partner of Stovekraft India and a director of PAPL, which are in the same line of business as the Company. We have and shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For further details of related business transactions and their significance on the financial performance of our Company, see “*Related Party Transactions*” on page 159.

Companies or firms with which our Promoters have disassociated in the last three years

Except as disclosed below, our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

S. No.	Name of Promoter	Name of entity	Reason for disassociation	Date of disassociation
1.	Rajendra Gandhi	Saya Industries	Dissolution of Saya Industries	March 31, 2018
2.	Rajendra Gandhi	Pronova Ventures LLP	Resignation as partner and cessation of interest in the limited liability partnership	March 16, 2018

Change in the management and control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company in the five years immediately preceding from the date of filing of this Draft Red Herring Prospectus.

Our Promoter Group

In addition to the Promoters named above, the following individuals and entities form part of the Promoter Group of the Company.

A. Natural persons who are part of the Promoter Group

Name of Promoter	Name of relative	Relationship
Rajendra Gandhi	Sanjay J Gandhi	Brother
	<ul style="list-style-type: none"> R Meena Vijaya Kataria Sarala Prakash Sangeetha 	Sisters
	Kunal Gandhi	Son
	Neha Gandhi	Daughter
	Palak Rajendra Gandhi	Daughter
	I Sukhi Bai	Spouse's Mother
	Rajesh Jain	Spouse's Brother
	J Lalith Jain	Spouse's Brother
	<ul style="list-style-type: none"> Sushila Subhashchand Jain Kavitha Mahendar N Babitha Komal Pravin Mutha 	Spouse's Sisters
	I Sukhi Bai	Mother
	<ul style="list-style-type: none"> Rajesh Jain J Lalith Jain 	Brother
Sunita Rajendra Gandhi	<ul style="list-style-type: none"> Sushila Subhashchand Jain Kavitha Mahendar N Babitha Komal Pravin Mutha 	Sisters
	Kunal Gandhi	Son
	Neha Gandhi	Daughter
	Palak Rajendra Gandhi	Daughter
	Sanjay J Gandhi	Spouse's Brother
	<ul style="list-style-type: none"> R Meena Vijaya Kataria Sarala Prakash Sangeetha 	Spouse's Sisters

B. Entities forming part of the Promoter Group

The entities forming a part of our Promoter Group are as follows:

- Jain Overseas (partnership firm)
- Sprouts Angels LLP;
- Jain Realty (partnership firm);
- Lalith Kumar Jain Jeevraj (HUF);
- Jeevraj Rajesh Kumar Jain (HUF);
- Jeevraj Jain (HUF);
- Misirilal (HUF); and
- Rickhabchand (HUF)

OUR GROUP COMPANIES

The definition of 'group companies' was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board. Pursuant to a Board resolution dated September 21, 2018, the Board formulated a policy with respect to companies which it considered material to be identified as group companies. Our Board has considered such companies that have entered into one or more transactions with the Company during the most recent audited fiscal year and any stub period ("**Relevant Period**") which in value exceeds 10% of the total consolidated revenue of the Company as per the last restated audited consolidated financial statements of the Company; (ii) such companies as would be considered as a related party in terms of Ind AS 24 in the financial statements of the Company for periods subsequent to the Relevant Period, up to the date of filing of this Draft Red Herring Prospectus; and (iii) such other companies as are otherwise considered material by the Board.

Accordingly, Shinag Allied Enterprises Private Limited ("**SAEPL**") has been identified as a Group Company and our Board has approved that other than SAEPL there are no companies which are considered material by the Board to be identified as a group company.

On the basis of the Materiality Policy, other than the companies already covered under Ind AS 24 in the Restated Consolidated Financial Information, no company was considered to be material by our Board for the purposes of disclosure in this Draft Red Herring Prospectus.

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

A. Details of our Group Company

1. Shinag Allied Enterprises Private Limited ("**SAEPL**")

SAEPL was incorporated on March 1, 2017 under the Companies Act, 2013 as a private limited company pursuant to the conversion of Shinag Allied Enterprises, a partnership firm. It has its registered office at Khata No. 141/117/A, Sy No. 215/4, Gabbadi Village, Kanakapura Taluk, Harohalli Hobli, Ramanagar, 562 112, Bengaluru, Karnataka, India. SAEPL is engaged, *inter alia*, in the business of manufacturing, importing and exporting all kinds and varieties of metal components and metals, heating stoves for domestic and other applications, tools and jugs for consumer durables. Our Company does not hold any shares in SAEPL. Further, pursuant to the provisions of Section 96 of the Companies Act, 2013, SAEPL has nine months from the closure of its first financial year to hold an AGM and adopt its financial statements. Therefore, no financial information for our Group Company is available.

Interest of our Promoters

Our Promoters have no interest in SAEPL.

Significant notes of auditors of SAEPL for the last three Financial Years

SAEPL does not have any significant notes of auditors as the first audited financial statements of SAEPL are yet to be prepared.

B. Details of Group Company with negative net worth

As on the date of this Draft Red Herring Prospectus, this confirmation does not apply to our Group Company.

Loss making Group Company

As on the date of this Draft Red Herring Prospectus, this confirmation does not apply to our Group Company.

Nature and Extent of Interest of our Group Company

(a) *In the promotion of our Company*

Our Group Company do not have any interest in the promotion or formation of our Company.

Except as disclosed in "*Related Party Transactions*" on page 159, our Group Company does not have any business interest in our Company.

(b) *In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Draft Red Herring Prospectus with SEBI or proposed to be acquired*

Our Group Company is not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired.

(c) ***In transactions for acquisition of land, construction of building and supply of machinery***

Our Group Company is not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits amongst the Group Company and our Company

Our Group Company is in the same line of business as our Company. We shall adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, as and when they may arise. For further details, see *“Risk Factors- Our Group Company SAEPL is engaged primarily in manufacturing, importing and exporting of components for domestic and other appliances. Any conflict of interest which may occur between the business of SAEPL and us could adversely affect our business, prospects, results of operations and financial condition.”* on page 21.

Related Business Transactions with the Group Company and significance on the financial performance of our Company

For further information, see *“Related Party Transactions”* on page 159.

Significant Sale/Purchase between our Group Company and our Company

Our Group Company is not involved in any sales or purchase with our Company where such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company.

Sick or Defunct Group Company

As on date of this Draft Red Herring Prospectus, our Group Company is not defunct and no application has been made to the registrar of companies for striking off the name of our Group Company during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI. Further, our Group Company does not fall under the definition of sick companies under the erstwhile SICA and is not under winding up. Further, our Group Company has not been declared as insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016 and there are no insolvency or bankruptcy proceedings initiated against our Group Company.

Other Confirmations

None of the securities of our Group Company are listed on any stock exchange or failed to list on any recognised stock exchange or incurred any penalty imposed by any recognised stock exchange, and our Group Company has not made any public or rights issue of securities in the preceding three years.

Our Group Company has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

Our Group Company has not been identified as a wilful defaulter as defined in SEBI ICDR Regulation.

Our Group Company has not granted any unsecured loans to the Company that can be recalled by it at any time.

There are no violations of securities law committed by our Group Company in the past and no proceedings for violations of securities laws are pending against it.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five Fiscals, as per the requirements under Ind AS 24 see “*Financial Statements – Annexure V*” of Restated Financial Statements beginning on pages 214 and 272, respectively.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company. Our Company has no formal dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see “*Financial Indebtedness*” beginning on page 294.

We have not declared any dividends in the five Fiscals immediately preceding the filing of this Draft Red Herring Prospectus.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors

STOVE KRAFT LIMITED

(Formerly STOVE KRAFT PRIVATE LIMITED)

81/1, Medamarana Halli Village, Harohalli Hobli Industrial Area,
Kanakapura Taluk, Ramanagara District,
Bangalore- 562112,
Karnataka, India

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Stove Kraft Limited (formerly Stove Kraft Private Limited) (the "Company") along with its partnership firm (the Company and its partnership firm constitute the "Group"), which comprise of the Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the Restated Consolidated Summary Statement of Profit and Loss (including other comprehensive income) and Restated Consolidated Summary Statement of Changes in Equity for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the Restated Consolidated Summary Statements of Cash Flows for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the Consolidated Summary Statement of Significant Accounting Policies and related Annexures thereto (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Group at their meeting held on September 21, 2018 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
 - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India, as amended from time to time (the "Guidance Note").
2. The preparation of the Restated Consolidated Financial Information is the responsibility of the Management of the Group for the purpose set out in paragraph 13 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Group

complies with the Act, ICDR Regulations and the Guidance Note.

Our responsibility is to examine the Restated Consolidated Financial Information and confirm whether such Restated Consolidated Financial Information comply with the requirements of the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 20, 2018 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note; and
- c) The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which include the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information. This Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

4. These Restated Consolidated Financial Information have been compiled by the Management from the audited special purpose consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2018 prepared in accordance with the recognition and measurement principles of Indian Accounting Standard notified under section 133 of the Companies Act, 2013, which have been approved by the Board of directors at their meeting held on September 21, 2018.

The Restated Consolidated Financial Information also contains the proforma consolidated Ind AS financial information as at and for the years ended March 31, 2017, 2016, 2015 and 2014. These proforma consolidated Ind AS financial information have been prepared by making Ind AS adjustments to the audited special purpose consolidated Indian GAAP financial statements as at and for the years ended March 31, 2017, 2016, 2015 and 2014 which have been approved by the Board of Directors at their meetings held on September 21, 2018 as described in Note 2.1 of Annexure V.

5. The audit report on the consolidated Indian GAAP financial statements as at and for the year ended March 31, 2018, included following matter under 'Report on Other Legal and Regulatory Requirements' section of the audit report:

"On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, in respect of one of the directors, disqualification was attracted u/s 164 (2) of the Act however the company has received an order to maintain status quo of the directorship of the director from National Company Law Tribunal as referred in note no. 44 and all other directors are not disqualified as on March 31, 2018 from being appointed as director in the term of section 164(2) of the Act"

6. The audit report on the consolidated financial statements for the year ended March 31, 2018 and the audit reports on the special purpose consolidated financial statements for the years ended March 31, 2017, 2016 and 2015 included an Emphasis of Matter paragraph in relation to uncertainty relating to the outcome of the income tax matters under appeal with various appellate forums in case of the partnership firm (i.e. Stove Kraft India). Our opinion is not modified in respect of this matter.

7. The audit report on the special purpose consolidated financial statements as at and for the year ended March 31, 2014 issued by us included following other matter:

"We did not audit the financial statements of a partnership firm whose share of total assets, total revenues and net cash inflows/ (outflows) included in the special purpose consolidated financial statements, as at and for the year ended March 31, 2014 (details furnished below). These unaudited financial statements have been compiled and certified by the management of the Company and have not been subjected to audit by independent auditors. Our opinion on the special purpose consolidated financial statements as at and for the year ended March 31, 2014, in so far as it relates to the amounts and the disclosures included in respect of this partnership firm, is based solely on such unaudited financial statements so certified by the management of the Company. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group."

(Rs. in million)	
Particulars	As at/For the year ended March 31, 2014
Total assets	2.75
Total revenue	0.26
Net cash inflow/ (outflow)	-

8. Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:
- have been prepared after incorporating proforma Ind AS adjustments to the audited special purpose Indian GAAP consolidated financial statements as at and for the year ended March 31, 2017, 2016, 2015 and 2014 as described in Note 2.1 of Annexure V to the Restated Consolidated Financial Information;
 - have been prepared after incorporating adjustments for the regrouping/reclassifications retrospectively in respective financial years ended March 31, 2017, 2016, 2015 and 2014 to reflect the same grouping/classifications followed as at and for the year ended March 31, 2018;
 - have been prepared after incorporating adjustments for the material amounts in the respective financial years to which they relate;
 - do not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments; and
 - have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of our reports mentioned in paragraph 4 above on the audited Consolidated financial statements.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Management for inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Karnataka in connection with the Initial Public Offer of equity shares ("IPO"). Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

S. Sundaresan
Partner
(Membership No. 25776)

Place: Bengaluru
Date: September 24, 2018

Annexure I: Restated Consolidated Summary Statement of Assets and Liabilities

Particulars	Note of Annexure V	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
			Proforma	Proforma	Proforma	Proforma
Non-current assets						
Property, plant and equipment	3(a)	1,806.24	1,852.21	1,883.48	1,714.25	1,504.04
Capital work-in-progress		6.08	0.86	2.88	152.75	177.58
Intangible assets	3(b)	35.99	55.07	71.10	61.63	31.87
Financial assets						
Investments	4	-	-	-	-	0.08
Other financial assets	5	38.01	30.88	53.79	60.33	27.98
Deferred tax assets		-	-	-	-	-
Non-current tax asset (net)		47.14	47.64	46.14	28.94	7.42
Other non-current assets	6	41.26	22.56	22.43	32.69	33.66
Total non-current assets		1,974.72	2,009.22	2,079.82	2,050.59	1,782.63
Current assets						
Inventories	7	1,051.38	726.27	698.90	667.75	634.69
Financial assets						
Trade receivables	8	795.52	592.84	495.85	653.55	679.17
Cash and cash equivalents	9(a)	4.00	5.42	4.11	3.37	27.08
Bank balances other than cash and cash equivalents as above	9(b)	33.81	31.25	31.89	9.74	81.35
Loans	10	0.27	70.30	69.95	70.13	71.45
Other financial assets	11	1.69	0.61	2.43	1.45	78.63
Other current assets	12	89.49	94.86	35.93	41.24	91.88
Total current assets		1,976.16	1,521.55	1,339.06	1,447.23	1,664.25
Total assets		3,950.88	3,530.77	3,418.88	3,497.82	3,446.88
EQUITY AND LIABILITIES						
Equity						
Equity share capital	13(a)	189.00	189.00	189.00	189.00	189.00
Other equity	13(b)	(1,975.56)	(1,851.11)	(1,661.38)	(1,229.47)	(1,102.05)
Equity attributable to owners of the Company		(1,786.56)	(1,662.11)	(1,472.38)	(1,040.47)	(913.05)
Non-controlling interests	14	2.14	2.54	2.76	2.08	0.46
Total equity		(1,784.42)	(1,659.57)	(1,469.62)	(1,038.39)	(912.59)
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	15	3,113.05	2,867.47	2,723.91	2,599.53	2,493.57
Other financial liabilities	16	148.27	169.04	108.01	52.22	33.56
Deferred tax liability		-	-	-	0.41	-
Provisions	17	34.14	30.70	23.40	23.17	18.67
Total non-current liabilities		3,295.46	3,067.21	2,855.32	2,675.33	2,545.80
Current liabilities						
Financial liabilities						
Borrowings	18	809.58	781.19	858.18	734.21	777.17
Trade payables	19	1,451.60	1,082.40	890.68	863.31	759.81
Other financial liabilities	20	110.21	97.47	87.66	74.17	63.24
Provisions	21	16.07	77.88	79.92	75.60	75.77
Other current liabilities	22	52.24	78.09	101.81	90.95	128.08
Current tax liabilities (net)		0.14	6.10	14.93	22.64	9.60
Total current liabilities		2,439.84	2,123.13	2,033.18	1,860.88	1,813.67
Total liabilities		5,735.30	5,190.34	4,888.50	4,536.21	4,359.47
Total equity and liabilities		3,950.88	3,530.77	3,418.88	3,497.82	3,446.88

The above statement should be read with the Basis of preparation and Significant accounting policies appearing in Note 2 of Annexure V of Notes to the Restated Consolidated Financial Information and Statement of adjustments to Consolidated Financial Statements appearing in Annexure VI.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S. Sundaresan
Partner

Rajendra J Gandhi
Managing Director

Neha Gandhi
Director

Shashidhar SK
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: 24 September 2018

Place: Bengaluru
Date: 21 September 2018

Stove Kraft Limited
(Formerly Stove Kraft Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure II: Restated Consolidated Summary Statement of Profit and Loss

Particulars	Note of Annexure V	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
			Proforma	Proforma	Proforma	Proforma
Revenue from operations	23	5,289.52	5,150.33	5,232.71	5,041.57	5,101.73
Other income	24	56.33	29.21	15.23	23.30	47.99
Total Income		5,345.85	5,179.54	5,247.94	5,064.87	5,149.72
Expenses						
Cost of materials consumed	25	2,411.19	2,669.69	2,941.68	2,628.46	2,737.79
Purchase of stock in trade	26	1,203.26	833.73	798.74	605.61	623.23
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(78.96)	(117.43)	(128.80)	71.89	113.52
Excise duty		53.33	215.49	243.53	234.96	235.48
Employee benefits expenses	28	590.87	516.25	475.34	431.92	445.40
Finance cost	29	169.35	150.05	157.71	165.43	151.92
Depreciation & amortization expenses	30	119.69	118.12	111.02	(37.08)	98.97
Other expenses	31	1,010.11	983.33	1,083.04	1,072.75	1,030.10
Total expenses		5,478.84	5,369.23	5,682.26	5,173.94	5,436.41
Restated Loss before exceptional items and tax		(132.99)	(189.69)	(434.32)	(109.07)	(286.69)
Exceptional items	32	-	-	-	0.08	-
Restated Loss before tax		(132.99)	(189.69)	(434.32)	(109.15)	(286.69)
Tax expense / (benefit):						
Current tax expense		-	-	6.00	13.00	18.00
Current tax expense relating to prior year		(5.37)	2.78	-	-	-
Deferred tax		-	-	(0.41)	0.41	-
Net tax expense / (benefit)		(5.37)	2.78	5.59	13.41	18.00
Restated Loss for the year		(127.62)	(192.47)	(439.91)	(122.56)	(304.69)
Other Comprehensive Income						
Items that will not be reclassified to Statement of Profit and Loss						
Remeasurements of the defined benefit Plans - Gains / (losses)		1.75	1.32	6.66	1.27	5.55
Items that will be reclassified to Statement of Profit and Loss						
Fair value changes on cash flow hedges		1.24	-	-	-	-
Total Other Comprehensive Income for the year		2.99	1.32	6.66	1.27	5.55
Total Restated Comprehensive Income for the year		(124.63)	(191.15)	(433.25)	(121.29)	(299.14)
Restated Loss for the year attributable to:						
Owners of the Company		(127.44)	(192.25)	(440.59)	(124.18)	(305.15)
Non controlling interests		(0.18)	(0.22)	0.68	1.62	0.46
		(127.62)	(192.47)	(439.91)	(122.56)	(304.69)
Other comprehensive income for the year attributable to:						
Owners of the Company		2.99	1.32	6.66	1.27	5.55
Non controlling interests		-	-	-	-	-
		2.99	1.32	6.66	1.27	5.55
Total Restated Comprehensive Loss for the year attributable to:						
Owners of the Company		(124.45)	(190.93)	(433.93)	(122.91)	(299.60)
Non controlling interests		(0.18)	(0.22)	0.68	1.62	0.46
Total		(124.63)	(191.15)	(433.25)	(121.29)	(299.14)
Earnings per share						
Basic (in Rs.) (Face value of Rs.10 each)	34	(6.74)	(10.17)	(23.31)	(6.57)	(16.15)
Diluted (in Rs.) (Face value of Rs.10 each)	34	(6.74)	(10.17)	(23.31)	(6.57)	(16.15)

The above statement should be read with the Basis of preparation and Significant accounting policies appearing in Note 2 of Annexure V of Notes to the Restated Consolidated Financial Information and Statement of adjustments to Consolidated Financial Statements appearing in Annexure VI.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S. Sundaresan
Partner

Rajendra J Gandhi
Managing Director

Neha Gandhi
Director

Shashidhar SK
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: 24 September 2018

Place: Bengaluru
Date: 21 September 2018

Stove Kraft Limited*(Formerly Stove Kraft Private Limited)*

Restated Consolidated Financial Information

(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure III: Restated Consolidated Summary Statement of Changes in Equity

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Equity share capital					
Opening balance	189.00	189.00	189.00	189.00	189.00
Changes in equity share capital during the year					
Add: Issued during the year	-	-	-	-	-
Closing balance	189.00	189.00	189.00	189.00	189.00

Other equity

Particulars	Reserve and surplus	Items of other comprehensive income	Attributable to owners of the parent	Non- Controlling interest	Total other equity
	Retained earnings	Cashflow hedge reserve			
Balance as at 01 April 2013 (Proforma)	(802.45)	-	(802.45)	-	(802.45)
Restated Loss for the year	(305.15)	-	(305.15)	0.46	(304.69)
Remeasurement of defined benefit obligation	5.55	-	5.55	-	5.55
Balance as at 31 March 2014 (Proforma)	(1,102.05)	-	(1,102.05)	0.46	(1,101.59)
Restated Loss for the year	(124.18)	-	(124.18)	1.62	(122.56)
Remeasurement of defined benefit obligation	1.27	-	1.27	-	1.27
Fair Value changes on cash flow hedge	-	(4.51)	(4.51)	-	(4.51)
Balance as at 31 March 2015 (Proforma)	(1,224.96)	(4.51)	(1,229.47)	2.08	(1,227.39)
Restated Loss for the year	(440.59)	-	(440.59)	0.68	(439.91)
Remeasurement of defined benefit obligation	6.66	-	6.66	-	6.66
Fair Value changes on cash flow hedge	-	2.02	2.02	-	2.02
Balance as at 31 March 2016 (Proforma)	(1,658.89)	(2.49)	(1,661.38)	2.76	(1,658.62)
Restated Loss for the year	(192.25)	-	(192.25)	(0.22)	(192.47)
Remeasurement of defined benefit obligation	1.32	-	1.32	-	1.32
Fair Value changes on cash flow hedge	-	1.20	1.20	-	1.20
Balance as at 31 March 2017 (Proforma)	(1,849.82)	(1.29)	(1,851.11)	2.54	(1,848.57)
Restated Loss for the year	(127.44)	-	(127.44)	(0.18)	(127.62)
Remeasurement of defined benefit obligation	1.75	-	1.75	-	1.75
Minority interest adjusted during the year	-	-	-	(0.22)	(0.22)
Fair Value changes on cash flow hedge	-	1.24	1.24	-	1.24
Balance as at 31 March 2018	(1,975.51)	(0.05)	(1,975.56)	2.14	(1,973.42)

The above statement should be read with the Basis of preparation and Significant accounting policies appearing in Note 2 of Annexure V of Notes to the Restated Consolidated Financial Information and Statement of adjustments to Consolidated Financial Statements appearing in Annexure VI.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

For and on behalf of the Board of Directors**S. Sundaresan**

Partner

Rajendra J Gandhi

Managing Director

Neha Gandhi

Director

Shashidhar SKChief Financial Officer &
Company Secretary

Place: Bengaluru

Date: 24 September 2018

Place: Bengaluru

Date: 21 September 2018

Stove Kraft Limited
(Formerly Stove Kraft Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure IV: Restated Consolidated Summary Statement of Cashflows

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Cashflow from operating activities					
Restated Loss before tax	(132.99)	(189.69)	(434.32)	(109.15)	(286.69)
Adjustments for :					
Depreciation and amortisation expense	119.69	118.12	111.02	(37.08)	98.97
Provision for doubtful trade and other receivables, loans and advances and bad debts written off (net)	59.65	4.89	41.20	17.52	35.85
Liability no more required written back	(41.85)	(9.55)	(2.31)	(6.11)	(34.93)
Provision for Warranty	9.06	5.56	1.48	0.62	1.93
Interest on deposit with bank	(1.80)	(2.65)	(3.01)	(3.29)	(6.44)
Government grant (EPCG Scheme)	(2.52)	-	-	-	(0.35)
Fair valuation of derivatives	(1.33)	2.73	(0.94)	(5.05)	4.84
Fair valuation of Compulsory Convertible Debentures	153.80	205.20	182.30	162.10	12.70
(Profit) / loss on sale of fixed assets	1.02	(1.46)	0.27	(0.26)	0.62
Provision for non-current investments	-	-	-	0.08	-
Finance cost	152.89	134.67	132.82	145.21	135.29
Net unrealised exchange (gain) / loss	2.98	(5.07)	(1.90)	0.56	(8.60)
Operating cash profit before changes in working capital	318.60	262.75	26.61	165.15	(46.81)
Changes in working capital					
Adjustment for (increase)/ decrease in operating assets :					
Other financial assets	43.79	(0.33)	1.50	77.74	(26.53)
Inventories	(325.11)	(27.37)	(31.15)	(33.06)	51.77
Trade receivables	(247.93)	(103.03)	116.30	5.70	(169.48)
Other assets	(12.47)	(61.03)	1.78	48.77	(18.06)
Adjustment for increase/ (decrease) in operating liabilities:					
Other financial liabilities	18.35	59.64	56.73	19.12	(3.54)
Trade payables	343.34	201.30	37.99	112.50	(123.39)
Other current liabilities	(25.85)	(23.72)	10.86	(37.13)	65.72
Provisions	0.41	(0.30)	3.07	3.71	(30.14)
Cash generated from/(used in) operations	113.13	307.91	223.69	362.50	(300.46)
Net income taxes (paid) / refund received	(0.09)	(13.11)	(30.50)	(21.89)	(9.17)
Net cash generated from/(used in) operating activities (A)	113.04	294.80	193.19	340.61	(309.63)
Cashflows from investing activities					
Capital expenditure on property, plant and equipments (including capital advance)	(63.18)	(70.95)	(121.42)	(178.38)	(487.79)
Proceeds from sale of property, plant and equipments	2.32	2.61	0.46	1.01	3.60
Interest received on bank deposits	1.93	3.08	2.97	5.02	6.23
Proceeds from sale of investment	-	-	-	-	13.80
Movement of margin money deposit with banks (net)	(2.56)	17.92	(10.02)	42.20	(27.37)
Net cash used in investing activities (B)	(61.49)	(47.34)	(128.01)	(130.15)	(491.53)
Cash flows from Financing activities					
Proceeds from long-term borrowings	125.00	-	-	-	1,240.00
Repayment of long-term borrowings	(56.56)	(51.73)	(60.01)	(46.97)	(110.00)
Net increase / (decrease) in working capital borrowings	26.76	(69.48)	124.01	(42.33)	(193.38)
Finance cost	(148.17)	(124.94)	(128.44)	(144.87)	(135.29)
Net cash used in financing activities (C)	(52.97)	(246.15)	(64.44)	(234.17)	801.33
Net (decrease) / increase in cash & cash equivalents (A+B+C)	(1.42)	1.31	0.74	(23.71)	0.17

Stove Kraft Limited
(Formerly Stove Kraft Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure IV: Restated Consolidated Summary Statement of Cashflows

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Cash and cash equivalents at beginning of the year	5.42	4.11	3.37	27.08	26.91
Cash and cash equivalents at the end of the year* (Refer note 9(a))	4.00	5.42	4.11	3.37	27.08
* Comprises:					
(a) Cash on hand	0.82	0.46	1.84	1.07	2.17
(b) Balances with banks: in current accounts	3.18	4.96	2.27	2.30	24.91
Total	4.00	5.42	4.11	3.37	27.08

The above statement should be read with the Basis of preparation and Significant accounting policies appearing in Note 2 of Annexure V of Notes to the Restated Consolidated Financial Information and Statement of adjustments to Consolidated Financial Statements appearing in Annexure VI.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S. Sundaresan
Partner

Rajendra J Gandhi
Managing Director

Neha Gandhi
Director

Shashidhar SK
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: 24 September 2018

Place: Bengaluru
Date: 21 September 2018

1. Corporate information

Stove Kraft Limited (formerly Stove Kraft Private Limited) (the ‘Company’ / ‘SKL’) is a company domiciled in India, with its registered office situated at Bengaluru. It is engaged primarily in the business of manufacturer of pressure cookers, LPG stoves, non-stick cookware, wick stoves and trader of other kitchen and electrical appliances under the brand name “Pigeon” and “Gilma”.

The Company changed its name from Stove Kraft Private Limited to Stove Kraft Limited on August 13, 2018. The Restated Consolidated Ind AS Financial Information have been authorised for issuance by the Company's Board of Directors on September 21, 2018.

2. Basis for preparation and presentation and summary of significant accounting policies

2.1 Basis of preparation and presentation

The Restated Consolidated Financial Information of the Company and its partnership firms (together known as the “Group”) comprise of the Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the Restated Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Summary Statement of changes in equity and the Restated Consolidated Summary Statement of Cash Flows for the years ended March 31, 2018, 2017, 2016, 2015 and 2014, and the Summary of Significant Accounting Policies and explanatory notes (collectively, the ‘Restated Consolidated Financial Information’). The Restated Consolidated Financial Information has been prepared by the management for the purpose of inclusion in the Draft Red Herring Prospectus (‘DRHP’) (referred to as ‘Offer Document’) prepared by the Company in connection with its proposed Initial Public Offer (“IPO”) in terms of the requirements of:

- (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”);
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (“ICDR Regulations”); and
- (c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (ICAI) (the “Guidance Note”).

For all periods upto and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, and the presentation requirements of the Companies Act, 2013. The Group has elected to present the financial information of all the years in these Restated Consolidated Financial Information, as per the Indian Accounting Standards (‘Ind AS’) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The Group has decided to voluntarily adopt Ind AS for the financial year ended March 31, 2019 onwards. In accordance with the transition provision specified under Ind AS 101, the date of transition to Ind AS is April 01, 2017.

The Restated Consolidated Financial Information for the years ended 31 March 2017, 2016, 2015 and 2014 have been prepared on Proforma basis (i.e. “Proforma Consolidated Ind AS financial information”) in accordance with the Guidance Note.

The Restated Consolidated Financial Information for the year ended March 31, 2018 has been compiled by the Company from the Special Purpose Consolidated Ind AS Financial Statement prepared under Ind AS with transition date to Ind AS as on 01 April, 2017.

The Proforma Consolidated Ind AS financial information for the years ended 31 March 2017, 2016, 2015 and 2014, have been compiled by the management of the Company from the Special Purpose Consolidated Financial Statements of the Company for the year ended 31 March 2017, 2016, 2015 and 2014 prepared in accordance with the previous GAAP and making suitable restatement adjustments (both re-measurements and reclassifications) to apply the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as adopted on date of transition to Ind AS i.e. 01 April 2017 ('transition date'). The Restated Consolidated Financial Information is presented in Indian Rupees (INR) and all values are rounded to the nearest millions upto two decimals, except where otherwise indicated.

First-time adoption of Ind AS

The Group has prepared the Opening Consolidated Balance Sheet as per Ind AS as of April 1, 2017 by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous Indian GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

a. Deemed cost for property, plant and equipment and intangible assets:

The Group has elected to use fair value of its property, plant and equipment and intangible assets in its Opening Ind AS Balance sheet as deemed cost.

b. Deemed cost for investment in partnership firms and associate:

The Group has elected to continue with the carrying value of all of its partnership firms and associate recognised as of transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

c. Derecognition of Financial Assets and Liabilities:

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

d. Impairment of financial assets:

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

e. Past Business Combination

The Group has elected not to apply Ind AS 103 Business Combination retrospectively to past business combinations that occurred before the transition date of April 1, 2017.

2.1.1 Basis of Consolidation

The Consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company and its partnership firms. Control is achieved where the Company:

- has power over the investee
- is exposed to, or has rights, to variable returns from its involvement with the investee; and

- ability to use its power to effect its returns

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a Partnership firms begins when the Company obtains control over the partnership firm and ceases when the Company loses control of the partnership firm. Specifically, income and expenses of a partnership firm acquired or disposed of during the year are included in the consolidated statements of profit and loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control partnership firm.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of partnership firms is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having deficit balance.

Where necessary adjustments are made to financial statements of partnership firms to bring their accounting policies in line with the Group's accounting policies.

The financial statements of the Company and its partnership firm Companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income, expenses and cash flows after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses.

The consolidated financial statements include the financial statements of Stove Kraft Limited and its partnership firms as set out below.

Name of the partnership firm	Country of Incorporation	% of holding				
		2017-18	2016-17	2015-16	2015-14	2013-14
Stove Kraft India (Partnership firm)	India	99%	99%	99%	99%	99%
Saya Industries (Partnership firm)	India	-*	95%	95%	95%	95%

*Note: During the year 31 March 2018, Saya Industries got dissolved.

2.2 Summary of significant accounting policies

The Restated Consolidated Financial Information have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and

the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(a) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

i. Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied.

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales of goods that result in discount vouchers/coupons/loyalty points for customers are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the sale of goods and the discount vouchers/coupons/loyalty issued. The consideration allocated to the discount vouchers/coupons/loyalty points is measured by reference to their fair value. Such consideration is not recognised as revenue at the time of the initial sale transaction – but is deferred and recognised as revenue when the discount vouchers/coupons/loyalty points are redeemed and the Group's obligations have been fulfilled.

ii. Export entitlement

Government incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same.

iii. Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(b) Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price, net of any trade discounts and rebates, any import duties, other taxes (other than those subsequently

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recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Individual assets costing less than Rs.5,000/- are depreciated in full in the year of purchase.

Asset	Useful life in years
Leasehold Improvements	3-5 years or over the lease period whichever is lower
Office Equipment's	15 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

(c) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

Intangible Asset	Useful life in years
Technical know how	5
Computer Software	6

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

(d) Inventories

Inventories are valued at the lower of weighted average cost and the net realizable value. Cost includes purchase cost and all other charges in bringing the inventories to their present location and condition including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(e) Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

A. Financial Assets:

i. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or where appropriate a shorter period, to the net carrying amount on initial recognition.

ii. Financial Assets at fair value through other comprehensive Income

Financial assets are measured at fair value through other comprehensive income ('FVTOCI') if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

iii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss ('FVTPL') unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

iv. Impairment of financial assets

In accordance with Ind AS 109 - Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting period, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant

increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 months ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- i. All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;
- ii. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivables:

ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

v. Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

vi. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets that are measured at amortised cost and FVTPL, the exchange difference are recognised in statement of profit and loss.

B. Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

i. Equity Instrument

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

ii. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

iii. Financial liabilities at FVTPL

Financial liability has been designated at FVTPL where it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of profit and loss.

iv. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

v. Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of profit and loss.

vi. Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial

liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

C. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

D. Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

E. Hedge Accounting

The Group designates certain hedging instruments as either fair value hedges or cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

i. Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in Statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

ii. Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to statement of profit and loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other

comprehensive income and accumulated in equity will be recognised in statement of profit and loss on such event.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and at banks and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Foreign Currency transactions and translations

The functional currency of the Group is Indian Rupee (Rs.).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the year in which they arise.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date when the fair value was determined.

(h) Employee Benefits

Defined Contribution Plan

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined Benefit Plan

For defined benefit plans in the form of gratuity (un-funded), the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Group presents the first two components of defined benefit costs in the statement of profit and loss in the line item "Employee benefit expenses. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by the employees up to the reporting date.

(i) Borrowing Costs

Borrowing costs include:

- (i) interest expense calculated using the effective interest rate method,
- (ii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of profit and loss in the period in which they are incurred.

(j) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially capitalised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(k) Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense

that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and the carry forward of unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(l) Provisions and Contingent Liabilities

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised but are disclosed in the Notes to the Financial Statements. Contingent assets are not recognised in the financial statements.

(m) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation

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can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of profit and loss.

(n) Earnings per share

Basic earnings per share is computed by dividing statement of profit and loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(o) Share issue expense

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.

(p) Segment

Segments have been identified taking into account the nature of services, the differing risks and returns, the organisational structure and the internal reporting system.

2.3 Use of estimates and management judgments

In application of the accounting policies, which are described in note 2.2, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

1. Useful life of property, plant and equipment and intangible assets

The useful life of the assets are determined based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance.

2. Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected discounted future cash flows from each asset or cash-generating unit.

3. Deferred tax

Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

4. Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

5. Post-retirement benefit plans

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions which include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at each financial year end on the government bonds.

6. Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2.4 New standards and interpretations not yet adopted:

- (a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:
On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Group is evaluating the effect of this on the financial statements.
- (b) Ind AS 115- Revenue from Contract with Customers:
On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from Contracts with Customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue.

The new standard applies to contracts with customers. The core principle of the new standard is that the Group should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the Group's contracts with customers.

The new standard permits two possible method of transition:

- Retrospective approach - An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period.
- Cumulative catch-up approach - An entity can recognise the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information.

The standard is effective for annual periods beginning on or after 01 April 2018. The Group is evaluating the effect of this on the financial statements.

Note No. 3(a) Annexure V: Notes to Restated Consolidated Financial Information

3(a) Property, plant and equipment

Particulars	Land	Buildings	Plant and machinery	Furniture and fixtures	Lease hold improvements	Computers	Office equipments	Vehicles	Total
Gross Block									
Opening balance as at 01 April 2013	829.66	141.22	209.86	6.77	25.88	3.19	4.26	8.28	1,229.12
Additions	8.77	0.38	354.08	0.85	4.18	2.80	3.82	-	374.88
Disposals	-	-	(6.37)	-	(0.46)	-	-	-	(6.83)
Gross block as at 31 March 2014 (Proforma)	838.43	141.60	557.57	7.62	29.60	5.99	8.08	8.28	1,597.17
Accumulated depreciation									
Depreciation expense for the year	-	14.15	52.98	1.17	22.29	2.17	0.87	2.11	95.74
Eliminated on disposal of assets	-	-	(2.40)	-	(0.21)	-	-	-	(2.61)
Accumulated depreciation as at 31 March 2014 (Proforma)	-	14.15	50.58	1.17	22.08	2.17	0.87	2.11	93.13
Carrying amount as at 31 March 2014 (Proforma)	838.43	127.45	506.99	6.45	7.52	3.82	7.21	6.17	1,504.04
Gross Block									
Opening balance as at 01 April 2014	838.43	141.60	557.57	7.62	29.60	5.99	8.08	8.28	1,597.17
Additions	-	81.13	76.98	1.99	1.42	2.76	1.30	-	165.58
Disposals	-	-	(2.59)	-	-	-	-	-	(2.59)
Gross block as at 31 March 2015 (Proforma)	838.43	222.73	631.96	9.61	31.02	8.75	9.38	8.28	1,760.16
Accumulated depreciation									
Opening accumulated depreciation	-	14.15	50.58	1.17	22.08	2.17	0.87	2.11	93.13
Adjustments due to change in method of depreciation	-	(40.04)	(81.05)	(1.26)	(12.23)	0.59	2.34	(6.11)	(137.76)
Depreciation expense for the year	-	9.84	63.02	1.18	9.88	2.55	1.15	4.76	92.38
Eliminated on disposal of assets	-	-	(1.84)	-	-	-	-	-	(1.84)
Accumulated depreciation as at 31 March 2015 (Proforma)	-	(16.05)	30.71	1.09	19.73	5.31	4.36	0.76	45.91
Carrying amount as at 31 March 2015 (Proforma)	838.43	238.78	601.25	8.52	11.29	3.44	5.02	7.52	1,714.25
Gross Block									
Opening balance as at 01 April 2015	838.43	222.73	631.96	9.61	31.02	8.75	9.38	8.28	1,760.16
Additions	4.37	159.98	69.26	13.34	1.29	6.18	10.06	0.50	264.98
Disposals	-	-	-	-	(0.49)	-	-	(1.66)	(2.15)
Gross block as at 31 March 2016 (Proforma)	842.80	382.71	701.22	22.95	31.82	14.93	19.44	7.12	2,022.99
Accumulated depreciation									
Opening accumulated depreciation	-	(16.05)	30.71	1.09	19.73	5.31	4.36	0.76	45.91
Depreciation expense for the year	-	11.19	68.21	1.81	5.76	2.39	1.37	4.29	95.02
Eliminated on disposal of assets	-	-	-	-	(0.33)	-	-	(1.09)	(1.42)
Accumulated depreciation as at 31 March 2016 (Proforma)	-	(4.86)	98.92	2.90	25.16	7.70	5.73	3.96	139.51
Carrying amount as at 31 March 2016 (Proforma)	842.80	387.57	602.30	20.05	6.66	7.23	13.71	3.16	1,883.48
Gross Block									
Opening balance as at 01 April 2016	842.80	382.71	701.22	22.95	31.82	14.93	19.44	7.12	2,022.99
Additions	0.48	16.99	24.66	2.45	3.74	4.73	1.46	13.58	68.09
Disposals	-	-	(1.18)	-	-	(2.05)	-	(0.54)	(3.77)
Gross block as at 31 March 2017 (Proforma)	843.28	399.70	724.70	25.40	35.56	17.61	20.90	20.16	2,087.31
Accumulated depreciation									
Opening accumulated depreciation	-	(4.86)	98.92	2.90	25.16	7.70	5.73	3.96	139.51
Depreciation expense for the year	-	15.13	68.52	2.69	3.49	3.28	2.96	2.14	98.21
Eliminated on disposal of assets	-	-	(0.39)	-	-	(1.87)	-	(0.36)	(2.62)
Accumulated depreciation as at 31 March 2017 (Proforma)	-	10.27	167.05	5.59	28.65	9.11	8.69	5.74	235.10
Carrying amount as at 31 March 2017 (Proforma)	843.28	389.43	557.65	19.81	6.91	8.50	12.21	14.42	1,852.21

Particulars	Land	Buildings	Plant and machinery	Furniture and fixtures	Lease hold improvements	Computers	Office equipments	Vehicles	Total
Deemed Cost as at 01 April 2017	843.28	389.43	557.65	19.81	6.91	8.50	12.21	14.42	1,852.21
Additions	-	2.05	39.11	0.20	2.57	0.68	1.92	10.17	56.70
Disposals	-	-	(8.67)	(0.40)	-	(0.08)	-	(0.29)	(9.44)
Gross block as at 31 March 2018	843.28	391.48	588.09	19.61	9.48	9.10	14.13	24.30	1,899.47
Accumulated depreciation									
Depreciation expense for the year	-	15.54	68.52	2.78	2.55	4.01	3.27	2.66	99.33
Eliminated on disposal of assets	-	-	(5.40)	(0.37)	-	(0.08)	-	(0.25)	(6.10)
Accumulated depreciation as at 31 March 2018	-	15.54	63.12	2.41	2.55	3.93	3.27	2.41	93.23
Carrying amount as at 31 March 2018	843.28	375.94	524.97	17.20	6.93	5.17	10.86	21.89	1,806.24

Refer note 15(i),(ii),(iii) and note 18(i) for details of hypothecation.

Note No. 3(a) Annexure V: Notes to Restated Consolidated Financial Information

Property, plant and equipment

The Group has elected to fair value all of its property, plant and equipment as of transition date and use that value as its deemed cost as of the transition date.

Asset	Basis of valuation	Fair value hierarchy
Land	<p>The fair value of land has been computed using market approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities such as business.</p> <p>The Group has considered the following inputs for valuation of land:</p> <p>(i) Guideline value provided by Karnataka Industrial Area Development Board (KIADB)</p> <p>(ii) References with neighbourhood and real estate agents for similar land.</p>	Level-3
All other items of Property, Plant and Equipment	The valuation has been done on the basis of present day costs including costs upto the date of installation after considering average depreciation.	Level-3

Except for land, the fair value approximates the carrying value of all other items of Property, Plant and equipment.

Particulars	Amount
Land Value as per previous GAAP as on transition date	164.14
Add : - Fair Value adjustment	679.14
Land Value as per Ind AS as on transition date	843.28

Note No. Annexure V: Notes to Restated Consolidated Financial Information

3(b) Intangible assets

Particulars	Computer software	Technical know how	Goodwill	Total
Gross Block				
Opening balance as at 01 April 2013	3.15	-	-	3.15
Additions	6.05	25.36	0.54	31.95
Disposals	-	-	-	-
Gross block as at 31 March 2014 (Proforma)	9.20	25.36	0.54	35.10
Accumulated amortisation				
Amortisation expense for the year	2.19	1.04	-	3.23
Eliminated on disposal of assets	-	-	-	-
Accumulated amortisation as at 31 March 2014 (Proforma)	2.19	1.04	-	3.23
Carrying amount as at 31 March 2014 (Proforma)	7.01	24.32	0.54	31.87
Gross Block				
Opening balance as at 01 April 2014	9.20	25.36	0.54	35.10
Additions	1.06	37.00	-	38.06
Disposals	-	-	-	-
Gross block as at 31 March 2015 (Proforma)	10.26	62.36	0.54	73.16
Accumulated amortisation				
Opening accumulated amortisation as at 01 April 2014	2.19	1.04	-	3.23
Adjustments due to change in method of amortisation	(1.77)	0.01	-	(1.76)
Amortisation expense for the year	1.82	7.70	0.54	10.06
Eliminated on disposal of assets	-	-	-	-
Accumulated amortisation as at 31 March 2015 (Proforma)	2.24	8.75	0.54	11.53
Carrying amount as at 31 March 2015 (Proforma)	8.02	53.61	-	61.63
Gross Block				
Opening balance as at 01 April 2015	10.26	62.36	-	72.62
Additions	0.69	24.78	-	25.47
Disposals	-	-	-	-
Gross block as at 31 March 2016 (Proforma)	10.95	87.14	-	98.09
Accumulated amortisation				
Opening accumulated amortisation as at 01 April 2015	2.24	8.75	-	10.99
Amortisation expense for the year	1.98	14.02	-	16.00
Eliminated on disposal of assets	-	-	-	-
Accumulated amortisation as at 31 March 2016 (Proforma)	4.22	22.77	-	26.99
Carrying amount as at 31 March 2016 (Proforma)	6.73	64.37	-	71.10
Gross Block				
Opening balance as at 01 April 2016	10.95	87.14	-	98.09
Additions	3.65	0.23	-	3.88
Disposals	-	-	-	-
Gross block as at 31 March 2017 (Proforma)	14.60	87.37	-	101.97
Accumulated amortisation				
Opening accumulated amortisation as at 01 April 2016	4.22	22.77	-	26.99
Amortisation expense for the year	2.45	17.46	-	19.91
Eliminated on disposal of assets	-	-	-	-
Accumulated amortisation as at 31 March 2017 (Proforma)	6.67	40.23	-	46.90
Carrying amount as at 31 March 2017 (Proforma)	7.93	47.14	-	55.07

Particulars	Computer software	Technical know how	Goodwill	Total
Deemed Cost as at 01 April 2017	7.93	47.14	-	55.07
Additions	1.28	-	-	1.28
Disposals	-	-	-	-
Gross block as at 31 March 2018	9.21	47.14	-	56.35
Accumulated amortisation				
Opening accumulated amortisation as at 01 April 2017	-	-	-	-
Amortisation expense for the year	2.89	17.47	-	20.36
Eliminated on disposal of assets	-	-	-	-
Accumulated amortisation as at 31 March 2018	2.89	17.47	-	20.36
Carrying amount as at 31 March 2018	6.32	29.67	-	35.99

The Group has elected to fair value all of its intangible assets as of transition date and use that value as its deemed cost as of the transition date.

The fair value approximates the carrying value of all the intangible assets.

Note Annexure V: Notes to Restated Consolidated Financial Information
No.

4 Investments

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
In equity instruments of associate (carried at cost)					
7,500 Equity shares of Rs. 10/- each fully paid up in Pigeon Appliances Private Limited (Refer note (i) below)	-	0.08	0.08	0.08	0.08
Less: Impairment loss allowance (Refer note (i) below)	-	(0.08)	(0.08)	(0.08)	-
Total	-	-	-	-	0.08
Aggregate amount of un-quoted investments	-	0.08	0.08	0.08	0.08

Note

- (i) The Company had invested a sum of Rs. 0.08 for 37.5% paid-up equity share capital of Pigeon Appliances Private Limited (PAPL). The business operations of PAPL is controlled by the majority shareholders of PAPL. During the FY 2014-15, the Company had noted certain irregularities in the business operations of PAPL and use of trademarks registered in the name of the Company, without the consent of the Company. The Company had initiated legal action against PAPL for irregularities noted in the business operations and unauthorized use of trademarks. On prudence basis, investments in equity share capital of PAPL had been provided.

5 Other financial assets (Non-Current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
(Unsecured considered good unless otherwise stated)					
Security deposits					
Considered good	38.01	26.12	24.75	27.01	27.98
Considered Doubtful	1.18	1.18	1.18	-	-
Less: Allowance for doubtful deposits	(1.18)	(1.18)	(1.18)	-	-
	38.01	26.12	24.75	27.01	27.98
Balances held as margin money or security					
in earmarked accounts: balance held as margin money (Refer note (i) below)	-	-	17.28	29.41	-
Derivatives designated as hedges					
Cross currency interest rate swap	-	4.76	11.76	3.91	-
Total	38.01	30.88	53.79	60.33	27.98

Note

- (i) Balance in earmarked account represent margin money deposits for non-fund based limits with banks, which are available for use to settle a liability for more than 12 months from the balance sheet date.

6 Other non-current assets

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
(Unsecured considered good unless otherwise stated)					
Capital advances					
Considered good	10.34	9.48	10.97	24.76	27.60
Considered Doubtful	2.60	3.02	2.16	-	-
Less: Allowance for doubtful advance	(2.60)	(3.02)	(2.16)	-	-
	10.34	9.48	10.97	24.76	27.60
Capital advances to related parties (Refer note 43)	-	-	0.48	0.48	0.48
Tax paid under protest	11.04	9.21	8.21	6.39	-
Balance with government authorities					
Considered good	18.19	3.06	1.68	-	4.21
Considered Doubtful	11.81	19.31	18.51	18.51	18.51
Less: Allowance for doubtful balances	(11.81)	(19.31)	(18.51)	(18.51)	(18.51)
	18.19	3.06	1.68	-	4.21
Prepaid rent on discounting of security deposits	0.50	0.81	1.09	1.06	1.37
Prepaid expense	1.19	-	-	-	-
Total	41.26	22.56	22.43	32.69	33.66

Note Annexure V: Notes to Restated Consolidated Financial Information

No.

7 Inventories

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Raw materials, components and packing materials	466.84	301.81	389.36	489.52	384.57
Raw material-in-transit	81.12	-	2.51	-	-
Work-in-progress	0.59	0.09	0.21	0.52	0.09
Finished goods (other than those acquired for trading)	157.70	156.22	158.17	81.77	73.43
Stock-in-trade (acquired for trading)	244.63	228.75	136.01	79.61	143.48
Goods-in-transit (acquired for trading)	100.50	39.40	12.64	16.33	33.12
Total	1,051.38	726.27	698.90	667.75	634.69

Refer note 18(i) for details of hypothecation.

8 Trade receivables

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Unsecured					
Considered good	795.52	592.84	495.85	653.55	679.17
Considered doubtful	124.36	94.58	85.24	85.67	81.47
	919.88	687.42	581.09	739.22	760.64
Less: Allowance for doubtful receivables	(124.36)	(94.58)	(85.24)	(85.67)	(81.47)
Total	795.52	592.84	495.85	653.55	679.17

The average credit period on sale goods ranges from 60 to 120 days.

Refer note 18(i) for details of hypothecation.

9(a) Cash and cash equivalents

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Cash on hand	0.82	0.46	1.84	1.07	2.17
Balances with banks:					
In current accounts	3.18	4.96	2.27	2.30	24.91
Total	4.00	5.42	4.11	3.37	27.08

9(b) Bank balances other than cash and cash equivalents as above

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Balances with banks:					
in earmarked accounts: balance held as margin money (Refer note (i) below)	33.81	31.25	31.89	9.74	81.35
Total	33.81	31.25	31.89	9.74	81.35

Note

- (i) Balances in earmarked accounts represent margin money deposits for non-fund based limits with banks, which are available for use to settle a liability for not more than 12 months from the Balance sheet date.

10 Loans

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
(Unsecured considered good)					
Loans and advances to related parties (Refer note 43)	-	69.62	69.62	69.62	69.62
Advance to employees	0.27	0.68	0.33	0.51	1.83
Total	0.27	70.30	69.95	70.13	71.45

Refer note 18(i) for details of hypothecation.

Note No. Annexure V: Notes to Restated Consolidated Financial Information

11 Other financial assets (Current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
(Unsecured considered good unless otherwise stated)					
Retention deposit	-	-	-	-	75.90
Derivatives designated as hedges:					
Cross currency interest rate swap	1.21	-	-	-	-
Derivatives not designated as hedges:					
Foreign currency forward contracts	-	-	1.39	0.45	-
Interest accrued on deposit with banks	0.48	0.61	1.04	1.00	2.73
Total	1.69	0.61	2.43	1.45	78.63

Refer note 18(i) for details of hypothecation.

12 Other current assets

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
(Unsecured considered good unless otherwise stated)					
Prepaid expenses	9.09	6.01	5.30	1.69	3.54
Advances to suppliers / service providers					
Considered good	37.21	71.79	21.77	19.31	73.96
Considered Doubtful	55.18	45.25	45.21	45.04	33.45
Less: Allowance for doubtful advances	(55.18)	(45.25)	(45.21)	(45.04)	(33.45)
	37.21	71.79	21.77	19.31	73.96
Balance with government authorities	43.19	17.06	8.86	20.24	14.38
Total	89.49	94.86	35.93	41.24	91.88

Refer note 18(i) for details of hypothecation.

Stove Kraft Limited*(Formerly Stove Kraft Private Limited)*

Restated Consolidated Financial Information

(Amount in Rupees Millions except for share data or as otherwise stated)

**Note
No. Annexure V: Notes to Restated Consolidated Financial Information****13(a) Equity share capital**

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Authorised					
1,99,99,995 Equity shares of Rs. 10/- each	200.00	200.00	200.00	200.00	200.00
10 Class A Equity shares of Rs. 10/- each	-	-	-	-	-
Issued, subscribed and fully paid up capital					
1,89,00,100 Equity shares of Rs. 10/- each	189.00	189.00	189.00	189.00	189.00
10 Class A Equity shares of Rs. 10/- each	-	-	-	-	-
Total	189.00	189.00	189.00	189.00	189.00

(i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Equity shares of Rs. 10/- each		Class A Equity shares of Rs. 10/- each	
	Number of shares	Rs.	Number of shares	Rs.
Equity shares of Rs. 10/- each				
Outstanding as at 01 April 2013 (Proforma)	18,900,100	189.00	5	-
Add: movement during the year	-	-	5	-
Closing balance as at 31 March 2014 (Proforma)	18,900,100	189.00	10	-
Add: movement during the year	-	-	-	-
Closing balance as at 31 March 2015 (Proforma)	18,900,100	189.00	10	-
Add: movement during the year	-	-	-	-
Closing balance as at 31 March 2016 (Proforma)	18,900,100	189.00	10	-
Add: movement during the year	-	-	-	-
Closing balance as at 31 March 2017 (Proforma)	18,900,100	189.00	10	-
Add: movement during the year	-	-	-	-
Closing balance as at 31 March 2018	18,900,100	189.00	10	-

(ii) Terms/rights attached to:**Equity share holders:**

The holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all other parties concerned. The distribution will be in proportion to number of equity shares held by the shareholders.

Class A Equity share holders:

Class A equity shares are held by SCI Growth Investments II ('Sequoia'). The voting rights of Sequoia in relation to the Class A equity shares at every resolution placed before the shareholders of the Company at any General Meetings of the Company shall be equal to 43.36%. In the event the Board declares dividend, then the dividend payable on the outstanding Compulsory Convertible Debentures (CCD's) (which have not been converted) shall be equal to the dividend declared and calculated based on the number of Equity Shares to be issued to Sequoia on conversion of the CCD's

(iii) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Equity share of Rs. 10/- each					
Rajendra J Gandhi					
No. of shares	18,184,622	18,184,622	18,184,622	18,184,622	18,184,622
% of holding	96.21%	96.21%	96.21%	96.21%	96.21%
Class A Equity share of Rs. 10/- each					
SCI Growth Investments Holdings I					
No. of shares	5	5	5	5	5
% of holding	50.00%	50.00%	50.00%	50.00%	50.00%
SCI Growth Investments II					
No. of shares	5	5	5	5	5
% of holding	50.00%	50.00%	50.00%	50.00%	50.00%

Stove Kraft Limited*(Formerly Stove Kraft Private Limited)*

Restated Consolidated Financial Information

(Amount in Rupees Millions except for share data or as otherwise stated)

Note No. Annexure V: Notes to Restated Consolidated Financial Information**13(b) Other equity**

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Cash flow hedging reserve	(0.05)	(1.29)	(2.49)	(4.51)	-
Retained earnings	(1,975.51)	(1,849.82)	(1,658.89)	(1,224.96)	(1,102.05)
Total	(1,975.56)	(1,851.11)	(1,661.38)	(1,229.47)	(1,102.05)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
A) Cash flow hedging reserve					
Opening balance	(1.29)	(2.49)	(4.51)	-	-
Add : (Loss) / Profit on hedging instruments	1.24	1.20	2.02	(4.51)	-
Closing balance [A]	(0.05)	(1.29)	(2.49)	(4.51)	-
B) Retained earnings					
Opening balance, as restated	(1,849.82)	(1,658.89)	(1,224.96)	(1,102.05)	(802.45)
Add: Restated profit / (loss) for the year	(127.44)	(192.25)	(440.59)	(124.18)	(305.15)
Add : Remeasurement gain/(loss) recognised in Other Comprehensive Income	1.75	1.32	6.66	1.27	5.55
Closing balance [B]	(1,975.51)	(1,849.82)	(1,658.89)	(1,224.96)	(1,102.05)
Grand total [A+B]	(1,975.56)	(1,851.11)	(1,661.38)	(1,229.47)	(1,102.05)

14 Non-controlling interests

Particulars	Non-Controlling interest
Balance as at 01 April 2013 (Proforma)	-
Restated Profit / (Loss) for the year	0.46
Balance as at 31 March 2014 (Proforma)	0.46
Restated Profit / (Loss) for the year	1.62
Balance as at 31 March 2015 (Proforma)	2.08
Restated Profit / (Loss) for the year	0.68
Balance as at 31 March 2016 (Proforma)	2.76
Restated Profit / (Loss) for the year	(0.22)
Balance as at 31 March 2017 (Proforma)	2.54
Restated Profit / (Loss) for the year	(0.18)
Minority interest adjusted during the year	(0.22)
Balance as at 31 March 2018	2.14

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15 Borrowings (Non-current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Secured (at amortised cost)					
Term loan from bank (Refer note (i) and (ii))	105.09	16.21	82.91	140.83	195.00
Vehicle Loan (Refer note (iii))	7.96	5.06	-	-	-
Unsecured (at fair value through profit or loss)					
12,661,812 Compulsory Convertible Debentures (CCD) of Rs. 10/- each (Refer note (iv) below)	3,000.00	2,846.20	2,641.00	2,458.70	2,296.60
Unsecured (at amortised cost)					
Loan from related parties (Refer note (v) below)	-	-	-	-	1.97
Total	3,113.05	2,867.47	2,723.91	2,599.53	2,493.57

Note

- (i) The Group has borrowed USD 4 long-term loan from a bank, for the purpose of expansion and modernization. Rate of interest is 3 months London interbank offered rate (LIBOR) + 3.5% and repayable in 16 equal quarterly instalments.

Security: First exclusive equitable mortgage of the immovable property (both present and future) of the Group and hypothecation of the movable property (both present and future) of the Group and personal guarantee of Mr. Rajendra J Gandhi (Managing Director) and Mrs. Sunitha Gandhi (Director upto September 30, 2016).

The Group has entered into 'Cross-Currency Rate Swap' arrangement (Swap arrangement) for payment of interest and repayment of above mentioned long-term loan. As per the Swap arrangement, the Group is paying interest at fixed rate and receiving interest at floating rate. The terms of Swap arrangement is from June 27, 2013 to 27 June 2018.

- (ii) The Group had taken the term loan from South Indian Bank (SIB) of Rs. 125 during the FY 2017-18. Rate of interest is 12 month Marginal Cost of fund based Lending rate (MCLR) + 2% spread which is subject to yearly reset which is repayable in 60 equal instalments. Repayment of term loan obtained from SIB starts from July 2018.

Security: Equitable mortgage of vacant industrial land of the company located at Harohalli, Ramanagara District and personal guarantee of Mr. Rajendra Gandhi, Mrs. Sunita Gandhi (Director upto September 30, 2016) and Ms. Neha Gandhi (Director from September 30, 2016).

- (iii) The Group has borrowed Rs.10 vehicle loan from BMW Financial Services. Rate of interest is 9.11% per annum which is repayable in 36 equal monthly instalments.

Security: Exclusive hypothecation on the vehicle.

The Group had borrowed Rs.8 towards vehicle loan from BMW Financial Services. Rate of interest is 8.51% per annum which is repayable in 60 equal monthly instalments.

Security: exclusive hypothecation on the vehicle.

- (iv) 12,661,812 Compulsorily Convertible Debentures (CCD) of Rs. 10/- each: The following are the terms of the issue:

Interest: The holders of the CCD shall be entitled to receive interest at a coupon rate of 0.0000001% per annum.

Dividends rights: Until conversion of all CCD into Equity Shares, in the event the Board declares dividend, then such additional interest shall be payable on the outstanding CCD (which have not been converted) which shall be equal to the dividend declared and calculated based on the number of Equity Shares to be issued to the holders of CCD on conversion of the outstanding CCD.

Conversion: In accordance with the terms and conditions agreed with holders of CCD, each CCD is either (a) compulsorily convertible into equity shares of the Company, at any time after the closing date into such number of fully paid shares as is determined by the conversion ratio and at a price defined in the Investment Agreement or (b) compulsorily convert into equity shares of the Company upon the earlier of the proposed filing of the draft red herring prospectus in connection with the Qualified IPO by the Company or the date as mentioned in the Investment Agreement.

Buy back: The holder of the instrument has right to sell back the CCDs to Company after four years from the closing dates.

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Exit to CCD holders: At any time after the expiry of the fourth anniversary from the closing date, the Company, the Promoters and the Investors shall cause a transaction that would give liquidity to CCD holders investment in the Company ('Exit Option'). At any time after the expiry of the fourth anniversary from the closing date the Company, the Promoters and the CCD holders shall jointly determine to provide one or more of the below mentioned Exit Options:

- (a) The Company shall conduct the Qualified IPO; or
 - (b) The Company shall buy back, some or all outstanding CCD's; or
 - (c) The holders CCD's shall be entitled to transfer the CCD's to a third party.
- (v) Unsecured loan from Ms. Sunitha Rajendra Gandhi, a director in the Company, is an interest free loan taken by the Company and the same is repayable as and when the funds position of the Company permits the repayment. The Company has communicated their intention to evaluate its capability to repay the loan subsequent to March 31, 2014. The loan was repaid in F.Y. 2014-15.

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

Particulars	As at 31 March, 2017	Financing Cash Flow	Non-cash changes			As at 31 March, 2018
			Acquisition	Foreign exchange movement	Fair value change/others	
(a)Long-term Borrowings						
Borrowings from bank	81.04	65.00	-	-4.79	-	141.25
Borrowings from other financial institution	8.27	3.44	-	-	-	11.71
Compulsorily convertible debentures(CCD)	2,846.20	-	-	-	153.80	3,000.00
(b)Short-term Borrowings	781.19	26.76	-	1.63	-	809.58
Total Borrowings	3,716.70	95.20	-	-3.16	153.80	3,962.54

Particulars	As at 31 March, 2016	Financing Cash Flow	Non-cash changes			As at 31 March, 2017
			Acquisition	Foreign exchange movement	Fair value change/others	
(a)Long-term Borrowings						
Borrowings from bank	149.23	-60.00	-	-8.19	-	81.04
Borrowings from other financial institution	-	8.27	-	-	-	8.27
Compulsorily convertible debentures(CCD)	2,641.01	-	-	-	205.19	2,846.20
(b)Short-term Borrowings	858.18	-69.48	-	-7.51	-	781.19
Total Borrowings	3,648.42	-121.21	-	-15.70	205.19	3,716.70

Particulars	As at 31 March, 2015	Financing Cash Flow	Non-cash changes			As at 31 March, 2016
			Acquisition	Foreign exchange movement	Fair value change/others	
(a)Long-term Borrowings						
Borrowings from bank	203.42	-60.01	-	5.82	-	149.23
Borrowings from other financial institution	-	-	-	-	-	-
Compulsorily convertible debentures(CCD)	2,458.70	-	-	-	182.31	2,641.01
(b)Short-term Borrowings	734.21	124.01	-	-0.04	-	858.18
Total Borrowings	3,396.33	64.00	-	5.78	182.31	3,648.42

Particulars	As at 31 March, 2014	Financing Cash Flow	Non-cash changes			As at 31 March, 2015
			Acquisition	Foreign exchange movement	Fair value change/others	
(a)Long-term Borrowings						
Borrowings from bank	240.00	-45.00	-	8.42	-	203.42
Borrowings from other financial institution	-	-	-	-	-	-
Compulsorily convertible debentures(CCD)	2,296.60	-	-	-	162.10	2,458.70
Loan from Related Party	1.97	-1.97	-	-	-	-
(b)Short-term Borrowings	777.17	-42.33	-	-0.63	-	734.21
Total Borrowings	3,315.74	-89.30	-	7.79	162.10	3,396.33

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Particulars	As at 31 March, 2013	Financing Cash Flow	Non-cash changes			As at 31 March, 2014
			Acquisition	Foreign exchange movement	Fair value change/others	
(a) Long-term Borrowings						
Borrowings from bank	-	240.00	-	-	-	240.00
Borrowings from other financial institution	110.00	-110.00	-	-	-	-
Compulsorily convertible debentures(CCD)	1,283.90	1,000.00	-	-	12.70	2,296.60
Loan from Related Party	1.97	-	-	-	-	1.97
(b) Short-term Borrowings	978.79	-193.38	-	-8.24	-	777.17
Total Borrowings	2,374.66	936.62	-	-8.24	12.70	3,315.74

16 Other financial liabilities (Non-current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Security deposits received	148.27	169.04	108.01	52.22	33.56
Total	148.27	169.04	108.01	52.22	33.56

17 Provision (Non-current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Provision for employee benefits:					
Compensated absence	-	-	-	-	0.96
Gratuity (Refer note 35)	30.50	27.01	20.07	20.44	15.42
Provision for warranties (Refer note (i) below)	3.64	3.69	3.33	2.73	2.29
Total	34.14	30.70	23.40	23.17	18.67

Note (i)

The Group has made provision for various contractual obligations based on its assessment of the amount it estimates to incur to meet such obligations against the sales made by the Group in the current and previous year, the details of which are given below:

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Warranty Provision					
Opening balance	7.62	6.57	5.44	5.00	6.89
Additions during the year	9.06	5.56	1.48	0.62	1.93
Unwinding of interest on discounting of provision	0.45	0.46	0.38	0.42	0.53
Reversed / utilisation during the year	(6.29)	(4.97)	(0.73)	(0.60)	(4.35)
Closing balance	10.84	7.62	6.57	5.44	5.00

18 Borrowings (Current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Secured loans repayable on demand from banks (at amortised cost)					
From banks (Refer note (i) below)	809.58	781.19	858.18	734.21	776.62
Unsecured loan from financial institution	-	-	-	-	0.55
Total	809.58	781.19	858.18	734.21	777.17

Note

- (i) Secured loans repayable on demand from banks are in the nature of working capital loans which are secured by way of hypothecation of inventory, receivables and other current assets, charge over property, plant and equipment of the Group along with equitable mortgage of immovable properties. Loans repayable on demand from banks is also secured by personal guarantee of Mr. Rajendra Gandhi, Mrs. Sunita Gandhi (Director upto September 30, 2016) and Ms. Neha Gandhi (Director from September 30, 2016)

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19 Trade payables

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Trade payables	1,451.60	1,082.40	890.68	863.31	759.81
Total	1,451.60	1,082.40	890.68	863.31	759.81

- a) Trade Payables are non-interest bearing and are normally settled between 60 to 150 days
b) The Group's exposure to currency and liquidity risk related to trade payable is disclosed in Note 33.

20 Other financial liabilities (Current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Current maturities of long-term borrowings					
Term loan from banks (Refer note 15(i) and (ii))	35.01	64.84	66.33	62.59	45.00
Vehicle Loan (Refer note 15(iii))	4.90	3.20	-	-	-
Security deposits received	39.13	-	-	-	-
Interest accrued but not due on borrowings	1.99	1.04	1.02	0.34	-
Derivative liabilities	-	1.34	-	-	4.59
Other payables:					
Payable on purchase of property, plant and equipment	12.00	13.64	16.61	11.24	13.65
Interest Payable on security deposits	17.18	13.41	3.70	-	-
Total	110.21	97.47	87.66	74.17	63.24

21 Provisions (Current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Provision for employee benefits:					
Compensated absence	4.80	4.67	7.93	4.42	4.67
Gratuity (Refer note 35)	4.07	1.44	0.91	0.63	0.55
Provision - others:					
For warranty (Refer note 17(i))	7.20	3.93	3.24	2.71	2.71
Provision for indirect taxes	-	67.84	67.84	67.84	67.84
Total	16.07	77.88	79.92	75.60	75.77

22 Other current liabilities

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Deferred revenue	28.46	14.80	32.16	26.59	27.19
Statutory remittances	14.72	40.19	38.21	39.68	42.78
Advance received from customers	9.06	23.10	31.44	24.68	58.11
Total	52.24	78.09	101.81	90.95	128.08

Note Annexure V: Notes to Restated Consolidated Financial Information
No.

23 Revenue from operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Sale of products [including excise duty - Refer Note (i)]	5,252.46	5,119.90	5,196.23	4,956.58	5,015.00
Other operating revenue:					
Sale of scrap	26.83	20.64	28.44	82.71	85.16
Duty drawback	6.98	9.79	8.04	2.28	1.57
Mould development charges	3.25	-	-	-	-
Total	5,289.52	5,150.33	5,232.71	5,041.57	5,101.73

Note

(i) Sale of products

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Manufactured	3,597.73	4,042.46	4,261.54	4,123.60	3,999.08
Traded	1,654.73	1,077.44	934.69	832.98	1,015.92
Total	5,252.46	5,119.90	5,196.23	4,956.58	5,015.00

24 Other income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
(i)Recurring items					
Interest income (Refer note (i) below)	3.67	4.56	11.93	11.06	12.58
Miscellaneous income	6.07	4.09	0.05	0.82	0.13
Gain on financial instruments designated at FVTPL	1.33	-	0.94	5.05	-
Net gain on foreign currency transactions and translation	0.89	1.40	-	-	-
(ii)Non-recurring items					
Profit on sale of property, plant and equipment	-	1.46	-	0.26	-
Liability no longer required written back	41.85	9.55	2.31	6.11	34.93
Bad debts recovered	-	8.15	-	-	-
Government grants	2.52	-	-	-	0.35
Total	56.33	29.21	15.23	23.30	47.99

Note (i) - Interest income comprises:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Interest from banks on deposits	1.80	2.65	3.01	3.29	6.44
Interest on income tax refund	-	0.03	0.21	-	-
Interest income on financial assets designated at amortised cost	0.23	0.32	0.33	0.32	0.36
Interest on trade receivables	1.64	1.56	8.38	7.45	5.78
Total	3.67	4.56	11.93	11.06	12.58

Note Annexure V: Notes to Restated Consolidated Financial Information

No.

25 Cost of materials consumed

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Opening stock	301.81	391.87	489.52	384.57	322.82
Add: Purchases	2,657.34	2,579.63	2,844.03	2,733.41	2,799.54
	2,959.15	2,971.50	3,333.55	3,117.98	3,122.36
Less: Closing stock	(547.96)	(301.81)	(391.87)	(489.52)	(384.57)
Total	2,411.19	2,669.69	2,941.68	2,628.46	2,737.79

26 Purchase of stock in trade

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Purchase of traded goods	1,203.26	833.73	798.74	605.61	623.23
Total	1,203.26	833.73	798.74	605.61	623.23

27 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Inventories at the end of the year:					
Finished goods	157.70	156.22	158.17	81.77	73.43
Work-in-progress	0.59	0.09	0.21	0.52	0.09
Stock-in-trade	345.13	268.15	148.65	95.94	176.60
	503.42	424.46	307.03	178.23	250.12
Inventories at the beginning of the year:					
Finished goods	156.22	158.17	81.77	73.43	26.93
Work-in-progress	0.09	0.21	0.52	0.09	27.55
Stock-in-trade	268.15	148.65	95.94	176.60	309.16
	424.46	307.03	178.23	250.12	363.64
(Increase) / decrease	(78.96)	(117.43)	(128.80)	71.89	113.52

28 Employee benefits expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Salaries and wages	523.48	457.50	425.79	387.88	401.14
Contributions to provident fund (Refer note 35)	27.41	24.03	21.44	19.77	17.29
Gratuity expense (Refer note 35)	10.80	9.14	8.30	6.37	6.67
Staff welfare expenses	29.18	25.58	19.81	17.90	20.30
Total	590.87	516.25	475.34	431.92	445.40

29 Finance cost

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Interest expense on:					
Borrowings	126.68	114.90	123.15	141.26	129.46
Interest paid to others	26.21	19.77	9.67	3.95	5.83
Unwinding of interest on provisions	0.45	0.46	0.38	0.42	0.53
Other borrowing cost:					
Bank charges and other processing charges	16.01	14.92	24.51	19.80	16.10
Total	169.35	150.05	157.71	165.43	151.92

Note Annexure V: Notes to Restated Consolidated Financial Information

No.

30 Depreciation & amortization expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Depreciation expenses	99.33	98.21	95.02	(45.38)	95.74
Amortization expenses	20.36	19.91	16.00	8.30	3.23
Total	119.69	118.12	111.02	(37.08)	98.97

31 Other expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Consumption of stores	-	-	5.27	4.54	6.83
Job work charges	58.07	68.00	93.74	53.93	67.87
Power and fuel	54.23	53.85	54.93	48.73	39.81
Rent including lease rentals (Refer note 36)	14.35	11.38	10.64	5.97	5.36
Repairs and maintenance					
Buildings	13.72	10.96	10.83	8.35	7.96
Plant and machinery	20.54	23.12	21.24	16.41	14.41
Others	2.91	1.58	5.02	3.80	4.72
Insurance	1.80	2.18	2.50	2.08	1.88
Rates and taxes	11.43	14.81	16.51	24.39	8.89
Communication	8.61	9.05	7.61	7.41	6.51
Travelling and conveyance	69.96	51.45	53.17	54.61	50.66
Printing and stationery	1.63	1.90	1.67	1.94	2.61
Freight and forwarding	195.66	163.99	162.87	160.23	146.43
Sales commission	114.85	148.69	64.25	102.23	93.35
Business promotion & advertisement expenses	161.73	151.77	268.76	337.34	441.28
Legal and professional fees	34.83	33.33	39.38	37.67	40.11
Payment to auditors comprises (excluding service tax/GST)					
For statutory audit	2.47	2.38	2.38	2.37	1.63
Out-of-pocket expense	0.42	0.25	0.58	0.20	0.12
Net loss on foreign currency transactions and translation	-	-	12.46	3.19	26.52
Provision for doubtful trade and other receivables, loans and advances (net) and balance written off	59.65	4.89	41.20	17.52	35.85
Increase/(decrease) in excise duty on inventory	-	0.82	7.18	1.85	-
Provision for warranty (Refer note 17(i))	9.06	5.56	1.48	0.62	1.93
Loss on sale of property, plant and equipment	1.02	-	0.27	-	0.62
Royalty	3.94	-	-	-	-
Loss on financial instruments designated at FVTPL	-	2.73	-	-	4.84
Loss on financial liability designated at FVTPL	153.80	205.20	182.30	162.10	12.70
Miscellaneous expenses	15.43	15.44	16.80	15.27	7.21
Total	1,010.11	983.33	1,083.04	1,072.75	1,030.10

32 Exceptional items

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Provision for non-current investments (Refer note 4(i))	-	-	-	0.08	-
Total	-	-	-	0.08	-

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Note Annexure V: Notes to Restated Consolidated Financial Information No.**33 Financial instruments****33.1 Capital management**

The Group manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt and total equity of the Group consists of net debt (borrowings as detailed in notes 15 and 18 and current maturities of long-term borrowings as detailed in note 20, offset by cash and bank balances) and total equity.

The Group reviews the capital structure on a semi-annual basis to ensure that it is in compliance with the required covenants.

Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Debt (i)	3,962.54	3,716.70	3,648.42	3,396.33	3,315.74
Less:					
Cash and bank balances	(37.81)	(36.67)	(36.00)	(13.11)	(108.43)
Net Debt (A)	3,924.73	3,680.03	3,612.42	3,383.22	3,207.31
Total Equity (B)	(1,786.56)	(1,662.11)	(1,472.38)	(1,040.47)	(913.05)
Net debt to equity ratio (A/B)	(2.20)	(2.21)	(2.45)	(3.25)	(3.51)

(i) Debt is defined as long-term borrowings, current maturities of long-term borrowings and short-term borrowings.

Categories of financial instruments

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Financial assets					
Measured at fair value through profit or loss (FVTPL)					
Derivative financial assets	-	-	1.39	0.45	-
Measured at amortised cost					
Trade receivables	795.52	592.84	495.85	653.55	679.17
Cash and bank balances	37.81	36.67	36.00	13.11	108.43
Loans	0.27	70.30	69.95	70.13	71.45
Other financial assets	38.49	26.73	43.07	57.42	106.61
Measured at fair value through other comprehensive income (FVTOCI)					
Derivative instruments designated in a cash flow hedge	1.21	4.76	11.76	3.91	-
Financial liabilities					
Measured at fair value through profit or loss (FVTPL)					
Borrowings	3,000.00	2,846.20	2,641.00	2,458.70	2,296.60
Derivatives financial liability	-	1.34	-	-	4.59
Measured at amortised cost					
Borrowings (including current maturities of long-term borrowings)	962.54	870.50	1,007.42	937.63	1,019.14
Trade Payables	1,451.60	1,082.40	890.68	863.31	759.81
Other financial liabilities	218.57	197.13	129.34	63.80	47.21

33.2 Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

Fair valuation techniques and inputs used

Particulars	Fair value hierarchy	Basis of valuation	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
				Proforma	Proforma	Proforma	Proforma
Financial assets							
Derivative Instruments	Level - 2	Note 1	-	-	1.39	0.45	-
Cross currency interest rate swaps	Level - 2	Note 2	1.21	4.76	11.76	3.91	-
Financial liabilities							
Borrowings	Level - 3	Note 3	3,000.00	2,846.20	2,641.00	2,458.70	2,296.60
Derivative Instruments	Level - 2	Note 1	-	1.34	-	-	4.59

Note

- The fair value of derivative contracts are determined using forward exchange rates at the balance sheet date.
- Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.
- The fair value is determined at a present value which discounts the potential future cash flows.

The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements at amortised cost approximate their fair values.

Sensitivity of Unobservable inputs used in Level 3 Fair value measurements

Change in discount rate:

Particulars	Increase/(decrease) in Value				
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Increase in discount rate by 1%	2,000.00	1,834.90	1,616.60	1,424.30	1,254.90
Decrease in discount rate by 1%	2,000.00	1,857.60	1,666.00	1,494.20	1,340.10

Note (i) - The value of series A is not impacted as that is subject to a cap of Rs 1000 and hence value remains the same.

Reconciliation of Level 3 fair value measurements

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Opening balance	2,846.20	2,641.00	2,458.70	2,296.60	1,283.90
Recognition of liability with respect to Compulsorily Convertible Debentures (CCD) issued during the years	-	-	-	-	1,000.00
Disposal / settlements	-	-	-	-	-
(Gains) or losses:					
- in Consolidated Statement of profit and loss	153.80	205.20	182.30	162.10	12.70
- in other comprehensive income	-	-	-	-	-
Closing balance	3,000.00	2,846.20	2,641.00	2,458.70	2,296.60

The above said gain / loss on fair valuation of CCD is recognised in Consolidated Statement of Profit and Loss.

Financial risk management objectives

The Group's risk management is carried out by Treasury department under policies laid down by the management. The Group's activities expose it to market risk (which includes currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. Treasury department monitors the risk exposures on a periodical basis and reports to the Board of directors on the risks that it monitors and policies implemented to mitigate risk exposures.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non -derivative financial instruments, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Note No. Annexure V: Notes to Restated Consolidated Financial Information

33.3 Foreign currency risk management

The Group is exposed to foreign exchange risk due to

- a) debt availed in foreign currency exposure arising from transactions relating to purchases;
- b) revenues, purchase of goods including capital goods etc., to be settled in foreign currencies.

Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts

33.3.1 Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover the risk associated with trade receivables and trade payables

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

Contracts not designated in a cashflow hedge

Particulars	Curr ency	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
			Proforma	Proforma	Proforma	Proforma
Trade receivables hedged with forward contracts with maturity less than 120 days	USD	-	-	0.63	0.68	-
	INR	-	-	41.93	42.75	-

Particulars	Curr ency	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
			Proforma	Proforma	Proforma	Proforma
Trade payables hedged with forward contracts with maturity less than 120 days	USD	-	1.21	-	-	0.77
	INR	-	78.43	-	-	50.20

The carrying amount of the Group's foreign currency denominated monetary liabilities (Payables) and assets (Receivables) as at the end of the reporting period are as

Particulars	Curr ency	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
			Proforma	Proforma	Proforma	Proforma
Payable (including short-term borrowings)	USD	333.85	209.65	239.65	128.33	164.43
	EURO	-	0.05	10.79	0.42	8.35
Trade receivable	USD	38.84	42.67	30.74	18.56	24.44
	EURO	-	1.22	-	-	-

33.3.2 Foreign currency sensitivity analysis

The Group is mainly exposed to the currency USD

Financial instruments affected by changes in foreign exchange rates include trade receivables, trade payables, advance to suppliers and short-term borrowings. The following table details the Group's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The impact on account of 5% appreciation/depreciation in exchange rate of USD against INR is given below.

Particulars	Increase/(decrease) in equity				
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Appreciation of USD	(14.75)	(8.35)	(10.45)	(5.49)	(7.00)
Depreciation of USD	14.75	8.35	10.45	5.49	7.00

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The impact on equity has been arrived at by applying the effects of appreciation / depreciation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purposes of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of the respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at each year end.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting period might not reflect the exposure during the year.

33.4 Interest rate risk

The Group has taken a loan in foreign currency at variable interest rate, interest being index linked, that is their cost is linked to changes in the London inter-bank offer rate (LIBOR). The Group has entered into a cross currency interest swap to hedge the variable interest risk and foreign currency risk and converted it into a fixed INR interest loan and thereby the Group interest rate is fixed and not subject to any further risks.

The Group has also taken an INR loan at variable interest rate, interest being index linked, that is their cost is linked to changes in the Marginal Cost of fund based lending rate (MCLR).

The Group is not subject to any other material interest rate risks

At the reporting date the interest rate profile of the group's interest-bearing financial instruments is as follows:

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Fixed-rate instruments					
Financial assets					
Balance held as margin money	33.81	31.25	49.17	39.15	81.35
Financial liabilities					
Borrowings from bank	27.96	89.31	149.24	203.42	240.00
Security deposit received	187.40	169.04	108.01	52.22	33.56
	249.17	289.6	306.42	294.79	354.91
Variable-rate instruments					
Financial liabilities					
Borrowings from bank	934.58	781.19	858.18	734.21	776.62
	934.58	781.19	858.18	734.21	776.62

Interest rate sensitivity analysis

A change of 100 basis points in interest rate at the reporting date would have increased/ (decreased) equity & profit and loss by the amount shown below. This analysis assumes that all other variables remain constant.

Particulars	Increase/(decrease) in profit/equity				
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
	Proforma	Proforma	Proforma	Proforma	Proforma
Increase of 100 bps on variable rate instruments	(9.50)	(7.31)	(7.18)	(7.30)	(8.79)
Decrease of 100 bps on variable rate instruments	9.50	7.31	7.18	7.30	8.79

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Note No. Annexure V: Notes to Restated Consolidated Financial Information**Cash Flow Hedge**

The following table detail the nominal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

Outstanding receive floating pay fixed contracts	Contracted fixed interest rate	Nominal amounts (In Rs.)	Fair value assets / (liabilities) (In Rs.)
As at 31 Mar 18			
Less than 1 year	12.25%	15.00	1.21
1 to 2 years	-	-	-
2 to 5 years	-	-	-
Total		15.00	1.21
As at 31 Mar 17 (Proforma)			
Less than 1 year	-	-	-
1 to 2 years	12.25%	75.00	4.76
2 to 5 years	-	-	-
Total		75.00	4.76
As at 31 Mar 16 (Proforma)			
Less than 1 year	-	-	-
1 to 2 years	-	-	-
2 to 5 years	12.25%	135.00	11.76
Total		135.00	11.76
As at 31 Mar 15 (Proforma)			
Less than 1 year	-	-	-
1 to 2 years	-	-	-
2 to 5 years	12.25%	195.00	3.91
Total		195.00	3.91

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Group will settle the difference between the fixed and floating interest rate on a net basis.

The line-item in the balance sheet that includes the above instrument is "Other financial assets".

33.5 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Revenue from single external customer is not more than 5% of the company's total revenue for each of the year. Hence the Group does not have significant credit risk exposure to any single counterparty. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. The Group does not hold any collaterals to cover its risk associated with trade receivables.

Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions. The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Reconciliation of expected credit loss - Trade receivables

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Opening Provision	94.58	85.24	85.67	81.47	69.29
Change in Provision	29.78	9.34	(0.43)	4.20	12.18
Closing Provision	124.36	94.58	85.24	85.67	81.47

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Outstanding for more than 6 months	141.18	106.56	90.97	132.89	163.04
Others	654.34	486.28	404.88	520.66	516.13
Total	795.52	592.84	495.85	653.55	679.17

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Note Annexure V: Notes to Restated Consolidated Financial Information No.**Liquidity risk**

Liquidity risk is the risk that the Group could be unable to meet its short term financial demands. Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity analysis for non derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to pay. The table include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group would be required to pay.

Particulars	As at 31-Mar-2018				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	3,851.70	55.61	57.68	3,964.99	3,962.54
Trade payables	1,451.60	-	-	1,451.60	1,451.60
Other Financial Liabilities	215.57	1.45	1.55	218.57	218.57

The interest rate for borrowings with variable interest rate is in the range of 11 % to 15.15%. The interest rate for borrowings with fixed interest rate is 12.25%

Particulars	As at 31-Mar-2017 (Proforma)				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	3,697.64	20.87	-	3,718.51	3,716.70
Trade payables	1,082.40	-	-	1,082.40	1,082.40
Other Financial Liabilities	192.90	2.68	1.55	197.13	197.13

The interest rate for borrowings with variable interest rate is in the range of 12 % to 15.75 %. The interest rate for borrowings with fixed interest rate is 12.25%

Particulars	As at 31-Mar-2016 (Proforma)				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	931.96	2,722.89	-	3,654.85	3,648.42
Trade payables	890.68	-	-	890.68	890.68
Other Financial Liabilities	128.10	0.40	0.84	129.34	129.34

The interest rate for borrowings with variable interest rate is in the range of 12.5 % to 15.75 %. The interest rate for borrowings with fixed interest rate is 12.25%

Particulars	As at 31-Mar-2015 (Proforma)				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	815.34	2,598.91	15.46	3,429.71	3,396.33
Trade payables	863.31	-	-	863.31	863.31
Other Financial Liabilities	59.95	2.15	1.70	63.80	63.80

The interest rate for borrowings with variable interest rate is in the range of 14.75 % to 16 %. The interest rate for borrowings with fixed interest rate is 12.25%

Particulars	As at 31-Mar-2014 (Proforma)				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	850.19	156.88	2,378.49	3,385.56	3,315.74
Trade payables	759.81	-	-	759.81	759.81
Other Financial Liabilities	42.41	3.47	1.33	47.21	47.21

The interest rate for borrowings with variable interest rate is in the range of 13.7 % to 15.75 %. The interest rate for borrowings with fixed interest rate is 12.25%.

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Note Annexure V: Notes to Restated Consolidated Financial Information No.**33.6 Financing Facilities**

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Secured term loan facilities					
- amount used	141.20	81.05	149.24	203.42	240.00
- amount unused	-	-	-	-	-
Secured cash credit facility					
- amount used	809.58	781.19	858.18	734.21	776.62
- amount unused	-	68.81	-	40.04	30.00
Secured non-fund based bank facilities					
- amount used	195.80	256.40	74.20	167.30	194.60
- amount unused	48.62	43.60	67.62	158.60	111.31

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Note Annexure V: Notes to Restated Consolidated Financial Information
No.**34 Earnings per share**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Basic					
Net loss after tax attributable to the equity shareholders (Rs. in Million)	(127.44)	(192.25)	(440.59)	(124.18)	(305.15)
Weighted average number of equity shares outstanding	18,900,110	18,900,110	18,900,110	18,900,110	18,900,108
Face value per share (Rs.)	10.00	10.00	10.00	10.00	10.00
Basic earning per shares (Rs.)	(6.74)	(10.17)	(23.31)	(6.57)	(16.15)
Diluted					
Net loss after tax attributable to the equity shareholders (Rs. in Million)	(127.44)	(192.25)	(440.59)	(124.18)	(305.15)
Weighted average number of equity shares outstanding for Diluted EPS	18,900,110	18,900,110	18,900,110	18,900,110	18,900,108
Add: Effect of Compulsory Convertible Debentures (CCD's) (Refer note (i) below)	-	-	-	-	-
Weighted average number of equity shares - for Diluted EPS	18,900,110	18,900,110	18,900,110	18,900,110	18,900,108
Face value per share (Rs.)	10.00	10.00	10.00	10.00	10.00
Diluted earning per shares (Rs.)	(6.74)	(10.17)	(23.31)	(6.57)	(16.15)

Note (i) : The Group had incurred losses in all the reporting period. The Basic and Diluted Earnings Per Share for the years are the same as the effect of potential equity share are anti dilutive due to the such losses.

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Note Annexure V: Notes to Restated Consolidated Financial Information No.**35 Employee benefit****Defined contribution plans**

The Group makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the said schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the rules of the Scheme. The Group recognises the amount paid / payable to such funds in the Restated Consolidated statement of profit and loss. The contributions made by the Group towards these schemes are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Employer's contribution to provident fund	27.41	24.03	21.44	19.77	17.29
Employee State Insurance Scheme	7.79	6.93	-	-	-

Defined benefit plans

The Group offers gratuity, a defined employee benefit scheme to its employees. Following are the risks associated with the plan:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Salary Growth: Salary hikes that are higher than the assumed salary escalation will result in to an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Group there can be strain on the cash flows.

C. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

D. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

No other post-retirement benefits are provided to these employees.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Following tables sets out the un-funded status of defined benefit plan and amount recognised in Consolidated Financial Information

1 Assumptions

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Discount Rate	7.31%	7.31%	7.98% - 8%	7.74 - 8%	9.12%-9.16%
Salary Escalation	10.00%	7.00%	6% - 7%	6% - 7%	6% - 7%
Attrition rate	18.00%	5.00%	5.00%	5.00%	3% - 5%

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Note Annexure V: Notes to Restated Consolidated Financial Information No.
2 Change in present value of obligation

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Present value of obligation as at the beginning of year	28.45	20.98	21.06	15.97	15.14
Interest cost	1.97	1.52	1.68	1.04	1.37
Current service cost	7.99	7.62	6.62	5.33	5.30
Past service cost	0.84	-	-	-	-
Benefits paid	(2.93)	(0.35)	-	(0.01)	(0.29)
Actuarial (gain)/loss of obligations	(1.75)	(1.32)	(8.38)	(1.27)	(5.55)
Present value of obligation as at the end of the year	34.57	28.45	20.98	21.06	15.97

3 Fair value of plan assets

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Fair value of plan assets at beginning of year	-	-	-	-	-
Expected return of plan assets	-	-	-	-	-
Contributions	-	-	-	-	-
Benefit Paid	-	-	-	-	-
Actuarial gain / (loss) on plan assets	-	-	-	-	-
Fair value of plan assets at end of year	-	-	-	-	-

4 Amounts recognized in consolidated balance sheet

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Present value of obligations as at the end of year	34.57	28.45	20.98	21.06	15.97
Fair value of plan assets as at the end of the year	-	-	-	-	-
Funded status	(34.57)	(28.45)	(20.98)	(21.06)	(15.97)
Net balance sheet asset/ (liability) recognized at the end of year	(34.57)	(28.45)	(20.98)	(21.06)	(15.97)
Current Portion	4.07	1.44	0.91	0.63	0.55
Non-Current Portion	30.50	27.01	20.07	20.44	15.42

5 Expenses recognized in consolidated statement of profit and loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Current service cost	7.99	7.62	6.62	5.33	5.30
Interest cost	1.97	1.52	1.68	1.04	1.37
Past service cost	0.84	-	-	-	-
Expenses recognized in consolidated statement of profit and loss	10.80	9.14	8.30	6.37	6.67

6 Components of defined benefit costs recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Actuarial (gains) / losses arising from changes in demographic assumptions	(3.36)	(0.68)	-	0.32	1.50
Actuarial (gains) / losses arising from changes in financial assumptions	2.52	1.94	(0.52)	2.60	(9.15)
Actuarial (gains) / losses arising from experience adjustments	(0.91)	(2.58)	(6.14)	(4.19)	2.10
Actuarial (gains) / losses in Other Comprehensive Income	(1.75)	(1.32)	(6.66)	(1.27)	(5.55)

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(Amount in Rupees Millions except for share data or as otherwise stated)

Note Annexure V: Notes to Restated Consolidated Financial Information No.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Effect on DBO due to 100 bps increase in Discount Rate	33.06	25.52	18.79	18.82	14.20
Effect on DBO due to 100 bps decrease in Discount Rate	36.24	31.94	23.60	23.77	18.07

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Effect on DBO due to 100 bps increase in salary escalation rate	35.96	31.72	23.36	23.61	17.95
Effect on DBO due to 100 bps decrease in salary escalation rate	33.28	25.65	18.92	18.91	14.27

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Effect on DBO due to 100 bps increase in attrition rate	34.27	28.19	20.92	20.96	16.11
Effect on DBO due to 100 bps decrease in attrition rate	34.89	28.73	21.03	21.17	15.77

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. There has been no change in the process used by the Group to manage its risks from prior periods.

7 Expected future cash outflows (discounted) towards the plan are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Year 1	4.07	1.36	0.77	1.65	0.46
Year 2	3.11	0.93	0.88	1.74	0.35
Year 3	2.55	0.92	0.70	1.55	0.46
Year 4	2.03	0.89	0.67	1.45	0.70
Year 5	2.36	0.79	0.63	1.30	0.38
Year 6 to 10	5.08	5.28	3.65	6.37	1.60

36 Lease

The Group has entered into operating lease arrangements for office premises and showrooms, which are cancellable at the option of the either party after giving prior notice. Lease payment recognized in the statement of profit and loss against such operating lease arrangements:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Rent including lease rentals	14.35	11.38	10.64	5.97	5.36

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Note Annexure V: Notes to Restated Consolidated Financial Information
No.**37 Segment reporting**

Information reported to Chief Operating Decision Maker (CODM) for the purpose of segment performance focuses on manufacturing and trading of kitchen and home appliances.

Revenue from major products and services:

The following is an analysis of the Group's revenue from its major products

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Manufactured product sales					
Kitchen appliances	3,593.30	4,042.46	4,261.54	4,122.08	3,997.64
Home appliances	4.43	-	-	1.52	1.44
Total (a)	3,597.73	4,042.46	4,261.54	4,123.60	3,999.08
Traded product sales					
Kitchen appliances	1,163.42	791.48	702.31	682.44	784.25
Home appliances	491.31	285.96	232.38	150.54	231.67
Total (b)	1,654.73	1,077.44	934.69	832.98	1,015.92
Total (a+b)	5,252.46	5,119.90	5,196.23	4,956.58	5,015.00

Geographical information:

The Group predominantly operates in India.

a. Revenue earned within India and outside India are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
India	4,958.00	4,803.00	4,886.88	4,871.41	4,973.79
Others	294.46	316.90	309.35	85.17	41.21
Total	5,252.46	5,119.90	5,196.23	4,956.58	5,015.00

b. Non-current assets* within India and outside India are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
India	1,889.57	1,930.70	1,979.89	1,961.32	1,747.15
Others	-	-	-	-	-
Total	1,889.57	1,930.70	1,979.89	1,961.32	1,747.15

* Non-current assets exclude financial assets, deferred tax assets and non-current tax assets.

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Note Annexure V: Notes to Restated Consolidated Financial Information No.**38 Contingent liabilities and commitment**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Contingent liabilities					
Indirect tax matters under appeal	61.56	47.98	126.54	38.85	38.86
Other disputed claims	2.68	1.98	1.98	1.98	1.98
Direct tax matters under appeal (Refer note (i) below)	127.82	127.82	105.90	101.84	90.00
Provident fund claims	9.39	9.39	9.39	9.39	9.39
Bills discounting with recourse to Group	-	-	-	-	49.08
Tax Liability towards pending C Form	11.34	-	-	-	-
Bank guarantee	-	9.93	7.60	6.15	-
Commitment					
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets (net of advances)	27.81	2.24	12.73	22.64	33.78

Note (i) - Direct tax matters relates to income tax matters under appeal with various appellate forums pertaining to the partnership firm (i.e. StoveKraft India).

- 39** During 2007, the Company (SKPL) had entered into an agreement to take over the business of M/s Vardhaman Enterprises (“VE”) a sole proprietorship firm owned by the Mr. Rajendra J. Gandhi, the Promoter and Managing Director of the Company.

The Directorate General of Central Excise Intelligence (DGCEI) had issued show cause notice(s) to SKPL and M/s VE on January 16, 2009 and February 24, 2009 respectively, for alleged removal of goods without payment of proper excise duty and wrongful availment of Cenvat credit for the period 2004 to 2007. The Commissioner of Central Excise Bangalore, vide order No.’s 20/2010 and 21/2010 dated March 31, 2010 confirmed demands for non-payment of excise duty amounting to Rs 26.88 and Rs 67.84 on VE and SKPL respectively (including interest and penalty). Further, in the order no. 21/2010 the Commissioner has also disallowed Cenvat credit reversal of Rs 7.50 and imposed a penalty of an equivalent amount to be recovered from the said Promoter.

The Company was contesting the order no. 21/2010 on SKPL and certain provision (net of amounts recoverable from the Promoter) had been accounted in the financial statements. During the year 2017-18, this matter has been settled in favour of the Company.

- 40** Mr. Rajendra Gandhi, Managing Director of the Company, is also a Non-Executive Director on the Board of Pigeon Appliances Private Limited (referred as PAPL). As a result of certain disputes, which have arisen between PAPL and the Company, PAPL has not filed its annual financial statements for financial years 2014-15, 2015-16 and 2016-17 as required in terms of Section 137 of the Companies Act, 2013. The last date for PAPL to file annual financial statements with the Registrar of Companies (ROC) for the financial year 2016-17 expired on October 30, 2017, as a result of which the provisions pertaining to disqualification of Directors under section 164 (2) and vacation of Office of Director under section 167 (1) of the Companies Act, 2013, was attracted. The Company and Mr. Rajendra Gandhi filed a petition before the National Company Law Tribunal (NCLT), Bangalore, on 22 November 2017 against PAPL, followed by another interim application on 30 May 2018, praying, inter alia, that the NCLT direct the ROC to maintain status quo by not disqualifying Mr. Rajendra Gandhi from directorships of other companies (other than PAPL), until the disposal of the main petition. The NCLT, in its interim order, dated 18 July 2018, has directed the ROC, not to disqualify Mr. Rajendra Gandhi as a Director on the Board of the Company.

- 41** The Group has a net deferred tax asset with respect to certain timing differences. These have not been recognised as the recognition criteria have not been met in accordance with the accounting policies followed by the Group.

The Group has not recognized the net deferred tax asset on the accumulated losses as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized

a) Current Tax - During the year, the Group does not have taxable income as per regular computation and as per Minimum Alternate Tax under section 115 JB of the Income Tax Act, 1961.

b) Deferred Tax - The timing differences mainly relates to carried forward business losses, unabsorbed depreciation and current depreciation resulting in net deferred tax asset at end of each year. This has not been recognised as a matter of prudence.

- 42** The management of StoveKraft India (the firm) decided to discontinue the manufacturing operations in the Firm and with effective from 03 January 2015, the manufacturing operations in the firm had been discontinued. Stove Kraft Limited (SKL), the majority partner in the Firm, has not yet decided on alternative business plans for the firm, if any. SKL has assured continuous financial support to the Firm to meets its obligations. Pending decision on the future business plans for the firm and based on the financial support from SKL, the financial statements of the firm have been prepared in accordance with the Indian Generally Accepted Accounting Principles (“GAAP”) under the historical cost convention and on accrual basis.

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Restated Consolidated Financial Information

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Note No. Annexure V: Notes to Restated Consolidated Financial Information**43 Restated Consolidated Summary Statement of Transactions with Related Parties and Balances****A. List of related parties:**

Name of the related party	Nature of relationship
Key managerial personnel (KMP):	
Mr. Rajendra J. Gandhi (From 28 June 1999 onwards)	Managing Director (MD)
Mrs. Sunitha R. Gandhi (Upto 30 September 2016)	Director
Ms. Neha Gandhi (From 30 September 2016)	Relative of MD and Director
Mr. Vivek Mishra (From 22 March 2016 to 30 April 2018)	Company Secretary
Mr. Darshana Kothari (From 21 December 2012 to 04 March 2014)	Company Secretary
Ms. Mamatha H.M (From 02 July 2014 to 10 November 2014)	Company Secretary
Ms. Sapna Bhatia (From 16 February 2015 to 03 October 2015)	Company Secretary
Mrs. Nabonita Baruah (From 06 January 2014 to 30 March 2015)	Chief Financial Officer
Mr. Nagaraju Lade (From 12 June 2015 to 01 June 2016)	Chief Financial Officer
Mr. Manoj Pannalal Jain (From 01 April 2017 to 22 December 2017)	Chief Financial Officer
Mr. Radhakrishnan (From 19 January 2018)	Chief Financial Officer
Mr. Vivek Saini	Retiring Partner of StoveKraft India
Enterprises owned or significantly influenced by KMP or their relatives:	
Shinag Allied Enterprises (SAE)	MD's brother's wife is a Partner
Shinag Allied Enterprises Private Limited (SAEPL)	MD's brother's wife is a Director
Pigeon Appliances Private Limited (PAPL)	Company is shareholder and MD is director
Leo Metal Craft Private Limited (LMCPL)	Company is having significant influence
Relative of KMP	
Mrs. Sunitha Gandhi	Relative of MD

Note: Related parties mentioned above is as identified by the Company relied upon by the auditors.

B. Transactions with related parties

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Revenue from operations					
PAPL	-	-	-	1.45	5.98
SAEPL	7.22	-	-	-	-
SAE	-	2.82	0.89	-	-
Purchases					
PAPL	-	-	0.41	48.49	34.00
SAEPL	6.22	-	0.01	-	0.01
Job work charges					
LMCPL	-	-	-	-	1.64
Purchase of property, plant and equipments					
Mr. Rajendra J Gandhi	-	-	-	-	4.19
Final settlement paid					
Mr. Vivek Saini	-	-	-	0.24	-
Rent including lease rentals					
Mrs. Sunitha R Gandhi	0.60	0.60	-	-	-
Repayment of loan:					
Sunitha R Gandhi	-	-	-	1.97	-
Managerial remuneration:					
Mr. Rajendra J Gandhi	8.73	8.15	7.64	5.34	7.00
Mrs. Sunitha R Gandhi	-	0.19	0.60	0.63	0.60
Ms. Neha Gandhi	2.01	1.78	1.15	-	-
Mr. Vivek Mishra	0.94	1.00	0.03	-	-
Mr. Darshana Kothari	-	-	-	-	0.40
Ms. Mamatha H.M	-	-	-	0.20	-
Ms. Sapna Bhatia	-	-	0.21	0.04	-
Mrs. Nabonita Baruah	-	-	-	4.89	1.11
Mr. Nagaraju Lade	-	0.90	3.64	-	-
Mr. Manoj Pannalal Jain	5.22	-	-	-	-
Mr. Radhakrishnan	0.92	-	-	-	-

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(Amount in Rupees Millions except for share data or as otherwise stated)

Note Annexure V: Notes to Restated Consolidated Financial Information**No.****43 Restated Consolidated Summary Statement of Transactions with Related Parties and Balances****C. Balances with related parties**

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Capital advance Mr. Rajendra J Gandhi	-	-	0.48	0.48	0.48
Advance recoverable Mr. Rajendra J Gandhi	-	69.62	69.62	69.62	69.62
SAE	-	-	0.75	0.77	0.77
Trade payable PAPL	0.29	0.29	8.09	13.52	11.56
SAEPL	1.68	-	-	-	-
Trade receivables SAEPL	4.81	2.13	-	-	-
SAE	-	-	0.19	-	-
Unsecured loan taken Mrs. Sunitha R Gandhi	-	-	-	-	1.97
Rent Payable Mrs. Sunitha R Gandhi	0.05	0.60	-	-	-
Remuneration payable Mr. Rajendra J Gandhi	0.60	0.39	0.32	0.29	0.89
Mrs. Sunitha R Gandhi	-	-	0.05	0.04	0.11
Ms. Neha Gandhi	0.15	0.15	0.10	-	-
Mr. Vivek Mishra	0.07	0.06	0.03	-	-
Ms. Sapna Bhatia	-	-	-	0.01	-
Mrs. Nabonita Baruah	-	-	-	0.56	-
Mr. Nagaraju Lade	-	-	0.38	-	-
Mr. Radhakrishnan	0.36	-	-	-	-
Investments made PAPL	-	-	-	-	0.08

D. The remuneration of directors and other members of key management personnel during the year was as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Short-term benefits	17.18	11.48	12.78	10.70	8.73
Post-employment benefits (Refer Note (i) below)	0.64	0.54	0.49	0.40	0.38
Total	17.82	12.02	13.27	11.10	9.11

Note (i) :- Post-employment benefit excludes Gratuity which cannot be separately identified from the composite amount advised by the actuary.

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Note No. 44 Annexure V: Notes to Restated Consolidated Financial Information

Ind AS adoption reconciliations

44.1 Reconciliation of Equity

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
			Proforma	Proforma	Proforma	Proforma
Share capital		189.00	189.00	189.00	189.00	189.00
Reserves		230.78	204.97	200.49	445.12	407.50
Equity as per previous GAAP		419.78	393.97	389.49	634.12	596.50
Add/(Less): Ind AS adjustments						
Impact on fair valuation of Compulsory Convertible Debentures (CCD)	1	(2,873.38)	(2,719.58)	(2,514.38)	(2,332.08)	(2,169.98)
Hedge accounting of derivative instruments	2	(1.26)	(6.05)	(14.25)	(8.43)	-
Fair valuation of derivatives	3	-	(1.33)	1.40	0.46	(4.59)
Fair valuation of security deposits	4	(0.16)	(0.18)	(0.22)	(0.25)	(0.27)
Discounting of provisions	5	3.03	1.88	1.63	1.32	1.24
Revenue Impact (net)	6	(1.08)	5.19	(0.04)	0.40	0.06
Government grants	7	2.52	-	-	-	-
Impact on fair valuation of Property, plant and equipment	8	679.14	679.14	679.14	679.14	679.14
Adjustment on account of purchase of additional stake in partnership firm	10	(15.15)	(15.15)	(15.15)	(15.15)	(15.15)
Equity as per Ind AS		(1,786.56)	(1,662.11)	(1,472.38)	(1,040.47)	(913.05)

44.2 Reconciliation of total comprehensive income

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
			Proforma	Proforma	Proforma	Proforma
Profit/(Loss) as per previous GAAP		29.18	11.26	(251.79)	35.32	(281.17)
Add/(Less): Ind AS adjustments						
Impact on fair valuation of Compulsory Convertible Debentures (CCD)	1	(153.80)	(205.20)	(182.30)	(162.10)	(12.70)
Fair valuation of derivatives	3	1.33	(2.73)	0.94	5.05	(4.84)
Fair valuation of security deposits	4	0.02	0.04	0.03	0.02	-
Discounting of provisions	5	1.15	0.25	0.31	0.08	(0.84)
Revenue Impact (net)	6	(6.27)	5.23	(0.44)	0.34	0.06
Government grants	7	2.52	-	-	-	0.35
Recognition of actuarial loss/(gain) on defined benefit obligation in Other Comprehensive Income	9	(1.75)	(1.32)	(6.66)	(1.27)	(5.55)
Loss as per Ind AS		(127.62)	(192.47)	(439.91)	(122.56)	(304.69)
Other Comprehensive Income:						
Recognition of actuarial (loss)/gain on defined benefit obligation in Other Comprehensive Income	9	1.75	1.32	6.66	1.27	5.55
Hedge accounting of derivative instruments	2	1.24	-	-	-	-
Total comprehensive income as per Ind AS		(124.63)	(191.15)	(433.25)	(121.29)	(299.14)

Note Annexure V: Notes to Restated Consolidated Financial Information

No.

44 Ind AS adoption reconciliations

Reconciliation of statement of cash flow:

There are no material adjustments to the statement of cash flows as reported under previous GAAP.

Sl. No.	Explanatory notes
1	The Group had issued Compulsorily Convertible Debentures (CCDs), the instrument provides the holder an option get it converted into equity shares. As per the terms of the instrument, CCDs will get converted into variable number of equity shares, the holder of the instrument has also right to sell back the CCDs to Group after four years from the closing dates. In accordance with Ind AS 32 Financial Instruments - Presentation, the instrument is assessed as a financial liability, the option given to the holder is treated as an embedded derivative and this derivative is fair valued at each reporting date. In accordance with Ind AS 109 Financial Instruments, Group has measured this instrument as a whole at fair value through profit or loss at each reporting dates and recognised the fair value changes in statement of profit and loss.
2	The Group has taken a cross currency interest rate swap (derivative) to hedge a foreign currency floating interest rate loan. It has designated the derivative under cash flow hedging relationship. Under previous GAAP, at the end of every reporting date, the Group restated the foreign currency borrowing and recognised gain or loss on restatement of borrowing under MTM receivable in Balance sheet. However under Ind AS 109 Financial Instruments, the gain or loss on restatement of borrowing is recorded in cash flow hedging reserve (under other comprehensive income).
3	The Group has outstanding foreign currency forward contracts to hedge its foreign currency exposure which were not fair valued. Under Ind AS 109, Financial Instruments, foreign currency forward contracts are fair valued and the resultant gain/loss is recognised in the Consolidated Statement of profit and loss.
4	Under previous GAAP, security deposits were recorded at their transaction value. Under Ind AS, security deposit being a financial asset is recognised at their fair value. Accordingly, the Group has discounted these deposits for the respective lease period and difference between the discounted value (fair value) and the transaction value of security deposit has been recognised as prepaid rent. The prepaid rent is amortised over the lease term and interest income is recorded on the fair value of the security deposit at the interest rate which was used for discounting of the security deposit. The difference in rent expense and interest income have been adjusted with retained earnings as at the transition date and with profit for the respective period.
5	Under previous GAAP, discounting of provisions was not permitted. Under Ind AS, provisions are measured at discounted amounts, to give effect to time value of money.
6	i. Under previous GAAP, the sale of scrap and purchase of the processed raw material are considered as different transactions. Under Ind AS, the sale of scrap and purchase of processed raw material from job worker has to be considered as a single transaction. Hence the sale of scrap and purchase of processed raw material are to be presented net as job worker charges. ii. Under previous GAAP, certain types of discounts and sales schemes offered by entities to their customers were classified as expense and recorded under other expense. Under Ind AS, these have been reduced from revenue. Such re-classifications will not have an impact on the net profits reported by the Group. iii. The Group provides Customer loyalty programmes and the loyalty points are linked to sale transaction. The customer can redeem the award credits by either availing the benefit under the scheme or can adjust the amount against future payable amount. Under previous GAAP, provision was created towards such outstanding loyalty points and these were recorded as expense and corresponding liability was recorded under trade payables. Under Ind AS, the entity identifies the points which is pending to be redeemed as at the reporting date and the defers the revenue to the extent of fair value of these points and thereby the provision created under previous GAAP for accrual of points is reversed under Ind AS.
7	i. The Group has received duty waiver on import of capital goods against meeting export obligation prescribed by the custom authorities. Under Ind AS this benefit has been accounted as government grant and the cost of duty is included as part of the capital asset. ii. The Group has received capital contribution for establishing a manufacturing unit. Under Indian GAAP, the Group has considered it as a government grant and accounted as capital reserve. However under Ind AS 20, when there are no conditions attached or when conditions are attached, Group has to recognise income in such period when the conditions are fulfilled. Consequently the Group has recognised the capital contribution received as income.
8	Under previous GAAP, property, plant and equipment were measured at cost. Under Ind AS, the Group has elected the option of fair valuing the items of property, plant and equipment basis the requirements of Ind AS 101, First Time Adoption of Indian Accounting Standards for deriving the carrying value of these property, plant and equipment ('deemed cost').
9	Under previous GAAP, actuarial gains and losses on defined benefit obligation were recognised in Consolidated Statement of profit and loss. Under Ind AS, the actuarial gains and losses is recognised in other comprehensive income.
10	Under previous GAAP, Group had recognised goodwill on acquisition of additional share of capital in partnership firm. However, under Ind AS any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid should be recognised directly in equity.

Annexure VI : Summary Statement of Adjustments to the Consolidated Financial Statements

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
			Proforma	Proforma	Proforma	Proforma
Net profit / (loss) for the year as per Special Purpose Consolidated Financial Statements prepared under previous GAAP		29.18	11.26	(251.79)	35.32	(281.17)
Add/(Less): Ind AS adjustments						
Impact on fair valuation of Compulsory Convertible Debentures (CCD)		(153.80)	(205.20)	(182.30)	(162.10)	(12.70)
Fair valuation of derivatives		1.33	(2.73)	0.94	5.05	(4.84)
Fair valuation of security deposits		0.02	0.04	0.03	0.02	-
Discounting of provisions		1.15	0.25	0.31	0.08	(0.84)
Revenue Impact (net)		(6.27)	5.23	(0.44)	0.34	0.06
Government grants		2.52	-	-	-	0.35
Hedge accounting of derivative instruments		1.24	-	-	-	-
Restated Loss as per Restated Consolidated Financial Information		(124.63)	(191.15)	(433.25)	(121.29)	(299.14)

(a) Restated equity

Particulars	Note No.	As at 01 April, 2013*
		Proforma
Reserves and Surplus balance as per audited accounts		(265.62)
Add/(Less): Ind AS adjustments		
Impact on fair valuation of Compulsory Convertible Debentures (CCD)		(1,202.90)
Fair valuation of derivatives		0.24
Fair valuation of security deposits		(0.25)
Discounting of provisions		2.09
Adjustment on account of purchase of additional stake in partnership firm		(15.15)
Impact on fair valuation of Property, plant and equipment		679.14
Restated other equity balance as at 01 Apr 2013		(802.45)

* adjusted with brought forward balance of Equity as at 01 Apr 2013

- (b) During the year ended 31 March 2015, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 01 April 2014, the Company changed its method of depreciation from written down value (WDV) method to straight line method (SLM) and the Company also revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. In accordance with the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the change in the method of depreciation from WDV to SLM), net of residual value, where the remaining useful life of the asset was determined to be nil as on 01 April 2014, and has adjusted an amount of Rs. 0.73 in the Statement of Profit and Loss. The depreciation expense in the Statement of Profit and Loss for the year ended 31 March 2015 was lower by Rs. 148.20 consequent to the above change in the method of depreciation. These changes are considered as a change in the estimates and consequently no retrospective adjustments have been made to the Restated Consolidated Financial Information of the Company.

(c) Material regrouping:

Appropriate adjustments have been made in these restated Consolidated Financial Information, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended) and as per the Special Purpose Audited Consolidated Financials of the Company for the year ended 31 March 2018.

(d) Non-adjustment items:

Audit reservations / qualifications, which do not require any corrective adjustment in the Consolidated financial information:

Financial Year: 2017-18

- (i) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, in respect of one of the directors, disqualification was attracted u/s 164 (2) of the Act however the company has received an order to maintain status quo of the directorship of the director from National Company Law Tribunal as referred in note no. 39 and all other directors are not disqualified as on March 31st, 2018 from being appointed as director in the term of section 164(2) of the Act.

Audit reservations in the audit report of partnership firm (Stove Kraft India)

Emphasis of Matter

We draw attention to:

(a) Note 2.1 to the financial statements which states about the discontinuation of the manufacturing operations of the Firm with effect 03 January 2015. This indicates the existence of a material uncertainty that may cast significant doubt about the Firm's ability to continue as a going concern. The financial statements of the Firm have however been prepared on a going concern basis for the reasons explained in the said note.

(b) Note 17 to the financial statements, describing the uncertainty relating to the outcome of the income tax matters under appeal with various appellate forums.

Our opinion is not qualified in respect of the above matters.

Financial Year: 2016-17

- (i) The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016, however we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management (refer Note 42 of Financial Statements).

Audit reservations in the audit report of partnership firm (Stove Kraft India)

Emphasis of Matter

We draw attention to:

(a) We draw attention to Note 2.1 in the financial statements which states about the discontinuation of the manufacturing operations of the Firm with effect 03 January 2015. This indicates the existence of a material uncertainty that may cast significant doubt about the Firm's ability to continue as a going concern. The financial statements of the Firm have however been prepared on a going concern basis for the reasons explained in the said note.

(b) Note 19 in the financial statements, describing the uncertainty relating to the outcome of the income tax matters under appeal with various appellate forums.

Our opinion is not qualified in respect of the above matters.

Financial Year: 2015-16

Audit reservations in the audit report of partnership firm (Stove Kraft India)

Emphasis of Matter

We draw attention to:

(a) Note 2.1 in the financial statements which states about the discontinuation of the manufacturing operations of the Firm with effect 03 January 2015. This indicates the existence of a material uncertainty that may cast significant doubt about the Firm's ability to continue as a going concern. The financial statements of the Firm have however been prepared on a going concern basis for the reasons explained in the said note.

(b) Note 24(a) in the financial statements, describing the uncertainty relating to the outcome of the income tax matters under appeal with various appellate forums.

Our opinion is not qualified in respect of the above matters.

Financial Year: 2014-15

Audit reservations in the audit report of partnership firm (Stove Kraft India)

Emphasis of Matter

We draw attention to:

(a) Note 2.1 in the financial statements, describing the basis of preparation of these financial statements on going concern basis.

(b) Note 27(a) in the financial statements, describing the uncertainty relating to the outcome of income tax matters under appeal with various appellate forums.

Our opinion is not qualified in respect of the above matters.

Stove Kraft Limited
(Formerly Stove Kraft Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure VII: Consolidated Summary Statement of Accounting Ratios

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Basic and Diluted Earnings Per Share (Rs.)					
Basic Earnings Per Share (Basic EPS)					
Net profit/(loss) after tax, as restated, attributable to equity shareholders (Rs. in Million)	(127.44)	(192.25)	(440.59)	(124.18)	(305.15)
Weighted average number of equity shares outstanding	18,900,110	18,900,110	18,900,110	18,900,110	18,900,108
Basic EPS in Rs.	(6.74)	(10.17)	(23.31)	(6.57)	(16.15)
Face value in Rs.	10.00	10.00	10.00	10.00	10.00
Diluted Earnings Per Share (Diluted EPS)					
Net profit/(loss) after tax, as restated, attributable to equity shareholders (Rs. in Million)	(127.44)	(192.25)	(440.59)	(124.18)	(305.15)
Weighted average number of shares used for calculating Diluted EPS	18,900,110	18,900,110	18,900,110	18,900,110	18,900,108
Add: Effect of instruments which are dilutive (Refer note (i) below)	-	-	-	-	-
Weighted average number of shares used for calculating Diluted EPS	18,900,110	18,900,110	18,900,110	18,900,110	18,900,108
Diluted EPS in Rs.	(6.74)	(10.17)	(23.31)	(6.57)	(16.15)
Face value in Rs.	10.00	10.00	10.00	10.00	10.00
Net Asset Value Per Equity Share (Rs.)					
Net asset value (Net-worth), as restated	(1,786.56)	(1,662.11)	(1,472.38)	(1,040.47)	(913.05)
Number of equity shares outstanding at the year end	18,900,110	18,900,110	18,900,110	18,900,110	18,900,108
Add: Effect of instruments which are dilutive (Refer note (i) below)	-	-	-	-	-
Number of adjusted equity shares outstanding at the year end	18,900,110	18,900,110	18,900,110	18,900,110	18,900,108
Net Assets Value per equity share (Rs.)	(94.53)	(87.94)	(77.90)	(55.05)	(48.31)
Return on Net worth					
Net profit / (loss) after tax, as restated	(127.62)	(192.47)	(439.91)	(122.56)	(304.69)
Net worth, as restated	(1,786.56)	(1,662.11)	(1,472.38)	(1,040.47)	(913.05)
Return on net worth	-7.14%	-11.58%	-29.88%	-11.78%	-33.37%

The ratios have been computed as per the following formulae:

(i) Basic and Diluted Earnings per Share

$$\frac{\text{Net Profit/(loss) after tax, as restated for the year}}{\text{Weighted average number of equity shares outstanding during the year}}$$

(ii) Net Assets Value (NAV)

$$\frac{\text{Net Asset Value, as restated, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$$

(iii) Return on Net worth (%)

$$\frac{\text{Net Profit/(loss) after tax, as restated for the year}}{\text{Net worth (excluding revaluation reserve), as restated, at the end of the year}}$$

Net-worth (excluding revaluation reserve), as restated, means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss, as restated.

Note (i) : The Group had incurred losses in all the reporting period. The Basic and diluted earnings per share for the years are the same as the effect of potential equity share are anti dilutive due to the such losses.

Stove Kraft Limited*(Formerly Stove Kraft Private Limited)*

Restated Consolidated Financial Information

(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure VIII: Restated Consolidated Statement of Capitalisation

Particulars	Pre-issue	Post-Issue*
	As at 31-Mar-2018	
Debt		
Current financial liabilities - Borrowings	809.58	
Non-current financial liabilities - Borrowings	3,113.05	
Add: Current maturities of long-term borrowings	39.91	
Total debts	3,962.54	-
Shareholders' funds		
Equity share capital	189.00	
Other equity	(1,975.56)	
Total shareholders' funds	(1,786.56)	
Non-current debt/equity	(1.76)	

* Shareholders fund post issue can be calculated only on the conclusion of the book building process.

Notes

1. Short-term borrowings represent debts which are due within 12 months from 31 March 2018
2. Long-term borrowings include current portion of long-term borrowings repayable over the next twelve months.

INDEPENDENT AUDITOR'S REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION

The Board of Directors

STOVE KRAFT LIMITED

(Formerly STOVE KRAFT PRIVATE LIMITED)

81/1, Medamarana Halli Village, Harohalli Hobli Industrial Area,
Kanakapura Taluk, Ramanagara District,
Bangalore- 562112,
Karnataka, India

Dear Sirs,

1. We have examined the attached Restated Standalone Financial Information of Stove Kraft Limited (formerly Stove Kraft Private Limited) (the "Company"), which comprise of the Restated Standalone Summary Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the Restated Standalone Summary Statement of Profit and Loss (including other comprehensive income) and Restated Standalone Summary Statement of Changes in Equity for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the Restated Standalone Summary Statements of Cash Flows for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the Standalone Summary Statement of Significant Accounting Policies and related Annexures thereto (collectively, the "Restated Standalone Financial Information"), as approved by the Board of Directors of the Company at their meeting held on September 21, 2018 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
 - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India, as amended from time to time (the "Guidance Note").
2. The preparation of the Restated Standalone Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 11 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

Our responsibility is to examine the Restated Standalone Financial Information and confirm whether such Restated Standalone Financial Information comply with the requirements of the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Standalone Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 20, 2018 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note; and
- c) The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which include the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone Financial Information. This Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

4. These Restated Standalone Financial Information have been compiled by the Management from the audited special purpose standalone Ind AS financial statements of the Company as at and for the year ended March 31, 2018 prepared in accordance with the recognition and measurement principles of Indian Accounting Standard notified under section 133 of the Companies Act, 2013, which have been approved by the Board of directors at their meeting held on September 21, 2018.

The Restated Standalone Financial Information also contains the proforma standalone Ind AS financial information as at and for the years ended March 31, 2017, 2016, 2015 and 2014. These proforma standalone Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the years ended March 31, 2017, 2016, 2015 and 2014 which have been approved by the Board of Directors at their meetings held on July 05, 2017, September 30, 2016, September 28, 2015 and September 29, 2014 as described in Note 2.1 of Annexure V.

5. The audit report on the standalone Indian GAAP financial statements as at and for the year ended March 31, 2018, included following matter under 'Report on Other Legal and Regulatory Requirements' section of the audit report:

"On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, in respect of one of the directors, disqualification was attracted u/s 164 (2) of the Act however the company has received an order to maintain status quo of the directorship of the director from National Company Law Tribunal as referred in note no. 40 and all other directors are not disqualified as on March 31, 2018 from being appointed as director in the term of section 164(2) of the Act".

The audit report on the standalone Indian GAAP financial statements as at and for the year ended March 31, 2017, included following matter under 'Report on Other Legal and Regulatory Requirements' section of the audit report:

"The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016, however we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management."

6. Based on our examination and according to the information and explanations given to us, we report that the Restated Standalone Financial Information:
- a. have been prepared after incorporating proforma Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2017, 2016, 2015 and 2014 as described in Note 2.1 of Annexure V to the Restated Standalone Financial Information;
 - b. have been prepared after incorporating adjustments for the regrouping/reclassifications retrospectively in respective financial years ended March 31, 2017, 2016, 2015 and 2014 to reflect the same grouping/classifications followed as at and for the year ended March 31, 2018;
 - c. have been prepared after incorporating adjustments for the material amounts in the respective financial years to which they relate;
 - d. do not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments; and
 - e. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. The Restated Standalone Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of our reports mentioned in paragraph 4 above on the audited standalone financial statements.
9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. Our report is intended solely for use of the Management for inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Karnataka in connection with the proposed Initial Public Offer of equity shares ("IPO"). Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

S. Sundaresan
Partner
(Membership No. 25776)

Place: Bengaluru
Date: September 24, 2018

Annexure I: Restated Standalone Summary Statement of Assets and Liabilities

Particulars	Note of Annexure V	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
			Proforma	Proforma	Proforma	Proforma
Non-current assets						
Property, plant and equipment	3(a)	1,771.24	1,815.32	1,843.50	1,656.04	1,453.83
Capital work-in-progress		6.08	0.86	2.88	152.75	177.58
Intangible assets	3(b)	35.99	55.07	71.10	61.63	31.33
Financial assets						
Investments	4	81.46	90.51	81.79	191.57	252.91
Other financial assets	5	37.79	30.65	53.55	59.80	27.66
Deferred tax assets		-	-	-	-	-
Non-current tax asset (net)		2.36	2.00	1.10	2.20	7.42
Other non-current assets	6	41.26	22.56	22.43	32.69	33.66
Total non-current assets		1,976.18	2,016.97	2,076.35	2,156.68	1,984.39
Current assets						
Inventories	7	1,051.38	726.27	698.90	471.61	430.96
Financial assets						
Trade receivables	8	795.52	592.84	495.85	484.52	491.93
Cash and cash equivalents	9(a)	3.40	4.99	2.23	1.30	2.18
Bank Balances other than cash and cash equivalent as above	9(b)	33.50	30.92	31.58	-	71.82
Loans	10	0.27	56.03	55.37	55.45	56.84
Other financial assets	11	1.64	0.61	2.43	1.35	78.04
Other current assets	12	89.49	94.51	35.77	29.70	86.78
Total current assets		1,975.20	1,506.17	1,322.13	1,043.93	1,218.55
Total assets		3,951.38	3,523.14	3,398.48	3,200.61	3,202.94
EQUITY AND LIABILITIES						
Equity						
Equity share capital	13	189.00	189.00	189.00	189.00	189.00
Other equity	14	(1,969.96)	(1,845.17)	(1,655.01)	(1,223.03)	(1,095.62)
Total equity		(1,780.96)	(1,656.17)	(1,466.01)	(1,034.03)	(906.62)
Liabilities						
Non-current liabilities						
Financial Liabilities						
Borrowings	15	3,113.05	2,867.47	2,723.91	2,599.53	2,493.57
Other financial liabilities	16	148.27	169.04	108.01	52.22	33.56
Provisions	17	34.14	30.70	23.40	20.54	15.33
Total non-current liabilities		3,295.46	3,067.21	2,855.32	2,672.29	2,542.46
Current liabilities						
Financial liabilities						
Borrowings	18	809.58	781.19	858.18	689.96	761.04
Trade payables	19	1,453.78	1,081.58	889.46	649.42	579.20
Other financial liabilities	20	105.21	97.47	87.66	74.17	63.24
Provisions	21	16.07	77.88	79.92	77.20	75.47
Other current liabilities	22	52.24	73.98	93.95	71.60	88.15
Total current liabilities		2,436.88	2,112.10	2,009.17	1,562.35	1,567.10
Total liabilities		5,732.34	5,179.31	4,864.49	4,234.64	4,109.56
Total equity and liabilities		3,951.38	3,523.14	3,398.48	3,200.61	3,202.94

The above statement should be read with the Basis of preparation and Significant accounting policies appearing in Note 2 of Annexure V of Notes to the Restated Standalone Financial Information and Statement of adjustments to Audited Standalone Financial Statements appearing in Annexure VI.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S. Sundaresan
Partner

Rajendra J Gandhi
Managing Director

Neha Gandhi
Director

Shashidhar SK
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: 24 September, 2018

Place: Bengaluru
Date: 21 September, 2018

Annexure II: Restated Standalone Summary Statement of Profit and Loss

Particulars	Note of Annexure V	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
			Proforma	Proforma	Proforma	Proforma
Revenue from operations	23	5,289.52	5,150.33	3,545.83	3,446.05	3,413.65
Other income	24	56.31	28.06	15.15	40.41	92.88
Total Income		5,345.83	5,178.39	3,560.98	3,486.46	3,506.53
Expenses						
Cost of materials consumed	25	2,411.19	2,669.69	1,823.51	1,552.41	1,623.96
Purchase of stock in trade	26	1,203.26	833.73	798.74	601.97	619.48
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(78.96)	(117.43)	(178.71)	102.69	117.52
Excise duty		53.33	215.49	243.53	234.96	235.48
Employee benefits expenses	28	590.87	516.25	362.81	332.04	370.73
Finance cost	29	169.35	150.05	148.47	160.08	148.71
Depreciation & amortization expenses	30	116.83	114.78	102.33	(43.46)	93.49
Other expenses	31	1,007.74	989.36	700.96	669.92	602.04
Total expenses		5,473.61	5,371.92	4,001.64	3,610.61	3,811.41
Restated Loss before exceptional items and tax		(127.78)	(193.53)	(440.66)	(124.15)	(304.88)
Exceptional items	32	-	-	-	0.08	-
Restated Loss before tax		(127.78)	(193.53)	(440.66)	(124.23)	(304.88)
Tax expense / (benefit):						
Current tax expense for current year		-	-	-	-	-
Reversal of excess provision for tax pertaining to previous years		-	(0.85)	-	-	-
Net tax expense / (benefit)		-	(0.85)	-	-	-
Restated Loss for the year		(127.78)	(192.68)	(440.66)	(124.23)	(304.88)
Other Comprehensive Income						
Items that will not be reclassified to Statement of Profit and Loss						
Remeasurement of the defined benefit Plans - Gains / (losses)		1.75	1.32	6.66	1.33	5.48
Items that will be reclassified to Statement of Profit and Loss						
Fair value changes on cash flow hedge		1.24	-	-	-	-
Total Other Comprehensive Income for the year		2.99	1.32	6.66	1.33	5.48
Total Restated comprehensive income for the year		(124.79)	(191.36)	(434.00)	(122.90)	(299.40)
Earnings per share						
Basic (in Rs.) (Face value of Rs.10 each)	34	(6.76)	(10.19)	(23.32)	(6.57)	(16.13)
Diluted (in Rs.) (Face value of Rs.10 each)	34	(6.76)	(10.19)	(23.32)	(6.57)	(16.13)

The above statement should be read with the Basis of preparation and Significant accounting policies appearing in Note 2 of Annexure V of Notes to the Restated Standalone Financial Information and Statement of adjustments to Audited Standalone Financial Statements appearing in Annexure VI.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S. Sundaresan
Partner

Rajendra J Gandhi
Managing Director

Neha Gandhi
Director

Shashidhar SK
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: 24 September, 2018

Place: Bengaluru
Date: 21 September, 2018

Annexure III: Restated Standalone Summary Statement of Changes in Equity

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Equity share capital					
Opening balance	189.00	189.00	189.00	189.00	189.00
Changes in equity share capital during the year					
Add: Issued during the year	-	-	-	-	-
Closing balance	189.00	189.00	189.00	189.00	189.00

Other equity

Particulars	Reserve and surplus	Items of other comprehensive income	Total other equity
	Retained earnings	Cash flow hedge reserve	
Balance as at 01 April 2013 (Proforma)	(796.22)	-	(796.22)
Restated loss for the year	(304.88)	-	(304.88)
Remeasurement of defined benefit obligation	5.48		5.48
Balance as at 31 March 2014 (Proforma)	(1,095.62)	-	(1,095.62)
Restated loss for the year	(124.23)	-	(124.23)
Remeasurement of defined benefit obligation	1.33		1.33
Fair Value changes on cash flow hedge	-	(4.51)	(4.51)
Balance as at 31 March 2015 (Proforma)	(1,218.52)	(4.51)	(1,223.03)
Restated loss for the year	(440.66)	-	(440.66)
Remeasurement of defined benefit obligation	6.66	-	6.66
Fair Value changes on cash flow hedge	-	2.02	2.02
Balance as at 31 March 2016 (Proforma)	(1,652.52)	(2.49)	(1,655.01)
Restated loss for the year	(192.68)	-	(192.68)
Remeasurement of defined benefit obligation	1.32	-	1.32
Fair Value changes on cash flow hedge	-	1.20	1.20
Balance as at 31 March 2017 (Proforma)	(1,843.88)	(1.29)	(1,845.17)
Restated loss for the year	(127.78)	-	(127.78)
Remeasurement of defined benefit obligation	1.75	-	1.75
Fair Value changes on cash flow hedge	-	1.24	1.24
Balance as at 31 March 2018	(1,969.91)	(0.05)	(1,969.96)

The above statement should be read with the Basis of preparation and Significant accounting policies appearing in Note 2 of Annexure V of Notes to the Restated Standalone Financial Information and Statement of adjustments to Audited Standalone Financial Statements appearing in Annexure VI.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S. Sundaresan
Partner

Rajendra J Gandhi
Managing Director

Neha Gandhi **Shashidhar SK**
Director Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: 24 September, 2018

Place: Bengaluru
Date: 21 September, 2018

Annexure IV: Restated Standalone Summary Statement of Cashflows

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Cashflow from operating activities					
Restated Loss before tax	(127.78)	(193.53)	(440.66)	(124.23)	(304.88)
Adjustments for :					
Depreciation and Amortisation expense	116.83	114.78	102.33	(43.46)	93.49
Provision for doubtful trade and other receivables, loans and advances and bad debts written off (net)	45.24	4.89	26.20	13.32	31.97
Liability no longer required written back	(41.85)	(8.43)	(1.94)	-	(34.93)
Provision for warranty	9.06	5.56	1.48	0.62	1.93
Interest on deposit with bank	(1.78)	(2.62)	(1.86)	(2.52)	(5.54)
Government grants	(2.52)	-	-	-	(0.35)
(Profit) / loss on Fair valuation of derivative instruments	(1.33)	2.73	(0.94)	(5.05)	4.84
Loss on financial liability designated at FVTPL	153.80	205.20	182.30	162.10	12.70
(Profit) / loss on sale of property, plant and equipments	1.02	(1.46)	0.27	(0.26)	0.62
(Profit)/ loss from partnership firm	14.63	7.11	(2.45)	(25.24)	(45.85)
Provision for non-current investments	-	-	-	0.08	-
Finance cost	152.89	134.67	132.82	145.21	132.90
Net unrealised exchange (gain) / loss	2.97	(5.07)	(1.89)	0.57	(8.60)
Operating cash profit before changes in working capital	321.18	263.83	(4.34)	121.14	(121.70)
Changes in working capital					
Adjustment for (increase)/ decrease in operating assets :					
Other financial assets	43.86	(0.65)	1.11	78.02	1.14
Inventories	(325.11)	(27.37)	(59.23)	(40.65)	109.47
Trade receivables	(247.87)	(103.03)	82.51	(8.31)	(176.59)
Other assets	(12.82)	(60.84)	(3.61)	55.21	(24.11)
Adjustment for increase/ (decrease) in operating liabilities:					
Other financial liabilities	18.35	59.64	56.73	19.12	(3.54)
Trade payables	344.06	200.57	66.77	72.67	(152.25)
Other current liabilities	(21.74)	(19.97)	17.35	(16.55)	7.39
Provisions	0.40	(0.29)	0.22	6.32	(1.38)
Cash generated from / (used in) operations	120.31	311.89	157.51	286.97	(361.57)
Net income taxes (paid) / refund received	(0.36)	(0.05)	1.10	5.22	(0.77)
Net cash generated from / (used in) operating activities (A)	119.95	311.84	158.61	292.19	(362.34)
Cashflow from investing activities					
Capital expenditure on property, plant and equipments (including capital advance)	(64.69)	(70.70)	(103.75)	(164.54)	(480.98)
Proceeds from sale of property, plant and equipments	2.32	2.61	0.46	1.01	3.60
Interest received on bank deposits	1.96	3.05	1.72	3.76	5.36
Drawings from partnership firms / (investment) in partnership firms	(5.58)	(15.83)	37.23	86.58	(2.60)
Proceeds from sale of investment	-	-	-	-	13.80
Movement of margin money deposit with banks (net)	(2.58)	17.94	(19.45)	42.41	(28.30)
Net cash used in investing activities (B)	(68.57)	(62.93)	(83.79)	(30.78)	(489.12)
Cash flows from Financing activities					
Proceeds from long-term borrowings	125.00	-	-	-	1,240.00
Repayment of long-term borrowings	(56.56)	(51.73)	(60.01)	(46.97)	(110.00)
Net increase / (decrease) in working capital borrowings	26.76	(69.48)	97.44	(70.45)	(146.03)
Finance cost	(148.17)	(124.94)	(128.44)	(144.87)	(132.90)
Net cash used in financing activities (C)	(52.97)	(246.15)	(91.01)	(262.29)	851.07
Net (decrease) / increase in cash & cash equivalents (A+B+C)	(1.59)	2.76	(16.19)	(0.88)	(0.39)

Annexure IV: Restated Standalone Summary Statement of Cashflows

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Cash and cash equivalents at beginning of the year	4.99	2.23	1.30	2.18	2.57
Cash and cash equivalents taken over as part of slum sale (Refer note 40)	-	-	17.12	-	-
Cash and cash equivalents at the end of the year (Refer note 9(a))	3.40	4.99	2.23	1.30	2.18
* Comprises:					
(a) Cash on hand	0.66	0.26	1.44	0.97	1.97
(b) Balances with banks:					
in current accounts	2.74	4.73	0.79	0.33	0.21
Total	3.40	4.99	2.23	1.30	2.18

The above statement should be read with the Basis of preparation and Significant accounting policies appearing in Note 2 of Annexure V of Notes to the Restated Standalone Financial Information and Statement of adjustments to Audited Standalone Financial Statements appearing in Annexure VI.

In terms of our report attached
For Deloitte Haskins & Sells
 Chartered Accountants

For and on behalf of the Board of Directors

S. Sundaresan
 Partner

Rajendra J Gandhi
 Managing Director

Neha Gandhi
 Director

Shashidhar SK
 Chief Financial Officer &
 Company Secretary

Place: Bengaluru
 Date: 24 September, 2018

Place: Bengaluru
 Date: 21 September, 2018

1. Corporate information

Stove Kraft Limited (formerly Stove Kraft Private Limited) (the ‘Company’ / ‘SKL’) is a company domiciled in India, with its registered office situated at Bengaluru. It is engaged primarily in the business of manufacturer of pressure cookers, LPG stoves, non-stick cookware, wick stoves and trader of other kitchen and electrical appliances under the brand name “Pigeon” and “Gilma”.

The Company changed its name from Stove Kraft Private Limited to Stove Kraft Limited on August 13, 2018. The Restated Standalone Ind AS Financial Information have been authorised for issuance by the Company's Board of Directors on September 21, 2018.

2. Basis for preparation and presentation and summary of significant accounting policies

2.1 Basis of preparation and presentation

The Restated Standalone Financial Information of the Company comprise of the Restated Standalone Summary Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the Restated Standalone Summary Statement of Profit and Loss (including Other Comprehensive Income), Restated Standalone Summary Statement of changes in equity and the Restated Standalone Summary Statement of Cash Flows for the years ended March 31, 2018, 2017, 2016, 2015 and 2014, and the Summary of Significant Accounting Policies and explanatory notes (collectively, the ‘Restated Standalone Financial Information’). The Restated Standalone Financial Information has been prepared by the management for the purpose of inclusion in the Draft Red Herring Prospectus (‘DRHP’) (referred to as ‘Offer Document’) prepared by the Company in connection with its proposed Initial Public Offer (“IPO”) in terms of the requirements of:

- (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”);
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (“ICDR Regulations”); and
- (c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (ICAI) (the “Guidance Note”).

For all periods upto and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, and the presentation requirements of the Companies Act, 2013. The Company has elected to present the financial information of all the years in these Restated Standalone Financial Information, as per the Indian Accounting Standards (‘Ind AS’) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The Company has decided to voluntarily adopt Ind AS for the financial year ended March 31, 2019 onwards. In accordance with the transition provision specified under Ind AS 101, the date of transition to Ind AS is April 01, 2017. The Restated Standalone Financial Information for the years ended 31 March 2017, 2016, 2015 and 2014 have been prepared on Proforma basis (i.e. “Proforma Standalone Ind AS financial information”) in accordance with the Guidance Note.

The Restated Standalone Financial Information for the year ended March 31, 2018 has been compiled by the Company from the Special Purpose Standalone Ind AS Financial Statement prepared under Ind AS.

The Proforma Standalone Ind AS financial information for the years ended 31 March 2017, 2016, 2015 and 2014, have been compiled by the management of the Company from the Standalone

Financial Statements of the Company for the year ended 31 March 2017, 2016, 2015 and 2014 prepared in accordance with the previous GAAP and making suitable restatement adjustments (both re-measurements and reclassifications) to apply the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as adopted on date of transition to Ind AS i.e. 01 April 2017 ('transition date'). The Restated Standalone Financial Information is presented in Indian Rupees (INR) and all values are rounded to the nearest millions upto two decimals, except where otherwise indicated.

First-time adoption of Ind AS

The Company has prepared the Opening Standalone Balance Sheet as per Ind AS as of April 1, 2017 by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous Indian GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

a. Deemed cost for property, plant and equipment and intangible assets:

The Company has elected to use fair value of its property, plant and equipment and intangible assets in its opening Ind AS Balance sheet as deemed cost.

b. Deemed cost for investment in partnership firms and associate:

The Company has elected to continue with the carrying value of all of its partnership firms and associate recognised as of transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

c. Derecognition of Financial Assets and Liabilities:

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

d. Impairment of financial assets:

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

e. Past Business Combination

The Company has elected not to apply Ind AS 103 Business Combination retrospectively to past business combinations that occurred before the transition date of April 1, 2017.

2.2 Summary of significant accounting policies

The Restated Standalone Financial Information have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(a) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

i. Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied.

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales of goods that result in discount vouchers/coupons/loyalty points for customers are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the sale of goods and the discount vouchers/coupons/loyalty issued. The consideration allocated to the discount vouchers/coupons/loyalty points is measured by reference to their fair value. Such consideration is not recognised as revenue at the time of the initial sale transaction – but is deferred and recognised as revenue when the discount vouchers/coupons/loyalty points are redeemed and the Company's obligations have been fulfilled.

ii. Export entitlement

Government incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same.

iii. Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(b) Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price, net of any trade discounts and rebates, any import duties, other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Individual assets costing less than Rs.5,000/- are depreciated in full in the year of purchase.

Asset	Useful life in years
Leasehold Improvements	3-5 years or over the lease period whichever is lower
Office Equipment's	15 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

(c) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

Intangible Asset	Useful life in years
Technical know how	5
Computer Software	6

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

(d) Investments in partnership firms and associate

Investment in partnership firms and associate are measured at cost less impairment.

(e) Inventories

Inventories are valued at the lower of weighted average cost and the net realizable value. Cost includes purchase cost and all other charges in bringing the inventories to their present location and condition including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(f) Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

A. Financial Assets:

i. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or where appropriate a shorter period, to the net carrying amount on initial recognition.

ii. Financial Assets at fair value through other comprehensive Income

Financial assets are measured at fair value through other comprehensive income ('FVTOCI') if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

iii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss ('FVTPL') unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

iv. Impairment of financial assets

In accordance with Ind AS 109 - Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting period, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 months ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- i. All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;
 - ii. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivables:

ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

v. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

vi. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets that are measured at amortised cost and FVTPL, the exchange difference are recognised in statement of profit and loss.

B. Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

i. Equity Instrument

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

ii. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

iii. Financial liabilities at FVTPL

Financial liability has been designated at FVTPL where it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of profit and loss.

iv. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

v. Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of profit and loss.

vi. Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

C. Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

D. Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

E. Hedge Accounting

The Company designates certain hedging instruments as either fair value hedges or cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

i. Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in Statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

ii. Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to statement of profit and loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity will be recognised in statement of profit and loss on such event.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and at banks and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Foreign Currency transactions and translations

The functional currency of the Company is Indian Rupee (Rs.).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the year in which they arise.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date when the fair value was determined.

(i) Employee Benefits

Defined Contribution Plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined Benefit Plan

For defined benefit plans in the form of gratuity (un-funded), the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the

period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item "Employee benefit expenses. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

(j) Borrowing Costs

Borrowing costs include:

- (i) interest expense calculated using the effective interest rate method,
- (ii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of profit and loss in the period in which they are incurred.

(k) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially capitalised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(l) Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and the carry forward of unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(m) Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised but are disclosed in the Notes to the Financial Statements. Contingent assets are not recognised in the financial statements.

(n) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of profit and loss.

(o) Earnings per share

Basic earnings per share is computed by dividing statement of profit and loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(p) Share issue expense

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.

2.3 Use of estimates and management judgments

In application of the accounting policies, which are described in note 2.2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

1. Useful life of property, plant and equipment and intangible assets

The useful life of the assets are determined based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance.

2. Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected discounted future cash flows from each asset or cash-generating unit.

3. Deferred tax

Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

4. Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

5. Post-retirement benefit plans

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions which include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at each financial year end on the government bonds.

6. Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date.

The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2.4 New standards and interpretations not yet adopted:

(a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:
On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the effect of this on the financial statements.

(b) Ind AS 115- Revenue from Contract with Customers:
On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from Contracts with Customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue.

The new standard applies to contracts with customers. The core principle of the new standard is that the Company should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the Company's contracts with customers.

The new standard permits two possible method of transition:

- Retrospective approach - An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period.
- Cumulative catch-up approach - An entity can recognise the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information.

The standard is effective for annual periods beginning on or after 01 April 2018. The Company is evaluating the effect of this on the financial statements.

Note Annure V: Notes to Restated Standalone Financial Information

No.

3(a) Property, plant and equipment

Particulars	Land	Buildings	Plant and machinery	Furniture and fixtures	Lease hold improvements	Computers	Office equipments	Vehicles	Total
Gross Block									
Opening balance as at 01 April 2013	815.14	128.74	191.00	4.96	25.88	2.67	3.72	7.94	1,180.05
Additions	8.77	0.06	349.64	0.71	4.18	2.48	2.42	-	368.26
Disposals	-	-	(6.37)	-	(0.46)	-	-	-	(6.83)
Gross block as at 31 March 2014 (Proforma)	823.91	128.80	534.27	5.67	29.60	5.15	6.14	7.94	1,541.48
Accumulated depreciation									
Depreciation expense for the year	-	12.87	49.58	0.98	22.29	1.70	0.78	2.06	90.26
Eliminated on disposal of assets	-	-	(2.40)	-	(0.21)	-	-	-	(2.61)
Accumulated depreciation as at 31 March 2014 (Proforma)	-	12.87	47.18	0.98	22.08	1.70	0.78	2.06	87.65
Carrying amount as at 31 March 2014 (Proforma)	823.91	115.93	487.09	4.69	7.52	3.45	5.36	5.88	1,453.83
Gross Block									
Opening balance as at 01 April 2014	823.91	128.80	534.27	5.67	29.60	5.15	6.14	7.94	1,541.48
Additions	-	81.13	66.58	0.04	1.42	1.38	1.19	-	151.74
Disposals	-	-	(2.59)	-	-	-	-	-	(2.59)
Gross block as at 31 March 2015 (Proforma)	823.91	209.93	598.26	5.71	31.02	6.53	7.33	7.94	1,690.63
Accumulated depreciation									
Opening accumulated depreciation	-	12.87	47.18	0.98	22.08	1.70	0.78	2.06	87.65
Adjustments due to change in method of depreciation	-	(40.04)	(81.05)	(1.26)	(12.23)	0.59	2.34	(6.11)	(137.76)
Depreciation expense for the year	-	8.69	59.45	0.96	9.88	1.74	1.09	4.73	86.54
Eliminated on disposal of assets	-	-	(1.84)	-	-	-	-	-	(1.84)
Accumulated depreciation as at 31 March 2015 (Proforma)	-	(18.48)	23.74	0.68	19.73	4.03	4.21	0.68	34.59
Carrying amount as at 31 March 2015 (Proforma)	823.91	228.41	574.52	5.03	11.29	2.50	3.12	7.26	1,656.04
Gross Block									
Opening balance as at 01 April 2015	823.91	209.93	598.26	5.71	31.02	6.53	7.33	7.94	1,690.63
Additions	4.37	159.98	58.82	7.54	1.29	5.69	9.12	0.50	247.31
Additions on account of slump sale (Refer note 40)	-	-	18.47	7.08	-	0.76	0.90	-	27.21
Disposals	-	-	-	-	(0.49)	-	-	(1.66)	(2.15)
Gross block as at 31 March 2016 (Proforma)	828.28	369.91	675.55	20.33	31.82	12.98	17.35	6.78	1,963.00
Accumulated depreciation									
Opening accumulated depreciation	-	(18.48)	23.74	0.68	19.73	4.03	4.21	0.68	34.59
Depreciation expense for the year	-	10.15	62.19	1.03	5.76	1.94	1.21	4.05	86.33
Eliminated on disposal of assets	-	-	-	-	(0.33)	-	-	(1.09)	(1.42)
Accumulated depreciation as at 31 March 2016 (Proforma)	-	(8.33)	85.93	1.71	25.16	5.97	5.42	3.64	119.50
Carrying amount as at 31 March 2016 (Proforma)	828.28	378.24	589.62	18.62	6.66	7.01	11.93	3.14	1,843.50
Gross Block									
Opening balance as at 01 April 2016	828.28	369.91	675.55	20.33	31.82	12.98	17.35	6.78	1,963.00
Additions	0.48	16.99	24.66	2.45	3.74	4.48	1.46	13.58	67.84
Disposals	-	-	(1.18)	-	-	(2.05)	-	(0.54)	(3.77)
Gross block as at 31 March 2017 (Proforma)	828.76	386.90	699.03	22.78	35.56	15.41	18.81	19.82	2,027.07
Accumulated depreciation									
Opening accumulated depreciation	-	(8.33)	85.93	1.71	25.16	5.97	5.42	3.64	119.50
Depreciation expense for the year	-	14.20	66.42	2.55	3.49	3.15	2.92	2.14	94.87
Eliminated on disposal of assets	-	-	(0.39)	-	-	(1.87)	-	(0.36)	(2.62)
Accumulated depreciation as at 31 March 2017 (Proforma)	-	5.87	151.96	4.26	28.65	7.25	8.34	5.42	211.75
Carrying amount as at 31 March 2017 (Proforma)	828.76	381.03	547.07	18.52	6.91	8.16	10.47	14.40	1,815.32

Particulars	Land	Buildings	Plant and machinery	Furniture and fixtures	Lease hold improvements	Computers	Office equipments	Vehicles	Total
Deemed Cost as at 01 April 2017	828.76	381.03	547.07	18.52	6.91	8.16	10.47	14.40	1,815.32
Additions	-	1.08	39.11	0.20	2.57	0.68	1.92	10.17	55.73
Disposals	-	-	(8.67)	(0.40)	-	(0.08)	-	(0.29)	(9.44)
Gross block as at 31 March 2018	828.76	382.11	577.51	18.32	9.48	8.76	12.39	24.28	1,861.61
Accumulated depreciation									
Depreciation expense for the year	-	14.70	66.72	2.65	2.55	3.96	3.23	2.66	96.47
Eliminated on disposal of assets	-	-	(5.40)	(0.37)	-	(0.08)	-	(0.25)	(6.10)
Accumulated depreciation as at 31 March 2018	-	14.70	61.32	2.28	2.55	3.88	3.23	2.41	90.37
Carrying amount as at 31 March 2018	828.76	367.41	516.19	16.04	6.93	4.88	9.16	21.87	1,771.24

Refer note 15 (i), (ii) and (iii) and note 18(i) for details of hypothecation.

Stove Kraft Limited*(formerly Stove Kraft Private Limited)*

Restated Standalone Financial Information

(Amount in Rupees Millions, except for share data, unless otherwise stated)

Note Annexure V: Notes to Restated Standalone Financial Information**No.****3(a) Property, plant and equipment**

The Company has elected to fair value all of its property, plant and equipment as of transition date and use that value as its deemed cost as of the transition date.

Asset	Basis of valuation	Fair value hierarchy
Land	The fair value of land has been computed using market approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities such as business. The Company has considered the following inputs for valuation of land: (i) Guideline value provided by Karnataka Industrial Area Development Board (KIADB) (ii) References with neighbourhood and real estate agents for similar land.	Level-3
All other items of Property, Plant and Equipment	The valuation has been done on the basis of present day costs including costs upto the dates of installation after considering average depreciation.	Level-3

Except for land, the fair value approximates the carrying value of all other items of Property, Plant and equipment.

Particulars	Amount
Land Value as per previous GAAP as on transition date	158.54
Add : - Fair Value adjustment	670.22
Land Value as per Ind AS as on transition date	828.76

Note
No. **Annexure V: Notes to Restated Standalone Financial Information**

3(b) **Intangible assets**

Particulars	Computer software	Technical know how	Total
Gross Block			
Opening balance as at 01 April 2013	3.15	-	3.15
Additions	6.05	25.36	31.41
Disposals	-	-	-
Gross block as at 31 March 2014 (Proforma)	9.20	25.36	34.56
Accumulated amortisation			
Amortisation expense for the year	2.19	1.04	3.23
Eliminated on disposal of assets	-	-	-
Accumulated amortisation as at 31 March 2014 (Proforma)	2.19	1.04	3.23
Carrying amount as at 31 March 2014 (Proforma)	7.01	24.32	31.33
Gross Block			
Opening balance as at 01 April 2014	9.20	25.36	34.56
Additions	1.06	37.00	38.06
Disposals	-	-	-
Gross block as at 31 March 2015 (Proforma)	10.26	62.36	72.62
Accumulated amortisation			
Opening accumulated amortisation as at 01 April 2014	2.19	1.04	3.23
Adjustments due to change in method of amortisation	(1.77)	0.01	(1.76)
Amortisation expense for the year	1.82	7.70	9.52
Eliminated on disposal of assets	-	-	-
Accumulated amortisation as at 31 March 2015 (Proforma)	2.24	8.75	10.99
Carrying amount as at 31 March 2015 (Proforma)	8.02	53.61	61.63
Gross Block			
Opening balance as at 01 April 2015	10.26	62.36	72.62
Additions	0.69	24.78	25.47
Disposals	-	-	-
Gross block as at 31 March 2016 (Proforma)	10.95	87.14	98.09
Accumulated amortisation			
Opening accumulated amortisation as at 01 April 2015	2.24	8.75	10.99
Amortisation expense for the year	1.98	14.02	16.00
Eliminated on disposal of assets	-	-	-
Accumulated amortisation as at 31 March 2016 (Proforma)	4.22	22.77	26.99
Carrying amount as at 31 March 2016 (Proforma)	6.73	64.37	71.10
Gross Block			
Opening balance as at 01 April 2016	10.95	87.14	98.09
Additions	3.65	0.23	3.88
Disposals	-	-	-
Gross block as at 31 March 2017 (Proforma)	14.60	87.37	101.97
Accumulated amortisation			
Opening accumulated amortisation as at 01 April 2016	4.22	22.77	26.99
Amortisation expense for the year	2.45	17.46	19.91
Eliminated on disposal of assets	-	-	-
Accumulated amortisation as at 31 March 2017 (Proforma)	6.67	40.23	46.90
Carrying amount as at 31 March 2017 (Proforma)	7.93	47.14	55.07

Particulars	Computer software	Technical know how	Total
Deemed Cost as at 01 April 2017	7.93	47.14	55.07
Additions	1.28	-	1.28
Disposals	-	-	-
Gross block as at 31 March 2018	9.21	47.14	56.35
Accumulated amortisation			
Opening accumulated amortisation as at 01 April 2017	-	-	-
Amortisation expense for the year	2.89	17.47	20.36
Eliminated on disposal of assets	-	-	-
Accumulated amortisation as at 31 March 2018	2.89	17.47	20.36
Carrying amount as at 31 March 2018	6.32	29.67	35.99

The Company has elected to fair value all of its intangible assets as of transition date and use that value as its deemed cost as of the transition date.

The fair value approximates the carrying value of all the intangible assets.

Note Annexure V: Notes to Restated Standalone Financial Information
No.

4 Investments

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
In equity instruments of associate (Carried at cost)					
7,500 Equity shares of Rs. 10/- each fully paid up in Pigeon Appliances Private Limited (Refer Note (i) below)	-	0.08	0.08	0.08	0.08
Less: Impairment loss allowance (Refer note (i) below)	-	(0.08)	(0.08)	(0.08)	-
Total	-	-	-	-	0.08
In partnership firm (Carried at cost) (Refer note (ii) below):					
Capital account	155.15	137.44	139.62	242.35	157.13
Current account	(73.69)	(46.93)	(57.83)	(50.78)	95.70
Total	81.46	90.51	81.79	191.57	252.83
Aggregate amount of un-quoted investments	81.46	90.51	81.79	191.57	252.91

Note

- (i) The Company had invested a sum of Rs. 0.08 for 37.5% paid-up equity share capital of Pigeon Appliances Private Limited (PAPL). The business operations of PAPL is controlled by the majority shareholders of PAPL. During the FY 2014-15, the Company had noted certain irregularities in the business operations of PAPL and use of trademarks registered in the name of the Company, without the consent of the Company. The Company had initiated legal action against PAPL for irregularities noted in the business operations and unauthorized use of trademarks. On prudence basis, investments in equity share capital of PAPL had been provided.

- (ii) **Name of the partnership firm where the Company has invested:**

Stove Kraft India, Baddi, Himachal Pradesh

Name of the partners	Partner's capital account				
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
Stove Kraft Private Limited	155.15	155.15	171.98	155.15	155.15
Rajendra J Gandhi	-	-	-	-	-
Total	155.15	155.15	171.98	155.15	155.15

Name of the partners	Profit Sharing Ratio				
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
Stove Kraft Private Limited	99%	99%	99%	99%	99%
Rajendra J Gandhi	1%	1%	1%	1%	1%
Total	100%	100%	100%	100%	100%

Name of the partnership firm where the Company has invested:

Saya Industries, Baddi, Himachal Pradesh

Name of the partners	Partner's capital account				
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
Stove Kraft Private Limited	-	(17.71)	(32.36)	87.20	1.98
Rajendra J Gandhi	-	-	0.11	0.11	0.11
Vivek Saini	-	-	-	-	0.11
Total	-	(17.71)	(32.25)	87.31	2.20

Name of the partners	Profit Sharing Ratio				
	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
Stove Kraft Private Limited	-	95%	95%	95%	90%
Rajendra J Gandhi	-	5%	5%	5%	5%
Vivek Saini	-	-	-	-	5%
Total	-	100%	100%	100%	100%

Note No. Annexure V: Notes to Restated Standalone Financial Information

5 Other financial assets (Non Current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
(Unsecured considered good unless otherwise stated)					
Security deposits					
Unsecured, considered good	37.79	25.89	24.51	26.48	27.66
Unsecured, considered doubtful	1.18	1.18	1.18	-	-
Less: Allowance for doubtful security deposits	(1.18)	(1.18)	(1.18)	-	-
	37.79	25.89	24.51	26.48	27.66
Balances held as margin money or security					
in earmarked accounts: balance held as margin money (Refer Note (i) below)	-	-	17.28	29.41	-
Derivatives designated as hedges					
Cross currency interest rate swap	-	4.76	11.76	3.91	-
Total	37.79	30.65	53.55	59.80	27.66

Note

- (i) Balance in earmarked account represent margin money deposits for non-fund based limits with banks, which are available for use to settle a liability for more than 12 months from the balance sheet date.

6 Other non-current assets

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
(Unsecured considered good unless otherwise stated)					
Capital advances					
Considered good	10.34	9.48	10.97	24.76	27.60
Considered doubtful	2.60	3.02	2.16	-	-
Less: Allowance for doubtful advance	(2.60)	(3.02)	(2.16)	-	-
	10.34	9.48	10.97	24.76	27.60
Capital advances to related parties (Refer note 43)	-	-	0.48	0.48	0.48
Tax paid under protest	11.04	9.21	8.21	6.39	-
Balance with government authorities					
Considered good	18.19	3.06	1.68	-	4.21
Considered doubtful	11.81	19.31	18.51	18.51	18.51
Less: Allowance for doubtful balances	(11.81)	(19.31)	(18.51)	(18.51)	(18.51)
	18.19	3.06	1.68	-	4.21
Prepaid rent on discounting of security deposits	0.50	0.81	1.09	1.06	1.37
Prepaid expense	1.19	-	-	-	-
Total	41.26	22.56	22.43	32.69	33.66

7 Inventories

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Raw materials, components and packing materials	466.84	301.81	389.36	343.29	199.95
Raw material-in-transit	81.12	-	2.51	-	-
Work-in-progress	0.59	0.09	0.21	0.52	0.09
Finished goods (other than those acquired for trading)	157.70	156.22	158.17	31.86	54.32
Stock-in-trade (acquired for trading)	244.63	228.75	136.01	79.61	143.48
Goods-in-transit (acquired for trading)	100.50	39.40	12.64	16.33	33.12
Total	1,051.38	726.27	698.90	471.61	430.96

Refer note 18(i) for details of hypothecation.

Note Annexure V: Notes to Restated Standalone Financial Information
No.

8 Trade receivables

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Unsecured					
Considered good	795.52	592.84	495.85	484.52	491.93
Considered doubtful	124.36	94.58	95.19	75.72	75.72
	919.88	687.42	591.04	560.24	567.65
Less: Allowance for doubtful receivables	(124.36)	(94.58)	(95.19)	(75.72)	(75.72)
Total	795.52	592.84	495.85	484.52	491.93

The average credit period on sale of goods ranges from 60 to 120 days.
Refer note18(i) for details of hypothecation.

9(a) Cash and cash equivalents

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Cash on hand	0.66	0.26	1.44	0.97	1.97
Balances with banks:					
In current accounts	2.74	4.73	0.79	0.33	0.21
Total	3.40	4.99	2.23	1.30	2.18

9(b) Bank Balances other than cash and cash equivalent as above

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Balances with banks:					
In earmarked accounts: balance held as margin money (Refer note (i) below)	33.50	30.92	31.58	-	71.82
Total	33.50	30.92	31.58	-	71.82

Note

- (i) Balances in earmarked accounts represent margin money deposits for non-fund based limits with banks, which are available for use to settle a liability for not more than 12 months from the Balance sheet date.

10 Loans

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
(Unsecured considered good)					
Loans and advances to related parties (Refer note 43)	-	55.35	55.04	55.04	55.04
Advance to employees	0.27	0.68	0.33	0.41	1.80
Total	0.27	56.03	55.37	55.45	56.84

Refer note18(i) for details of hypothecation.

Note No. Annexure V: Notes to Restated Standalone Financial Information

11 Other financial assets (Current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
(Unsecured considered good unless otherwise stated)					
Retention deposit	-	-	-	-	75.90
Derivatives designated as hedges					
Cross currency interest rate swap	1.21	-	-	-	-
Derivatives not designated as hedges:					
Foreign currency forward contracts	-	-	1.39	0.45	-
Interest accrued on deposit with banks	0.43	0.61	1.04	0.90	2.14
Total	1.64	0.61	2.43	1.35	78.04

Refer note18(i) for details of hypothecation.

12 Other current assets

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
(Unsecured considered good unless otherwise stated)					
Prepaid expenses	9.09	6.01	5.30	1.48	3.33
Advances to suppliers / service providers					
Considered good	37.21	71.79	21.77	11.91	70.80
Considered doubtful	55.18	45.25	45.21	45.04	33.45
Less: Allowance for doubtful advances	(55.18)	(45.25)	(45.21)	(45.04)	(33.45)
	37.21	71.79	21.77	11.91	70.80
Balance with government authorities	43.19	16.71	8.70	16.31	12.65
Total	89.49	94.51	35.77	29.70	86.78

Refer note18(i) for details of hypothecation.

Stove Kraft Limited
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Note No. Annexure V: Notes to Restated Standalone Financial Information

13 Equity share capital

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Authorised					
1,99,99,995 Equity shares of Rs. 10/- each	200.00	200.00	200.00	200.00	200.00
10 Class A Equity shares of Rs. 10/- each	-	-	-	-	-
Issued, subscribed and fully paid up capital					
1,89,00,100 Equity shares of Rs. 10/- each	189.00	189.00	189.00	189.00	189.00
10 Class A Equity shares of Rs. 10/- each	-	-	-	-	-
Total	189.00	189.00	189.00	189.00	189.00

(a) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Equity shares of Rs. 10/- each		Class A Equity shares of Rs. 10/- each	
	Number of shares	Rs.	Number of shares	Rs.
Equity shares of Rs. 10/- each				
Outstanding as at 01 April 2013 (Proforma)	18,900,100	189	5	-
Add: movement during the year	-	-	5	-
Closing balance as at 31 March 2014 (Proforma)	18,900,100	189	10	-
Add: movement during the year	-	-	-	-
Closing balance as at 31 March 2015 (Proforma)	18,900,100	189	10	-
Add: movement during the year	-	-	-	-
Closing balance as at 31 March 2016 (Proforma)	18,900,100	189	10	-
Add: movement during the year	-	-	-	-
Closing balance as at 31 March 2017 (Proforma)	18,900,100	189	10	-
Add: movement during the year	-	-	-	-
Closing balance as at 31 March 2018	18,900,100	189	10	-

(b) Terms/rights attached to:

Equity share holders:

The holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all other parties concerned. The distribution will be in proportion to number of equity shares held by the shareholders.

Class A Equity share holders:

Class A equity shares are held by SCI Growth Investments II ('Sequoia'). The voting rights of Sequoia in relation to the Class A equity shares at every resolution placed before the shareholders of the Company at any General Meetings of the Company shall be equal to 43.36%. In the event the Board declares dividend, then the dividend payable on the outstanding Compulsory Convertible Debentures (CCD's) (which have not been converted) shall be equal to the dividend declared and calculated based on the number of Equity Shares to be issued to Sequoia on conversion of the CCD's.

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Note No. Annexure V: Notes to Restated Standalone Financial Information

(c) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Equity share of Rs. 10/- each					
Rajendra J Gandhi					
No. of shares	18,184,622	18,184,622	18,184,622	18,184,622	18,640,800
% of holding	96.21%	96.21%	96.21%	96.21%	98.63%
Class A Equity share of Rs. 10/- each					
SCI Growth Investments Holdings I					
No. of shares	5	5	5	5	5
% of holding	50.00%	50.00%	50.00%	50.00%	50.00%
SCI Growth Investments II					
No. of shares	5	5	5	5	5
% of holding	50.00%	50.00%	50.00%	50.00%	50.00%

14 Other equity

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Cash flow hedging reserve	(0.05)	(1.29)	(2.49)	(4.51)	-
Retained earnings	(1,969.91)	(1,843.88)	(1,652.52)	(1,218.52)	(1,095.62)
Total	(1,969.96)	(1,845.17)	(1,655.01)	(1,223.03)	(1,095.62)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
A) Cash flow hedging reserve					
Opening balance	(1.29)	(2.49)	(4.51)	-	-
Add : (Loss) / Profit on hedging instruments	1.24	1.20	2.02	(4.51)	-
Closing balance [A]	(0.05)	(1.29)	(2.49)	(4.51)	-
B) Retained earnings					
Opening balance, as restated	(1,843.88)	(1,652.52)	(1,218.52)	(1,095.62)	(796.22)
Add: Restated profit / (loss) for the year	(127.78)	(192.68)	(440.66)	(124.23)	(304.88)
Add/(Less) : Remeasurement gain/(loss) recognised in Other comprehensive Income	1.75	1.32	6.66	1.33	5.48
Closing balance [B]	(1,969.91)	(1,843.88)	(1,652.52)	(1,218.52)	(1,095.62)
Grand total [A+B]	(1,969.96)	(1,845.17)	(1,655.01)	(1,223.03)	(1,095.62)

Note Annexure V: Notes to Restated Standalone Financial Information
No.

15 Borrowings (Non-current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Secured (at amortised cost)					
Term loan from bank (Refer note (i) and (ii))	105.09	16.21	82.91	140.83	195.00
Vehicle Loan (Refer note (iii))	7.96	5.06	-	-	-
Unsecured (at fair value through profit or loss)					
12,661,812 Compulsory Convertible Debentures (CCD) of Rs. 10/- each (Refer note (iv) below)	3,000.00	2,846.20	2,641.00	2,458.70	2,296.60
Unsecured (at amortised cost)					
Loan from related parties (Refer note (v) below)	-	-	-	-	1.97
Total	3,113.05	2,867.47	2,723.91	2,599.53	2,493.57

Note

- (i) The Company has borrowed USD 4 long-term loan from a bank, for the purpose of expansion and modernization. Rate of interest is 3 months London interbank offered rate (LIBOR) + 3.5% and repayable in 16 equal quarterly instalments.

Security: First exclusive equitable mortgage of the immovable property (both present and future) of the Company and hypothecation of the movable property (both present and future) of the Company and personal guarantee of Mr. Rajendra J Gandhi (Managing Director) and Mrs. Sunitha Gandhi (Director upto September 30, 2016).

The Company has entered into 'Cross-Currency Rate Swap' arrangement (Swap arrangement) for payment of interest and repayment of above mentioned long-term loan. As per the Swap arrangement, the Company is paying interest at fixed rate and receiving interest at floating rate. The terms of Swap arrangement is from June 27, 2013 to 27 June 2018.

- (ii) The Company had taken the term loan from South Indian Bank (SIB) of Rs. 125 during the FY 2017-18. Rate of interest is 12 month Marginal Cost of fund based Lending rate (MCLR) + 2% spread which is subject to yearly reset which is repayable in 60 equal instalments. Repayment of term loan obtained from SIB starts from July 2018.

Security: Equitable mortgage of vacant industrial land of the company located at Harohalli, Ramanagara District and personal guarantee of Mr. Rajendra Gandhi, Mrs. Sunitha Gandhi (Director upto September 30, 2016) and Ms. Neha Gandhi (Director from September 30, 2016).

- (iii) The Company has borrowed Rs.10 vehicle loan from BMW Financial Services. Rate of interest is 9.11% per annum which is repayable in 36 equal monthly instalments.

Security: Exclusive hypothecation on the vehicle.

The Company has borrowed Rs.8 towards vehicle loan from BMW Financial Services. Rate of interest is 8.51% per annum which is repayable in 60 equal monthly instalments.

Security: exclusive hypothecation on the vehicle.

- (iv) 12,661,812 Compulsorily Convertible Debentures (CCD) of Rs. 10/- each: The following are the terms of the issue:

Interest: The holders of the CCD shall be entitled to receive interest at a coupon rate of 0.0000001% per annum.

Dividends rights: Until conversion of all CCD into Equity Shares, in the event the Board declares dividend, then such additional interest shall be payable on the outstanding CCD (which have not been converted) which shall be equal to the dividend declared and calculated based on the number of Equity Shares to be issued to the holders of CCD on conversion of the outstanding CCD.

Conversion: In accordance with the terms and conditions agreed with holders of CCD, each CCD is either (a) compulsorily convertible into equity shares of the Company, at any time after the closing date into such number of fully paid shares as is determined by the conversion ratio and at a price defined in the Investment Agreement or (b) compulsorily convert into equity shares of the Company upon the earlier of the proposed filing of the draft red herring prospectus in connection with the Qualified IPO by the Company or the date as mentioned in the Investment Agreement.

Buy back: The holder of the instrument has right to sell back the CCDs to Company after four years from the closing dates.

Exit to CCD holders: At any time after the expiry of the fourth anniversary from the closing date, the Company, the Promoters and the Investors shall cause a transaction that would give liquidity to CCD holders investment in the Company ('Exit Option'). At any time after the expiry of the fourth anniversary from the closing date the Company, the Promoters and the CCD holders shall jointly determine to provide one or more of the below mentioned Exit Options:

- (a) The Company shall conduct the Qualified IPO; or
(b) The Company shall buy back, some or all outstanding CCD's; or
(c) The holders CCD's shall be entitled to transfer the CCD's to a third party.

- (v) Unsecured loan from Ms. Sunitha Rajendra Gandhi, a director in the Company, is an interest free loan taken by the Company and the same is repayable as and when the funds position of the Company permits the repayment. The Company has communicated their intention to evaluate its capability to repay the loan subsequent to March 31, 2014. The loan was repaid in F.Y. 2014-15.

Note No. Annexure V: Notes to Restated Standalone Financial Information

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes.

Particulars	As at 31 March, 2017	Financing Cash Flow	Non cash Changes			As at 31 March, 2018
			Acquisition	Foreign exchange movement	Fair value change/othe rs	
(a) Long-term Borrowings						
Borrowings from bank	81.04	65.00	-	(4.79)	-	141.25
Borrowings from other financial institution	8.27	3.44	-	-	-	11.71
Compulsorily convertible debentures(CCD)	2,846.20	-	-	-	153.80	3,000.00
(b) Short-term Borrowings	781.19	26.76	-	1.63	-	809.58
Total Borrowings	3,716.70	95.20	-	(3.16)	153.80	3,962.54

Particulars	As at 31 March, 2016	Financing Cash Flow	Non cash Changes			As at 31 March, 2017
			Acquisition	Foreign exchange movement	Fair value change/othe rs	
(a) Long-term Borrowings						
Borrowings from bank	149.23	(60.00)	-	(8.19)	-	81.04
Borrowings from other financial institution	-	8.27	-	-	-	8.27
Compulsorily convertible debentures(CCD)	2,641.01	0	-	-	205.19	2,846.20
(b) Short-term Borrowings	858.18	(69.48)	-	(7.51)	-	781.19
Total Borrowings	3,648.42	(121.21)	-	(15.70)	205.19	3,716.70

Particulars	As at 31 March, 2015	Financing Cash Flow	Non cash Changes			As at 31 March, 2016
			Acquisition	Foreign exchange movement	Fair value change/othe rs	
(a) Long-term Borrowings						
Borrowings from bank	203.42	(60.01)	-	5.82	-	149.23
Borrowings from other financial institution	-	0	-	-	-	-
Compulsorily convertible debentures(CCD)	2,458.70	0	-	-	182.31	2,641.01
(b) Short-term Borrowings	689.96	97.44	70.78	-	-	858.18
Total Borrowings	3,352.08	37.43	70.78	5.82	182.31	3,648.42

Particulars	As at 31 March, 2014	Financing Cash Flow	Non cash Changes			As at 31 March, 2015
			Acquisition	Foreign exchange movement	Fair value change/othe rs	
(a) Long-term Borrowings						
Borrowings from bank	240.00	(45.00)	-	8.42	-	203.42
Borrowings from other financial institution	-	0	-	-	-	-
Compulsorily convertible debentures(CCD)	2,296.60	0	-	-	162.10	2,458.70
Loan from Related Party	1.97	(1.97)	-	-	-	-
(b) Short-term Borrowings	761.04	(70.45)	-	(0.63)	-	689.96
Total Borrowings	3,299.61	(117.42)	-	7.79	162.10	3,352.08

Particulars	As at 31 March, 2013	Financing Cash Flow	Non cash Changes			As at 31 March, 2014
			Acquisition	Foreign exchange movement	Fair value change/othe rs	
(a) Long-term Borrowings						
Borrowings from bank	-	240	-	-	-	240.00
Borrowings from other financial institution	110.00	(110.00)	-	-	-	-
Compulsorily convertible debentures(CCD)	1,283.90	1000	-	-	12.70	2,296.60
Loan from Related Party	1.97	0	-	-	-	1.97
(b) Short-term Borrowings	915.30	(146.03)	-	(8.23)	-	761.04
Total Borrowings	2,311.17	983.97	-	(8.23)	12.70	3,299.61

Note Annexure V: Notes to Restated Standalone Financial Information
No.

16 Other Financial Liabilities (Non-current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Security deposits received	148.27	169.04	108.01	52.22	33.56
Total	148.27	169.04	108.01	52.22	33.56

17 Provision (Non-current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Provision for employee benefits: Gratuity (Refer note 35)	30.50	27.01	20.07	17.81	13.04
Provision for warranties (Refer Note (i) below)	3.64	3.69	3.33	2.73	2.29
Total	34.14	30.70	23.40	20.54	15.33

Note (i)

The Company has made provision for various contractual obligations based on its assessment of the amount it estimates to incur to meet such obligations against the sales made by the Company in the current and previous years, the details of which are given below:

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Warranty Provision					
Opening balance	7.62	6.57	5.44	5.00	6.89
Additions during the year	9.06	5.56	1.48	0.62	1.93
Unwinding of discount	0.45	0.46	0.38	0.42	0.53
Reversed / utilisation during the year	(6.29)	(4.97)	(0.73)	(0.60)	(4.35)
Closing balance	10.84	7.62	6.57	5.44	5.00

18 Borrowings (Current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Secured loans repayable on demand from banks (at amortised cost): From banks (Refer note (i) below)	809.58	781.19	858.18	689.96	760.49
Unsecured loan from financial institution	-	-	-	-	0.55
Total	809.58	781.19	858.18	689.96	761.04

Note

- (i) Secured loans repayable on demand from banks are in the nature of working capital loans which are secured by way of hypothecation of inventory, receivables and other current assets, charge over property, plant and equipments of the Company along with equitable mortgage of immovable properties. Loans repayable on demand from banks is also secured by personal guarantee of Mr. Rajendra Gandhi, Mrs. Sunita Gandhi (Director upto September 30, 2016) and Ms. Neha Gandhi (Director from September 30, 2016).

19 Trade payables

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Trade Payables	1,453.78	1,081.58	889.46	649.42	579.20
Total	1,453.78	1,081.58	889.46	649.42	579.20

a) Trade payables are non-interest bearing and are normally settled between 60 to 150 days.

b) The company's exposure to currency and liquidity risk related to trade payable is disclosed in Note 33.

20 Other financial liabilities (Current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Current maturities of long-term borrowings					
Term loan from banks (Refer note 15(i) and (ii))	35.01	64.84	66.33	62.59	45.00
Vehicle Loan (Refer note 15(iii))	4.90	3.20	-	-	-
Security deposits received	39.13	-	-	-	-
Interest accrued but not due on borrowings	1.99	1.04	1.02	0.34	-
Derivative liabilities	-	1.34	-	-	4.59
Other payables:					
Payable on purchase of property, plant and equipment	7.00	13.64	16.61	11.24	13.65
Interest Payable on security deposits	17.18	13.41	3.70	-	-
Total	105.21	97.47	87.66	74.17	63.24

Note Annexure V: Notes to Restated Standalone Financial Information
No.

21 Provisions (Current)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Provision for employee benefits:					
Compensated absence	4.80	4.67	7.93	6.02	4.56
Gratuity (Refer note 35)	4.07	1.44	0.91	0.63	0.36
Provision - others:					
For warranty (Refer note 17(i))	7.20	3.93	3.24	2.71	2.71
Provision for indirect taxes	-	67.84	67.84	67.84	67.84
Total	16.07	77.88	79.92	77.20	75.47

22 Other current liabilities

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Deferred revenue	28.46	14.80	32.16	26.59	27.19
Statutory remittances	14.72	40.18	33.50	34.02	36.37
Advance received from customers	9.06	19.00	28.29	10.99	24.59
Total	52.24	73.98	93.95	71.60	88.15

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23 Revenue from operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Sale of products (including excise duty) (Refer note (i) below)	5,252.46	5,119.90	3,519.83	3,377.39	3,339.38
Other operating revenue:					
Sale of scrap	26.83	20.64	17.96	66.38	72.70
Duty drawback	6.98	9.79	8.04	2.28	1.57
Mould development charges	3.25	-	-	-	-
Total	5,289.52	5,150.33	3,545.83	3,446.05	3,413.65

Note

(i) Sale of products

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Manufactured	3,597.73	4,042.46	2,585.14	2,544.42	2,323.45
Traded	1,654.73	1,077.44	934.69	832.97	1,015.93
Total	5,252.46	5,119.90	3,519.83	3,377.39	3,339.38

24 Other income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
(i) Recurring items					
Interest income (Refer note (i) below)	3.65	4.53	9.77	9.77	11.68
Share of profit from investment in partnership firm	-	-	2.45	25.24	45.85
Miscellaneous income	6.07	4.09	0.05	0.09	0.07
Gain on financial instruments designated at FVTPL	1.33	-	0.94	5.05	-
Net gain on foreign currency transactions and translation	0.89	1.40	-	-	-
(ii) Non-recurring items					
Profit on sale of property, plant and equipment (net)	-	1.46	-	0.26	-
Liability no longer required written back	41.85	8.43	1.94	-	34.93
Bad debts recovered	-	8.15	-	-	-
Government grants	2.52	-	-	-	0.35
Total	56.31	28.06	15.15	40.41	92.88

Note (i) - Interest income comprises:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Interest from banks on deposits	1.78	2.62	1.86	2.52	5.54
Interest on income tax refund	-	0.03	0.21	-	-
Interest income on financial assets designated at amortised cost	0.23	0.32	0.33	0.32	0.36
Interest on trade receivables	1.64	1.56	7.37	6.93	5.78
Total	3.65	4.53	9.77	9.77	11.68

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Note No. Annexure V: Notes to Restated Standalone Financial Information
25 Cost of materials consumed

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Opening stock	301.81	391.87	343.29	199.95	191.90
Add: Purchases	2,657.34	2,579.63	1,872.09	1,695.75	1,632.01
	2,959.15	2,971.50	2,215.38	1,895.70	1,823.91
Less: Closing stock	(547.96)	(301.81)	(391.87)	(343.29)	(199.95)
Total	2,411.19	2,669.69	1,823.51	1,552.41	1,623.96

26 Purchase of stock in trade

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Purchase of traded goods	1,203.26	833.73	798.74	601.97	619.48
Total	1,203.26	833.73	798.74	601.97	619.48

27 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Inventories at the end of the year:					
Finished goods	157.70	156.22	158.17	31.86	54.32
Work-in-progress	0.59	0.09	0.21	0.52	0.09
Stock-in-trade	345.13	268.15	148.65	95.94	176.60
	503.42	424.46	307.03	128.32	231.01
Inventories at the beginning of the year:					
Finished goods	156.22	158.17	31.86	54.32	11.82
Work-in-progress	0.09	0.21	0.52	0.09	27.55
Stock-in-trade	268.15	148.65	95.94	176.60	309.16
	424.46	307.03	128.32	231.01	348.53
(Increase) / decrease	(78.96)	(117.43)	(178.71)	102.69	117.52

28 Employee benefits expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Salaries and wages	523.48	457.50	322.60	294.68	334.40
Contributions to provident fund (Refer note 35)	27.41	24.03	17.64	17.42	15.71
Gratuity expenses (Refer note 35)	10.80	9.14	6.70	6.37	5.33
Staff welfare expenses	29.18	25.58	15.87	13.57	15.29
Total	590.87	516.25	362.81	332.04	370.73

29 Finance cost

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Interest expense on:					
Borrowings	126.68	114.90	123.15	141.26	127.07
Interest paid to others	26.21	19.77	9.67	3.95	5.83
Unwinding of interest on provisions	0.45	0.46	0.38	0.42	0.53
Other borrowing cost:					
Bank charges and other processing charges	16.01	14.92	15.27	14.45	15.28
Total	169.35	150.05	148.47	160.08	148.71

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Note No. Annexure V: Notes to Restated Standalone Financial Information**30 Depreciation & amortization expenses**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Depreciation expenses	96.47	94.87	86.33	(51.22)	90.26
Amortization expenses	20.36	19.91	16.00	7.76	3.23
Total	116.83	114.78	102.33	(43.46)	93.49

31 Other expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Job work charges	58.07	68.00	78.30	44.41	59.90
Power and fuel	54.21	53.50	50.79	44.12	34.98
Rent including lease rentals (Refer Note 36)	15.23	11.38	2.58	3.49	5.36
Repairs and maintenance					
Buildings	13.72	10.96	9.83	8.03	7.83
Plant and machinery	20.54	23.12	19.55	14.27	12.21
Others	2.91	1.58	2.87	3.43	4.32
Insurance	1.80	2.18	1.61	1.17	1.22
Rates and taxes	11.42	14.77	12.09	19.57	3.93
Communication	8.61	9.05	5.73	6.67	6.02
Travelling and conveyance	69.96	51.45	39.89	46.91	39.51
Printing and stationery	1.63	1.90	1.14	0.96	1.24
Freight and forwarding	195.66	163.99	100.04	86.63	85.76
Sales commission	114.85	148.69	64.25	102.23	93.35
Business promotion & advertisement expenses	161.73	151.77	56.26	71.58	135.13
Legal and professional fees	31.66	32.83	17.98	21.60	27.94
Payment to auditors comprises (excluding service tax/GST)					
For statutory audit	2.25	2.16	1.80	1.80	1.35
Out-of-pocket expenses	0.42	0.25	0.58	0.20	0.12
Net loss on foreign currency transactions and translation	-	-	11.34	3.02	24.53
Provision for doubtful trade and other receivables, loans and advances (net) and balances written off	45.24	4.89	26.20	13.32	31.97
Share of loss from investment in partnership firm	14.63	7.11	-	-	-
Increase/(decrease) in excise duty on inventory	-	0.82	7.18	1.85	-
Provision for warranty (Refer Note 17(i))	9.06	5.56	1.48	0.62	1.93
Loss on sale of property, plant and equipment	1.02	-	0.27	-	0.62
Royalty	3.94	-	-	-	-
Loss on financial instruments designated at FVTPL	-	2.73	-	-	4.84
Loss on financial liability designated at FVTPL	153.80	205.20	182.30	162.10	12.70
Miscellaneous expenses	15.38	15.47	6.90	11.94	5.28
Total	1,007.74	989.36	700.96	669.92	602.04

32 Exceptional items

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Provision for non-current investments (Refer note 4(i))	-	-	-	0.08	-
Total	-	-	-	0.08	-

Note No. Annexure V: Notes to Restated Standalone Financial Information

33 Financial instruments

33.1 Capital management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company consists of net debt (borrowings as detailed in notes 15, 18 and Current maturities of long-term borrowings as detailed in note 20, offset by cash and bank balances) and total equity.

The Company reviews the capital structure on a semi-annual basis to ensure that it in compliance with the required covenants.

Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Debt (i)	3,962.54	3,716.70	3,648.42	3,352.08	3,299.61
Less:					
Cash and bank balances	36.90	35.91	33.81	1.30	74.00
Net Debt (A)	3,925.64	3,680.79	3,614.61	3,350.78	3,225.61
Total Equity (B)	(1,780.96)	(1,656.17)	(1,466.01)	(1,034.03)	(906.62)
Net debt to equity ratio (A/B)	(2.20)	(2.22)	(2.47)	(3.24)	(3.56)

(i) Debt is defined as long-term borrowings, current maturities of long-term borrowings and short-term borrowings.

Categories of financial instruments

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Financial assets					
Measured at fair value through profit or loss (FVTPL)					
Derivative financial assets	-	-	1.39	0.45	-
Measured at amortised cost					
Trade receivables	795.52	592.84	495.85	484.52	491.93
Cash and bank balances	36.90	35.91	33.81	1.30	74.00
Loans	0.27	56.03	55.37	55.45	56.84
Other financial assets	38.22	26.50	42.83	56.79	105.70
Measured at fair value through other comprehensive income (FVTOCI)					
Derivative instruments designated in a cash flow hedge	1.21	4.76	11.76	3.91	-
Financial liabilities					
Measured at fair value through profit or loss (FVTPL)					
Borrowings	3,000.00	2,846.20	2,641.00	2,458.70	2,296.60
Derivative financial liability	-	1.34	-	-	4.59
Measured at amortised cost					
Borrowings (including current maturities of long-term borrowings)	962.54	870.50	1,007.42	893.38	1,003.01
Trade Payables	1,453.78	1,081.58	889.46	649.42	579.20
Other financial liabilities	213.57	197.13	129.34	63.80	47.21

Note No. Annexure V: Notes to Restated Standalone Financial Information

33.2 Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

Fair valuation techniques and inputs used

Particulars	Fair value hierarchy	Basis of valuation	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
				Proforma	Proforma	Proforma	Proforma
Financial assets							
Derivative Instruments	Level - 2	Note 1	-	-	1.39	0.45	-
Cross currency interest rate swaps	Level - 2	Note 2	1.21	4.76	11.76	3.91	-
Financial liabilities							
Borrowings	Level - 3	Note 3	3,000.00	2,846.20	2,641.00	2,458.70	2,296.60
Derivative Instruments	Level - 2	Note 1	-	1.34	-	-	4.59

Note

- The fair value of derivative contracts are determined using forward exchange rates at the balance sheet date.
- Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.
- The fair value is determined at a present value which discounts the potential future cash flows.

The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements at amortised cost approximate their fair values.

Sensitivity of Unobservable inputs used in Level 3 Fair value measurements

Change in Discount rate:

Particulars	Increase/(decrease) in Valuation				
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Increase in discount rate by 1%	2,000.00	1,834.90	1,616.60	1,424.30	1,254.90
Decrease in discount rate by 1%	2,000.00	1,857.60	1,666.00	1,494.20	1,340.10

Note (i) - The value of series A is not impacted as that is subject to a cap of Rs 1000 and hence value remains the same.

Reconciliation of Level 3 fair value measurements

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Opening balance	2,846.20	2,641.00	2,458.70	2,296.60	1,283.90
Recognition of liability with respect to Compulsorily Convertible Debentures (CCD) issued during the years	-	-	-	-	1,000.00
Disposal / settlements	-	-	-	-	-
(Gains) or losses:					
- in Statement of profit and loss	153.80	205.20	182.30	162.10	12.70
- in other comprehensive income	-	-	-	-	-
Closing balance	3,000.00	2,846.20	2,641.00	2,458.70	2,296.60

The above said gain / loss on fair valuation of CCD is recognised in Statement of Profit and Loss.

Financial risk management objectives

The Company's risk management is carried out by Treasury department under policies laid down by the management. The Company's activities expose it to market risk (which includes currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. Treasury department monitors the risk exposures on a periodical basis and reports to the Board of directors on the risks that it monitors and policies implemented to mitigate risk exposures.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Note No. Annexure V: Notes to Restated Standalone Financial Information

33.3 Foreign currency risk management

The Company is exposed to foreign exchange risk due to

- a) debt availed in foreign currency exposure arising from transactions relating to purchases;
- b) revenues, purchase of goods including capital goods etc., to be settled in foreign currencies

Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts

33.3.1 Forward foreign exchange contracts

It is the policy of the Company to enter into forward foreign exchange contracts to cover the risk associated with trade receivables and trade payables

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

Contracts not designated as cash flow hedge

Particulars	Currency	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma	Proforma
Trade receivables hedged with forward contracts with maturity less than 120 days	USD	-	-	0.63	0.68	-
	INR	-	-	41.93	42.75	-

Particulars	Currency	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma	Proforma
Trade payables hedged with forward contracts with maturity less than 120 days	USD	-	1.21	-	-	0.77
	INR	-	78.43	-	-	50.20

The carrying amount of the Company's foreign currency denominated monetary liabilities (Payables) and assets (Receivables) as at the end of the reporting period are as

Particulars	Currency	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma	Proforma
Payables (including short-term borrowings)	USD	333.85	209.65	193.94	108.17	148.41
	EURO	-	0.05	10.79	0.42	8.35
Trade Receivables	USD	38.84	42.67	30.74	18.56	24.44
	EURO	-	1.22	-	-	-

33.3.2 Foreign currency sensitivity analysis

The Company is mainly exposed to the currency USD

Financial instruments affected by changes in foreign exchange rates include trade receivables, trade payables, advance to suppliers and short term borrowings. The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The impact on account of 5% appreciation/depreciation in exchange rate of USD against INR is given below.

Note No. Annexure V: Notes to Restated Standalone Financial Information

Particulars	Increase/(decrease) in equity				
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Appreciation of USD	(14.75)	(8.35)	(8.16)	(4.48)	(6.20)
Depreciation of USD	14.75	8.35	8.16	4.48	6.20

The impact on equity has been arrived at by applying the effects of appreciation / depreciation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purposes of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of the respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at each year end.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting period might not reflect the exposure during the year.

33.4 Interest rate risk

The Company has taken a loan in foreign currency at variable interest rate, interest being index linked, that is their cost is linked to changes in the London inter-bank offer rate (LIBOR). The company has entered into a cross currency interest swap to hedge the variable interest risk and foreign currency risk and converted it into a fixed INR interest loan and thereby the Company interest rate is fixed and not subject to any further risks.

The Company has also taken an INR loan at variable interest rate, interest being index linked, that is their cost is linked to changes in the Marginal Cost of fund based lending rate (MCLR).

The Company is not subject to any other material interest rate risk

At the reporting date the interest rate profile of the company's interest-bearing financial instruments is as follows:

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Fixed-rate instruments					
Financial assets					
Balance held as margin money	33.50	30.92	48.86	29.41	71.82
Financial liabilities					
Borrowings from bank	27.96	89.31	149.24	203.42	240.00
Security deposit received	187.40	169.04	108.01	52.22	33.56
	248.86	289.27	306.11	285.05	345.38
Variable-rate instruments					
Financial liabilities					
Borrowings from bank	934.58	781.19	858.18	689.96	761.04
	934.58	781.19	858.18	689.96	761.04

Interest rate sensitivity analysis

A change of 100 basis points in interest rate at the reporting date would have increased / (decreased) equity & profit and loss by the amount shown below. This analysis assumes that all other variables remain constant.

Particulars	Increase/(decrease) in profit / equity				
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Increase of 100 bps on variable rate instruments	(9.50)	(7.31)	(7.18)	(7.30)	(8.62)
Decrease of 100 bps on variable rate instruments	9.50	7.31	7.18	7.30	8.62

Note No. **Annexure V: Notes to Restated Standalone Financial Information**

Cash Flow Hedge

The following table detail the nominal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

Outstanding receive floating pay fixed contracts	Contracted fixed interest rate	Nominal amounts (In Rs.)	Fair value assets / (liabilities) (In Rs.)
As at 31 Mar 18			
Less than 1 year	12.25%	15.00	1.21
1 to 2 years	-	-	-
2 to 5 years	-	-	-
Total		15.00	1.21
As at 31 Mar 17 (Proforma)			
Less than 1 year	-	-	-
1 to 2 years	12.25%	75.00	4.76
2 to 5 years	-	-	-
Total		75.00	4.76
As at 31 Mar 16 (Proforma)			
Less than 1 year	-	-	-
1 to 2 years	-	-	-
2 to 5 years	12.25%	135.00	11.76
Total		135.00	11.76
As at 31 Mar 15 (Proforma)			
Less than 1 year	-	-	-
1 to 2 years	-	-	-
2 to 5 years	12.25%	195.00	3.91
Total		195.00	3.91

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Company will settle the difference between the fixed and floating interest rate on a net basis.

The line-item in the balance sheet that includes the above instrument is "Other financial assets".

33.5 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Revenue from single external customer is not more than 5% of the Company's total revenue for each of the reporting period. Hence the company does not have significant credit risk exposure to any single counterparty. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. The company does not hold any collaterals to cover its risk associated with trade receivables.

Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions.

The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Reconciliation of expected credit loss - Trade receivables

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Opening Provision	94.58	95.19	75.72	75.72	67.43
Change in Provision	29.78	(0.61)	19.47	-	8.29
Closing Provision	124.36	94.58	95.19	75.72	75.72

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Outstanding for more than 6 months	141.18	106.56	90.97	109.85	154.20
Others	654.34	486.28	404.88	374.67	337.73
Total	795.52	592.84	495.85	484.52	491.93

Liquidity risk

Liquidity risk is the risk that the Company could be unable to meet its short term financial demands. Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities.

Note No. Annexure V: Notes to Restated Standalone Financial Information

Liquidity analysis for non derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company is required to pay. The table include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company would be required to pay.

Particulars	As at 31-Mar-2018				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	3,851.70	55.61	57.68	3,964.99	3,962.54
Trade payables	1,453.78	-	-	1,453.78	1,453.78
Other Financial Liabilities	210.57	1.45	1.55	213.57	213.57

The interest rate for borrowings with variable interest rate is in the range of 11 % to 15.15%. The interest rate for borrowings with fixed interest rate is 12.25%

Particulars	As at 31-Mar-2017 (Proforma)				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	3,697.64	20.87	-	3,718.51	3,716.70
Trade payables	1,081.58	-	-	1,081.58	1,081.58
Other Financial Liabilities	192.90	2.68	1.55	197.13	197.13

The interest rate for borrowings with variable interest rate is in the range of 12 % to 15.75 %. The interest rate for borrowings with fixed interest rate is 12.25%

Particulars	As at 31-Mar-2016 (Proforma)				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	931.96	2,722.89	-	3,654.85	3,648.42
Trade payables	889.46	-	-	889.46	889.46
Other Financial Liabilities	128.10	0.40	0.84	129.34	129.34

The interest rate for borrowings with variable interest rate is in the range of 12.5 % to 15.75 %. The interest rate for borrowings with fixed interest rate is 12.25%

Particulars	As at 31-Mar-2015 (Proforma)				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	771.09	2,598.91	15.46	3,385.46	3,352.08
Trade payables	649.42	-	-	649.42	649.42
Other Financial Liabilities	59.95	2.15	1.70	63.80	63.80

The interest rate for borrowings with variable interest rate is in the range of 14.75 % to 16 %. The interest rate for borrowings with fixed interest rate is 12.25%

Particulars	As at 31-Mar-2014 (Proforma)				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	834.07	156.88	2,378.49	3,369.44	3,299.61
Trade payables	579.20	-	-	579.20	579.20
Other Financial Liabilities	42.41	3.47	1.33	47.21	47.21

The interest rate for borrowings with variable interest rate is in the range of 13.7 % to 15.75 %. The interest rate for borrowings with fixed interest rate is 12.25%.

33.6 Financing Facilities

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Secured term loan facilities					
- amount used	141.20	81.05	149.24	203.42	240.00
- amount unused	-	-	-	-	-
Secured cash credit facilities					
- amount used	809.58	781.19	858.18	689.96	760.49
- amount unused	-	68.81	-	10.04	-
Secured non-fund based bank facilities					
- amount used	195.80	256.40	74.20	127.30	154.60
- amount unused	48.62	43.60	67.62	158.46	97.41

Stove Kraft Limited*(formerly Stove Kraft Private Limited)*

Restated Standalone Financial Information

(Amount in Rupees Millions, except for share data, unless otherwise stated)

Note No. Annexure V: Notes to Restated Standalone Financial Information**34 Earnings per share**

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Basic					
Net profit/ (loss) after tax attributable to the equity shareholders (Rs in Million)	(127.78)	(192.68)	(440.66)	(124.23)	(304.88)
Weighted average no. of equity shares outstanding	18,900,110	18,900,110	18,900,110	18,900,110	18,900,108
Face value per share (Rs.)	10.00	10.00	10.00	10.00	10.00
Basic earning per shares (Rs.)	(6.76)	(10.19)	(23.32)	(6.57)	(16.13)
Diluted					
Net profit/ (loss) after tax attributable to the equity shareholders (Rs in Million)	(127.78)	(192.68)	(440.66)	(124.23)	(304.88)
Weighted average no. of equity shares	18,900,110	18,900,110	18,900,110	18,900,110	18,900,108
Add: Effect of Compulsory Convertible Debentures (Refer Note (i) below)	-	-	-	-	-
Weighted average number of equity outstanding for Diluted EPS	18,900,110	18,900,110	18,900,110	18,900,110	18,900,108
Face value per share (Rs.)	10.00	10.00	10.00	10.00	10.00
Diluted earning per shares (Rs.)	(6.76)	(10.19)	(23.32)	(6.57)	(16.13)

Note (i) : The Company had incurred losses in all the reporting period. The Basic and Diluted Earnings Per Share for the years are the same as the effect of potential equity share are anti dilutive due to the such losses.

Note No. Annexure V: Notes to Restated Standalone Financial Information

35 Employee benefit

Defined contribution plans

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the said schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the Scheme. The Company recognises the amount paid / payable to such funds in the Restated standalone statement of profit and loss. The contributions made by the Company towards these schemes are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Employer's contribution to provident fund	27.41	24.03	17.64	17.42	15.71
Employee State Insurance Scheme	7.79	6.93	-	-	-

Defined benefit plans

The Company offers gratuity, a defined employee benefit scheme to its employees. Following are the risks associated with the plan:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Salary Growth: Salary hikes that are higher than the assumed salary escalation will result in to an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Company there can be strain on the cash flows.

C. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

D. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

No other post-retirement benefits are provided to these employees.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Following tables sets out the un-funded status of defined benefit plan and amount recognised in Standalone Financial Information.

1 Assumptions

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Discount Rate	7.31%	7.31%	7.98%	7.74%	9.16%
Salary Escalation	10.00%	7.00%	7.00%	7.00%	7.00%
Attrition rate	18.00%	5.00%	5.00%	5.00%	3.00%

Note No. Annexure V: Notes to Restated Standalone Financial Information

2 Change in present value of obligation

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
	Proforma	Proforma	Proforma	Proforma	Proforma
Present value of obligation as at the beginning of year	28.45	20.98	18.44	13.40	13.55
Interest cost	1.97	1.52	1.47	1.04	1.24
Current service cost	7.99	7.62	5.23	5.33	4.09
Past service cost	0.84	-	-	-	-
Benefits paid	(2.93)	(0.35)	-	-	-
Acquisition of Saya Industries	-	-	2.50	-	-
Actuarial (gain)/loss of obligations	(1.75)	(1.32)	(6.66)	(1.33)	(5.48)
Present value of obligation as at the end of the year	34.57	28.45	20.98	18.44	13.40

3 Fair value of plan assets

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
	Proforma	Proforma	Proforma	Proforma	Proforma
Fair value of plan assets at beginning of year	-	-	-	-	-
Expected return of plan assets	-	-	-	-	-
Contributions	-	-	-	-	-
Benefit Paid	-	-	-	-	-
Actuarial gain / (loss) on plan assets	-	-	-	-	-
Fair value of plan assets at end of year	-	-	-	-	-

4 Amounts recognized in Balance sheet

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
	Proforma	Proforma	Proforma	Proforma	Proforma
Present value of obligations as at the end of year	34.57	28.45	20.98	18.44	13.40
Fair value of plan assets as at the end of the year	-	-	-	-	-
Funded status	(34.57)	(28.45)	(20.98)	(18.44)	(13.40)
Net balance sheet asset/ (liability) recognized at the end of year	(34.57)	(28.45)	(20.98)	(18.44)	(13.40)
Current Portion	4.07	1.44	0.91	0.63	0.36
Non-Current Portion	30.50	27.01	20.07	17.81	13.04

5 Expenses recognized in statement of profit and loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
	Proforma	Proforma	Proforma	Proforma	Proforma
Current service cost	7.99	7.62	5.23	5.33	4.09
Interest cost	1.97	1.52	1.47	1.04	1.24
Past service cost	0.84	-	-	-	-
Expenses recognized in statement of profit and loss	10.80	9.14	6.70	6.37	5.33

**Note
No.** Annexure V: Notes to Restated Standalone Financial Information**6 Components of defined benefit costs recognised in Other Comprehensive Income**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Actuarial (gains) / losses arising from changes in demographic assumptions	(3.36)	(0.68)	-	0.32	1.50
Actuarial (gains) / losses arising from changes in financial assumptions	2.52	1.94	(0.52)	2.60	(8.96)
Actuarial (gains) / losses arising from experience adjustments	(0.91)	(2.58)	(6.14)	(4.25)	1.98
Actuarial (gains) / losses in Other Comprehensive Income	(1.75)	(1.32)	(6.66)	(1.33)	(5.48)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Effect on DBO due to 100 bps increase in Discount Rate	33.06	16.52	16.54	11.86	11.97
Effect on DBO due to 100 bps decrease in Discount Rate	36.24	20.81	20.69	15.25	15.44

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Effect on DBO due to 100 bps increase in salary escalation rate	35.96	20.60	20.55	15.15	15.19
Effect on DBO due to 100 bps decrease in salary escalation rate	33.28	16.63	16.63	11.91	12.12

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Effect on DBO due to 100 bps increase in attrition rate	34.27	28.73	18.50	18.53	13.22
Effect on DBO due to 100 bps decrease in attrition rate	34.89	28.46	18.48	18.44	13.41

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. There has been no change in the process used by the Company to manage its risks from prior periods.

7 Expected future cash outflows (undiscounted) towards the plan are as follows:

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Year 1	4.07	1.36	0.73	0.62	0.37
Year 2	3.11	0.93	0.79	0.78	0.26
Year 3	2.55	0.92	0.65	0.64	0.38
Year 4	2.03	0.89	0.64	0.59	0.29
Year 5	2.36	0.79	0.59	0.49	0.33
Year 6 to 10	5.08	5.28	3.11	2.71	1.35

Note No. Annexure V: Notes to Restated Standalone Financial Information

36 Lease

The Company has entered into operating lease arrangements for office premises and showrooms, which are cancellable at the option of the either party after giving prior notice. Lease payment recognized in the statement of profit and loss against such operating lease arrangements:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Rent including lease rentals	15.23	11.38	2.58	3.49	5.36

37 Contingent liabilities and commitment

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Contingent liabilities					
Indirect tax matters under appeal	61.56	47.98	126.54	38.85	38.86
Other disputed claims	2.68	1.98	1.98	1.98	1.98
Provident fund claims	9.39	9.39	9.39	9.39	9.39
Bills discounting with recourse to Company	-	-	-	-	49.08
Tax liability towards pending C Form	11.34	-	-	-	-
Bank guarantee	-	9.93	7.60	6.15	-
Commitment					
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets (net of advances)	27.81	2.24	12.73	22.64	33.78

38 During 2007, the Company (SKPL) had entered into an agreement to take over the business of M/s Vardhaman Enterprises (“VE”) a sole proprietorship firm owned by the Mr. Rajendra J. Gandhi, the Promoter and Managing Director of the Company.

The Directorate General of Central Excise Intelligence (DGCEI) had issued show cause notice(s) to SKPL and M/s VE on January 16, 2009 and February 24, 2009 respectively, for alleged removal of goods without payment of proper excise duty and wrongful availment of Cenvat credit for the period 2004 to 2007. The Commissioner of Central Excise Bangalore, vide order No.’s 20/2010 and 21/2010 dated March 31, 2010 confirmed demands for non-payment of excise duty amounting to Rs 26.88 and Rs 67.84 on VE and SKPL respectively (including interest and penalty). Further, in the order no. 21/2010 the Commissioner has also disallowed Cenvat credit reversal of Rs 7.50 and imposed a penalty of an equivalent amount to be recovered from the said Promoter.

The Company was contesting the order no. 21/2010 on SKPL and certain provision (net of amounts recoverable from the Promoter) had been accounted in the financial statements. During the year 2017-18, this matter has been settled in favour of the Company.

39 Mr. Rajendra Gandhi, Managing Director of the Company, is also a Non-Executive Director on the Board of Pigeon Appliances Private Limited (referred as PAPL). As a result of certain disputes, which have arisen between PAPL and the Company, PAPL has not filed its annual financial statements for financial years 2014-15, 2015-16 and 2016-17 as required in terms of Section 137 of the Companies Act, 2013. The last date for PAPL to file annual financial statements with the Registrar of Companies (ROC) for the financial year 2016-17 expired on October 30, 2017, as a result of which the provisions pertaining to disqualification of Directors under section 164 (2) and vacation of Office of Director under section 167 (1) of the Companies Act, 2013, was attracted. The Company and Mr. Rajendra Gandhi filed a petition before the National Company Law Tribunal (NCLT), Bangalore, on 22 November 2017 against PAPL, followed by another interim application on 30 May 2018, praying, inter alia, that the NCLT direct the ROC to maintain status quo by not disqualifying Mr. Rajendra Gandhi from directorships of other companies (other than PAPL), until the disposal of the main petition. The NCLT, in its interim order, dated 18 July 2018, has directed the ROC, not to disqualify Mr. Rajendra Gandhi as a Director on the Board of the Company.

Stove Kraft Limited**(formerly Stove Kraft Private Limited)**

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Note Annexure V: Notes to Restated Standalone Financial Information
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- 40** During the year ended 31 March 2016, the Company entered into a Slump Sale Agreement dated 31 March 2016 with Saya Industries (the “Firm” or the “Saya”), a partnership firm in which the Company is a majority partner, for transfer all assets and liabilities of the Firm as a going concern and as is where is basis with effect from close of business hour on 31 March 2016 for a total consideration of Rs.75. As per the agreement with Saya, the mentioned purchase consideration was adjusted against the balances in Partner's Capital Account and Current Account of Saya. Details of assets and liabilities taken over:

Particulars	Amount in Rs.	
Assets		
Property, plant and equipment	27.21	
Other non-current assets	0.28	
Inventories	168.06	
Trade receivables	120.24	
Cash and cash equivalents	17.12	
Other current assets	5.72	
Total assets (A)		338.63
Liabilities:		
Non-current provisions	2.32	
Short-term borrowings	70.80	
Trade payables	183.96	
Other current liabilities	5.00	
Current provisions	1.55	
Total liabilities (B)		263.63
Net asset purchased (C) = [(A) - (B)]		75.00

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the date of transition to Ind AS.

- 41** The Company has a net deferred tax asset with respect to certain timing differences. These have not been recognised as the recognition criteria have not been met in accordance with the accounting policies followed by the Company.

The company has not recognized the net deferred tax asset on the accumulated losses as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized

a) Current Tax - During the year, the Company does not have taxable income as per regular computation and as per Minimum Alternate Tax under section 115 JB of the Income Tax Act, 1961.

b) Deferred Tax - The timing differences mainly relates to carried forward business losses, unabsorbed depreciation and current depreciation resulting in net deferred tax asset at end of each year. This has not been recognised as a matter of prudence.

- 42** Since the Company is presenting restated consolidated financial information, segment information has not been provided in these restated standalone financial information.

Note Annure V: Notes to Restated Standalone Financial Information

No.

43 Restated Standalone Summary Statement of Transactions with Related Parties and Balances

List of related parties:

Name of the related party	Nature of relationship
Key managerial personnel (KMP): Mr. Rajendra J. Gandhi (From 28 June 1999 onwards) Mrs. Sunitha R. Gandhi (Upto 30 September 2016) Ms. Neha Gandhi (From 30 September 2016) Mr. Vivek Mishra (From 22 March 2016 to 30 April 2018) Mr. Darshana Kothari (From 21 December 2012 to 04 March 2014) Ms. Mamatha H.M (From 02 July 2014 to 10 November 2014) Ms. Sapna Bhatia (From 16 February 2015 to 03 October 2015) Mrs. Nabonita Baruah (From 06 January 2014 to 30 March 2015) Mr. Nagaraju Lade (From 12 June 2015 to 01 June 2016) Mr. Manoj Pannalal Jain (From 01 April 2017 to 22 December 2017) Mr. Radhakrishnan (From 19 January 2018)	Managing Director (MD) Director Relative of MD and Director Company Secretary Company Secretary Company Secretary Company Secretary Chief Financial Officer Chief Financial Officer Chief Financial Officer Chief Financial Officer
Enterprises owned or significantly influenced by KMP or their relatives: Shinag Allied Enterprises (SAE) Shinag Allied Enterprises Private Limited (SAEPL) Pigeon Appliances Private Limited (PAPL) Leo Metal Craft Private Limited (LMCPL)	MD's brother's wife is a Proprietor MD's brother's wife is a Director Company is shareholder and MD is director Company is having significant influence
Investment in partnership firms: Stove Kraft India (SK India) Saya Industries (SI)	Company and MD are partners in the Firm Company and MD are partners in the Firm
Relative of KMP Mrs. Sunitha Gandhi	Relative of MD

Note: Related parties mentioned above is as identified by the Company relied upon by the auditors.

B. Transactions with related parties

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Revenue from operations					
PAPL	-	-	-	1.45	5.98
SAEPL	7.22	-	-	-	-
SAE	-	2.82	0.89	-	-
SK India	-	-	-	3.18	6.83
SI	-	-	2.83	22.91	-
Purchases					
PAPL	-	-	0.41	48.49	34.00
SK India	-	-	-	106.19	104.55
SI	-	-	79.38	34.88	-
SAEPL	6.22	-	0.01	-	0.01
Job work charges					
LMCPL	-	-	-	-	1.64
Balance transferred					
SI	-	-	2.77	-	-
Purchase of property, plant and equipments					
Mr. Rajendra J Gandhi	-	-	-	-	4.19
Expenses paid on behalf of related parties:					
SK India	4.11	4.42	-	21.59	79.90
SI	-	-	3.36	5.73	-
Rent including lease rentals					
Mrs. Sunitha R Gandhi	0.60	0.60	-	-	-
SK India	0.88	-	-	-	-
Share of profit/(loss):					
SK India	(13.97)	(3.57)	(13.05)	(6.80)	45.85
SI	(0.66)	(3.54)	15.50	32.03	-
Repayment of loan:					
Sunitha R Gandhi	-	-	-	1.97	-
Managerial remuneration:					
Mr. Rajendra J Gandhi	8.73	8.15	7.64	5.34	7.00
Mrs. Sunitha R Gandhi	-	0.19	0.60	0.63	0.60
Ms. Neha Gandhi	2.01	1.78	1.15	-	-
Mr. Vivek Mishra	0.94	1.00	0.03	-	-
Mr. Darshana Kothari	-	-	-	-	0.40
Ms. Mamatha H.M	-	-	-	0.20	-
Ms. Sapna Bhatia	-	-	0.21	0.04	-
Mrs. Nabonita Baruah	-	-	-	4.89	1.11
Mr. Nagaraju Lade	-	0.90	3.64	-	-
Mr. Manoj Pannalal Jain	5.22	-	-	-	-
Mr. Radhakrishnan	0.92	-	-	-	-

Note Annure V: Notes to Restated Standalone Financial Information

No.

43 Restated Standalone Summary Statement of Transactions with Related Parties and Balances

C. Balances with related parties

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
		Proforma	Proforma	Proforma	Proforma
Capital advance					
Mr. Rajendra J Gandhi	-	-	0.48	0.48	0.48
Advance recoverable					
Mr. Rajendra J Gandhi	-	55.35	55.04	55.04	55.04
SAE	-	-	0.75	0.77	0.77
SI	-	0.31	-	-	-
Trade payable					
PAPL	0.29	0.29	8.09	13.52	11.56
SK India	0.49	-	-	-	12.58
SI	-	-	-	14.01	-
SAEPL	1.68	-	-	-	-
LMCPL					
Trade receivables					
SAEPL	4.81	2.13	-	-	-
SAE	-	-	0.19	-	-
Unsecured loan taken					
Mrs. Sunitha R Gandhi	-	-	-	-	1.97
Rent Payable					
Mrs. Sunitha R Gandhi	0.05	0.60	-	-	-
SK India	0.88	-	-	-	-
Remuneration payable					
Mr. Rajendra J Gandhi	0.60	0.39	0.32	0.29	0.89
Mrs. Sunitha R Gandhi	-	-	0.05	0.04	0.11
Ms. Neha Gandhi	0.15	0.15	0.10	-	-
Mr. Vivek Mishra	0.07	0.06	0.03	-	-
Ms. Sapna Bhatia	-	-	-	0.01	-
Mrs. Nabonita Baruah	-	-	-	0.56	-
Mr. Nagaraju Lade	-	-	0.38	-	-
Mr. Radhakrishnan	0.36	-	-	-	-
Investments					
PAPL	-	-	-	-	0.08
SK India	81.47	92.33	93.99	84.22	250.24
SI	-	(1.82)	(12.20)	107.35	2.60

D. The remuneration of directors and other members of key management personnel during the year was as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Short-term benefits	17.18	11.48	12.78	10.70	8.73
Post-employment benefits (Refer Note (i) below)	0.64	0.54	0.49	0.40	0.38
Total	17.82	12.02	13.27	11.10	9.11

Note (i) :- Post-employment benefit excludes Gratuity which cannot be separately identified from the composite amount advised by the actuary.

Note No. 44 Ind AS adoption reconciliations

44.1 Reconciliation of Equity

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
			Proforma	Proforma	Proforma	Proforma
Share capital		189.00	189.00	189.00	189.00	189.00
Reserves		230.78	204.97	200.49	445.12	407.50
Equity as per previous GAAP		419.78	393.97	389.49	634.12	596.50
Add/(Less): Ind AS adjustments						
Impact on fair valuation of Compulsory Convertible Debentures (CCD)	1	(2,873.38)	(2,719.58)	(2,514.38)	(2,332.08)	(2,169.98)
Hedge accounting of derivative instruments	2	(1.25)	(6.04)	(14.24)	(8.42)	-
Fair valuation of derivatives	3	-	(1.33)	1.40	0.46	(4.59)
Fair valuation of security deposits	4	(0.16)	(0.18)	(0.22)	(0.25)	(0.27)
Discounting of provisions	5	2.18	1.57	1.77	1.53	1.44
Revenue Impact (net)	6	(0.87)	5.20	(0.05)	0.39	0.06
Government grants	7	2.52	-	-	-	-
Impact on fair valuation of property, plant and equipment	8	670.22	670.22	670.22	670.22	670.22
Equity as per Ind AS		(1,780.96)	(1,656.17)	(1,466.01)	(1,034.03)	(906.62)

44.2 Reconciliation of total comprehensive income

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
			Proforma	Proforma	Proforma	Proforma
Profit/(Loss) as per previous GAAP		29.36	11.48	(252.47)	33.71	(281.62)
Add/(Less): Ind AS adjustments						
Impact on fair valuation of Compulsory Convertible Debentures (CCD)	1	(153.80)	(205.20)	(182.30)	(162.10)	(12.70)
Fair valuation of derivatives	3	1.33	(2.73)	0.94	5.05	(4.84)
Fair valuation of security deposits	4	0.02	0.04	0.03	0.02	-
Discounting of provisions	5	0.61	(0.20)	0.24	0.09	(0.65)
Revenue Impact (net)	6	(6.07)	5.25	(0.44)	0.33	0.06
Government grants	7	2.52	-	-	-	0.35
Recognition of actuarial loss/(gain) on defined benefit obligation in Other Comprehensive Income	9	(1.75)	(0.64)	(6.66)	(1.33)	(5.48)
Loss as per Ind AS		(127.78)	(192.00)	(440.66)	(124.23)	(304.88)
Other Comprehensive Income:						
Recognition of actuarial (loss)/gain on defined benefit obligation in Other Comprehensive Income	9	1.75	0.64	6.66	1.33	5.48
Hedge accounting of derivative instruments	2	1.24	-	-	-	-
Total comprehensive income as per Ind AS		(124.79)	(191.36)	(434.00)	(122.90)	(299.40)

Note Annexure V: Notes to Restated Standalone Financial Information

No.

Reconciliation of statement of cash flow:

There are no material adjustments to the statement of cash flows as reported under previous GAAP.

Sl. No.	Explanatory notes
1	The Company had issued Compulsorily Convertible Debentures (CCDs), the instrument provides the holder an option get it converted into equity shares. As per the terms of the instrument, CCDs will get converted into variable number of equity shares, the holder of the instrument has also right to sell back the CCDs to Company after four years from the closing dates. In accordance with Ind AS 32 Financial Instruments - Presentation, the instrument is assessed as a financial liability, the option given to the holder is treated as an embedded derivative and this derivative is fair valued at each reporting date. In accordance with Ind AS 109 Financial Instruments, Company has measured this instrument as a whole at fair value through profit or loss at each reporting dates and recognised the fair value changes in statement of profit and loss.
2	The Company has taken a cross currency interest rate swap (derivative) to hedge a foreign currency floating interest rate loan. It has designated the derivative under cash flow hedging relationship. Under previous GAAP, at the end of every reporting date, the Company restated the foreign currency borrowing and recognised gain or loss on restatement of borrowing under MTM receivable in Balance sheet. However under Ind AS 109 Financial Instruments, the gain or loss on restatement of borrowing is recorded in cash flow hedging reserve (under other comprehensive income).
3	The Company has outstanding foreign currency forward contracts to hedge its foreign currency exposure which were not fair valued. Under Ind AS 109, Financial Instruments, foreign currency forward contracts are fair valued and the resultant gain/loss is recognised in the statement of profit and loss.
4	Under previous GAAP, security deposits were recorded at their transaction value. Under Ind AS, security deposit being a financial asset is recognised at their fair value. Accordingly, the Company has discounted these deposits for the respective lease period and difference between the discounted value (fair value) and the transaction value of security deposit has been recognised as prepaid rent. The prepaid rent is amortised over the lease term and interest income is recorded on the fair value of the security deposit at the interest rate which was used for discounting of the security deposit. The difference in rent expense and interest income have been adjusted with retained earnings as at the transition date and with profit for the respective period.
5	Under previous GAAP, discounting of provisions was not permitted. Under Ind AS, provisions are measured at discounted amounts, to give effect to time value of money.
6	i. Under previous GAAP, the sale of scrap and purchase of the processed raw material are considered as different transactions. Under Ind AS, the sale of scrap and purchase of processed raw material from job worker has to be considered as a single transaction. Hence the sale of scrap and purchase of processed raw material are to be presented net as job worker charges. ii. Under previous GAAP, certain types of discounts and sales schemes offered by entities to their customers were classified as expense and recorded under other expense. Under Ind AS, these have been reduced from revenue. Such re-classifications will not have an impact on the net profits reported by an entity. iii. The Company provides Customer loyalty programmes and the loyalty points are linked to sale transaction. The customer can redeem the award credits by either availing the benefit under the scheme or can adjust the amount against future payable amount. Under previous GAAP, provision was created towards such outstanding loyalty points and these were recorded as expense and corresponding liability was recorded under trade payables. Under Ind AS, the entity identifies the points which is pending to be redeemed as at the reporting date and the defers the revenue to the extent of fair value of these points and thereby the provision created under previous GAAP for accrual of points is reversed under Ind AS.
7	i. The Company has received duty waiver on import of capital goods against meeting export obligation prescribed by the custom authorities. Under Ind AS this benefit has been accounted as government grant and the cost of duty is included as part of the capital asset. ii. The Company has received capital contribution for establishing a manufacturing unit. Under Indian GAAP, the Company has considered it as a government grant and accounted as capital reserve. However under Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, when there are no conditions attached or when conditions are attached, Company has to recognise income in such period when the conditions are fulfilled. Consequently the Company has recognised the capital contribution received as income.
8	Under previous GAAP, property, plant and equipment were measured at cost. Under Ind AS, the Company has elected the option of fair valuing the items of property, plant and equipment basis the requirements of Ind AS 101, First Time Adoption of Indian Accounting Standards for deriving the carrying value of these property, plant and equipment ('deemed cost').
9	Under previous GAAP, actuarial gains and losses on defined benefit obligation were recognised in Statement of profit and loss. Under Ind AS, the actuarial gains and losses is recognised in other comprehensive income.

Annexure VI : Summary Statement of Adjustments to the Audited Standalone Financial Statements

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
			Proforma	Proforma	Proforma	Proforma
Net profit / (loss) for the year as per Audited Standalone Financial Statements prepared under previous GAAP		29.36	11.48	(252.47)	33.71	(281.62)
Add/(Less): Ind AS adjustments						
Impact on fair valuation of Compulsory Convertible Debentures		(153.80)	(205.20)	(182.30)	(162.10)	(12.70)
Fair valuation of derivatives		1.33	(2.73)	0.94	5.05	(4.84)
Fair valuation of security deposits		0.02	0.04	0.03	0.02	-
Discounting of provisions		0.61	(0.20)	0.24	0.09	(0.65)
Revenue Impact (net)		(6.07)	5.25	(0.44)	0.33	0.06
Government grants		2.52	-	-	-	0.35
Hedge accounting of derivative instruments		1.24	-	-	-	-
Restated Loss as per Restated Standalone Financial Information		(124.79)	(191.36)	(434.00)	(122.90)	(299.40)

(a) Restated equity

Particulars	Note No.	As at 01 April 2013*
		Proforma
Reserves and Surplus balance as per audited accounts		(265.62)
Add/(Less): Ind AS adjustments		
Impact on fair valuation of Compulsory Convertible Debentures		(1,202.90)
Fair valuation of derivatives		0.24
Fair valuation of security deposits		(0.25)
Discounting of provisions		2.09
Impact on fair valuation of property, plant and equipment		670.22
Restated other equity balance as at 01 Apr 2013		(796.22)

* adjusted with brought forward balance of Equity as at 01 April 2013

- (b) During the year ended 31 March 2015, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 01 April 2014, the Company changed its method of depreciation from written down value (WDV) method to straight line method (SLM) and the Company also revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. In accordance with the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the change in the method of depreciation from WDV to SLM), net of residual value, where the remaining useful life of the asset was determined to be nil as on 01 April 2014, and has adjusted an amount of Rs. 0.73 in the Statement of Profit and Loss. The depreciation expense in the Statement of Profit and Loss for the year ended 31 March 2015 was lower by Rs. 148.20 consequent to the above change in the method of depreciation. These changes are considered as a change in the estimates and consequently no retrospective adjustments have been made to the Restated Standalone Financial Information of the Company.

(c) Material regrouping:

Appropriate adjustments have been made in these restated Standalone Financial Information, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended) and as per the special purpose audited financial statement of the Company for the year ended 31 March 2018.

(d) Non-adjustment items:

Audit reservations / qualifications, which do not require any corrective adjustment in the standalone financial information:

Financial Year: 2017-18

- (i) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, in respect of one of the directors, disqualification was attracted u/s 164 (2) of the Act however the company has received an order to maintain status quo of the directorship of the director from National Company Law Tribunal as referred in note no. 39 and all other directors are not disqualified as on March 31st, 2018 from being appointed as director in the term of section 164(2) of the Act.

Financial Year: 2016-17

- (i) The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016, however we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management (refer Note 42 of Financial Statements).

Annexure VII: Standalone Summary Statement of Accounting Ratios

Particulars	For the year ended				
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Basic and Diluted Earnings Per Share (Rs.)					
Basic Earnings Per Share (Basic EPS)					
Net profit/(loss) after tax, as restated, attributable to equity shareholders	(127.78)	(192.68)	(440.66)	(124.23)	(304.88)
Weighted average number of shares used for calculating Basic EPS	18,900,110	18,900,110	18,900,110	18,900,110	18,900,108
Basic EPS in Rs.	(6.76)	(10.19)	(23.32)	(6.57)	(16.13)
Face value in Rs.	10.00	10.00	10.00	10.00	10.00
Diluted Earnings Per Share (Diluted EPS)					
Net profit/(loss) after tax, as restated, attributable to equity shareholders	(127.78)	(192.68)	(440.66)	(124.23)	(304.88)
Weighted average number of shares used for calculating Diluted EPS	18,900,110	18,900,110	18,900,110	18,900,110	18,900,108
Add: Effect of instruments which are dilutive (Refer Note (i) below)	-	-	-	-	-
Weighted average number of shares used for calculating Diluted EPS	18,900,110	18,900,110	18,900,110	18,900,110	18,900,108
Diluted EPS in Rs.	(6.76)	(10.19)	(23.32)	(6.57)	(16.13)
Face value in Rs.	10.00	10.00	10.00	10.00	10.00
Net Asset Value Per Equity Share (Rs.)					
Net asset value (Net-worth), as restated	(1,780.96)	(1,656.17)	(1,466.01)	(1,034.03)	(906.62)
Number of equity shares outstanding at the year end	18,900,110	18,900,110	18,900,110	18,900,110	18,900,108
Add: Effect of instruments which are dilutive (Refer Note (i) below)	-	-	-	-	-
Number of adjusted equity shares outstanding at the year end	18,900,110	18,900,110	18,900,110	18,900,110	18,900,108
Net Assets Value per equity share (Rs.)	(94.23)	(87.63)	(77.57)	(54.71)	(47.97)
Return on Net worth					
Net profit / (loss) after tax, as restated	(127.78)	(192.68)	(440.66)	(124.23)	(304.88)
Net worth, as restated	(1,780.96)	(1,656.17)	(1,466.01)	(1,034.03)	(906.62)
Return on net worth	-7.17%	-11.63%	-30.06%	-12.01%	-33.63%

The ratios have been computed as per the following formulae:

(i) Basic and Diluted Earnings per Share

$$\frac{\text{Net Profit / (loss) after tax, as restated for the year}}{\text{Weighted average number of equity shares outstanding during the year}}$$

(ii) Net Assets Value (NAV)

$$\frac{\text{Net Asset Value, as restated, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$$

(iii) Return on Net worth (%)

$$\frac{\text{Net Profit / (loss) after tax, as restated for the year}}{\text{Net worth (excluding revaluation reserve), as restated, at the end of the year}}$$

Net-worth (excluding revaluation reserve), as restated, means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss, as restated.

Note (i) : The Company had incurred losses in all the reporting period. The Basic and Diluted Earnings Per Share for the years are the same as the effect of potential equity share are anti dilutive due to the such losses.

Stove Kraft Limited
(formerly Stove Kraft Private Limited)
 Restated Standalone Financial Information
 (Amount in Rupees Millions, except for share data, unless otherwise stated)

Annexure VIII: Restated Standalone Statement of Capitalisation

Particulars	Pre-issue	Post-Issue*
	As at 31 March, 2018	
Debt		
Current financial liabilities - Borrowings	809.58	
Non-current financial liabilities - Borrowings	3,113.05	
Add: Current maturities of long-term borrowings	39.91	
Total debts	3,962.54	-
Shareholders' funds		
Equity share capital	189.00	
Other equity	(1,969.96)	
Total shareholders' funds	(1,780.96)	
Non-current debt/equity	(1.77)	

* Shareholders fund post issue can be calculated only on the conclusion of the book building process.

Notes

1. Short-term borrowings represent debts which are due within 12 months from 31 March 2018
2. Long-term borrowings include current portion of long-term borrowings repayable over the next twelve months.

Stove Kraft Limited*(formerly Stove Kraft Private Limited)*

Restated Standalone Financial Information

(Amount in Rupees Millions, except for share data, unless otherwise stated)

Annexure IX: Restated Standalone Statement of Tax Shelters

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
		Proforma	Proforma	Proforma	Proforma
Profit before current and deferred taxes as restated	(127.78)	(193.53)	(440.66)	(124.23)	(304.88)
Weighted average tax rate (%)	34.61%	34.61%	34.61%	33.99%	33.99%
Tax expense / (credit) at weighted average rate	(44.22)	(66.98)	(152.51)	(42.23)	(103.63)
Total current tax expense / (credit) as per Restated Standalone Summary Statement of Profit and Loss	-	(0.85)	-	-	-

Note:

The Company has a net deferred tax asset with respect to certain timing differences. These timing difference mainly relates to carried forward business losses, unabsorbed depreciation and as a matter of prudence, the Company has not recognised deferred tax asset on these timing differences.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the Fiscals ended March 31, 2018, 2017 and 2016. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Restated Financial Statements and the sections entitled "Summary of Financial Information" and "Financial Statements" on pages 51 and 161, respectively. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 14. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the section entitled "Forward-Looking Statements" on page 13. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Consolidated Financial Statements.

Our Fiscal year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular Fiscal year are to the 12-month period ended March 31 of that year.

You should carefully consider all the information in this Draft Red Herring Prospectus, including this section, "Risk Factors", "Industry Overview" and "Financial Statements" beginning on pages 14, 88 and 161, respectively, before making an investment in the Equity Shares. In this section, any reference to the "Company" "we", "us" or "our" refers to Stove Kraft Limited, unless otherwise specified. Unless otherwise stated, the financial information of our Company used in this section has been derived from our Restated Consolidated Financial Statement. Unless noted otherwise, some of the information in this section is obtained or extracted from F&S Report on our request.

Overview

We are a kitchen solutions and an emerging home solutions brand. Further, we are one of the leading brands for kitchen appliances in India and are one of the dominant players for pressure cookers and a market leader in the sale of free standing hobs and cooktops (*Source: F&S Report*). We are engaged in the manufacture and retail of a wide and diverse suite of kitchen solutions under our *Pigeon* and *Gilma* brands, and propose to commence manufacturing of kitchen solutions under the *BLACK + DECKER* brand, covering the entire range of value, semi-premium and premium kitchen solutions, respectively. Our kitchen solutions comprise of cookware and cooking appliances across our brands, and our home solutions comprise various household utilities, including consumer lighting, which not only enables us to be a one stop shop for kitchen and home solutions, but also offer products at different pricing points to meet diverse customer requirements and aspirations.

As of August 31, 2018, our *Pigeon* branded products contributed 81.61% to our overall sales and for Fiscal 2018 and Fiscal 2017, *Pigeon* branded products contributed 86.89% and 86.86% to our overall sales respectively and enjoy a leading position in the market for certain products such free standing hobs, cooktops, non-stick cookware, LPG gas stoves and induction cooktops (*Source: F&S Report*). Similarly, our *Gilma* branded products contributed 4.74% of our overall sales, as of March 31, 2018 and *BLACK + DECKER* products contributed 0.88% of our overall sales as of March 31, 2018. Our *Gilma* portfolio comprises chimneys, hobs and cooktops across price ranges and designs. We believe we have been able to leverage the distribution network of our *Pigeon* branded products, and their brand recall value to enter new product segments and markets. In 2016, we further diversified the *Pigeon* brand by launching LED products under it. We maintain a continuous focus on the development of our brands, and invest significant resources towards their growth and outreach. Further, our dedication to R&D, quality and customer satisfaction, our in-house servicing capabilities and our owned maintenance and service network also contribute to the market perception of our brands and products.

Our flagship brands, *Pigeon* and *Gilma*, have enjoyed a market presence of over 13 years and enjoy a high brand recall amongst customers for quality and value for money. *Pigeon* has been listed as one of the "India's Most Admired Brands 2016" by White Page International. As a result of our co-branding initiative over 7 years with LPG companies such as Indian Oil Corporation Limited and Hindustan Petroleum Corporation Limited to utilize their sale and distribution channels, our *Pigeon* brand has enjoyed a wide customer outreach and continues to have a high brand recall value. As of the date of this Draft Red Herring Prospectus, we manufacture and retail a wide and diverse range of affordable (value segment), quality products under our *Pigeon* brand, including, *inter alia*, cookware, cooking appliances and household utilities (including consumer lighting). We currently offer a wide range of products such as chimney, hobs and cooktops under the *Gilma* brand, which is targeted at the semi-premium segment.

In addition to our established presence in the value and semi-premium segments through the *Pigeon* and *Gilma* brands, we also entered the premium segment in 2016 pursuant to our exclusive *BLACK + DECKER* Brand Licensing Agreement with Stanley Black & Decker, Inc. and The Black and Decker Corporation, which enables us to exclusively retail, and provide post-sales services in relation to, a wide range of products such as blenders and juicers, breakfast appliances, small cooking appliances and small domestic appliances (as defined under the *BLACK + DECKER* Brand Licensing Agreement) in India under the *BLACK + DECKER* brand, up to December 31, 2027. We are yet to commence manufacturing under the *BLACK + DECKER* brand.

As of August 31, 2018, we manufacture 68.61% of our *Pigeon* and *Gilma* branded products (in terms of number of units) at our well-equipped and backward integrated manufacturing facilities at Bengaluru (Karnataka) and Baddi (Himachal Pradesh),

which enables us to control and monitor the quality and costs. Our Bengaluru Facility is spread over approximately 40 acres and 16 guntas, out of which 27 acres and 22 guntas is available for future expansion. As of March 31, 2018, it had an installed annual production capacity of 15 million units, with the capability to manufacture products in the pressure cookers, non-stick cookware (roller coated and spray coated), LPG stoves, mixer grinders and induction cooktops categories. Our Baddi Facility, which is focused on the Oil Company Business, which includes manufacturing and co-branding of products with such Companies, (“OCB”) has an installed capacity of 1.8 million units per 300 days, with the capability to manufacture products such as LPG stoves.

For certain product categories and sub-categories which do not enjoy economies of scale in India, we engage in sourcing from third party OEMs outside India. For sourced products, we have a dedicated team to undertake inspection and ensure that such products are built to suit our specifications in terms of design and quality. For Fiscal 2018, such products which are retailed under our brands but sourced from third-party manufacturers, such as chimneys, hobs, irons, air coolers, kettles, water bottles, flasks, chairs, rice cookers, etc., contributed 31.50% to our turnover, as compared to 20.26% for Fiscal 2014.

We have a separate distribution network for each of our *Pigeon*, *Gilma* and *BLACK + DECKER* brands. Further, there is a separate distribution network for the *Pigeon* LED products. As on August 31, 2018, our manufacturing facilities in Bengaluru and Baddi are well connected with 14 strategically located C&F agents. Additionally, we have 363 distributors in more than 23 states of India and 12 distributors for our products that are exported as of August 31, 2018. As of August 31, 2018, the C&F agents and distributors are, in turn, connected with a dealer network comprising of over 26,000 retail outlets, which are driven through a sales force of 580 personnel. We have entered into commercial arrangements with retail chains such as Metro Cash And Carry India Private Limited for the sale of our *Pigeon* branded products from several of their retail outlets in India. Further, we have also entered into agreements with e-commerce platforms such as Flipkart India Private Limited, for the sale of our products on their portals. Outside of India, we export our products which are manufactured by us to retail chains in the United States of America.

Our *Gilma* brand products are sold through exclusively branded outlets owned and operated by franchisees. As on August 31, 2018, there were 62 such stores spread across five states and 28 cities, with a presence in the urban market in south India. *Gilma* stores are designed to be ‘experience’ stores.

As of August 31, 2018, we have a dedicated service team of 241 personnel to address service calls for all our brands. Our CRM software enables us to track customer requests, pre-installation and post-sales support to ensure customer satisfaction. Specifically for our *Gilma* products, we have a mobile application which enables our customers to register themselves and raise requests for installation and post-sales services through the app. For *Pigeon* and *BLACK + DECKER* products, our customers can reach our Company through toll free numbers, giving missed calls, sending us emails on the customer care ID, sending an SMS to our dedicated number or through our dealers and trade partners.

Our Company was founded by our Promoter, Rajendra Gandhi, a first generation entrepreneur with over 19 years of experience in the kitchen appliances industry. We believe that the sector-specific experience and expertise of our senior management has contributed significantly in the growth of our Company.

Factors Affecting Our Results of Operations

Our business and results of operations are affected by a number of important factors that we believe will continue to affect our business and results of operations in the future. These factors include the following:

Availability of raw materials

Our business operations are significantly dependent on local third parties at all stages of product development and sales. Further, we import some of our raw material, such as glasses, aluminum, steel and glass lids from foreign suppliers. Our principal raw materials, being aluminum, aluminum derivatives and steel, are sourced from third party suppliers, and purchased on a purchase order basis. Change in prices of aluminium and steel in the domestically and internationally impact our raw material costs. We also source certain equipment and machinery, such as roller coating lines and channel making machine of LPG unit from off-shore suppliers. In the event of a discontinuation or closure of the foreign suppliers for these equipment, we may not be able to source such equipment from local sources which may lead to increase in production costs and consequently affect the pricing of our products. Further, any adverse fluctuation in foreign exchange rates will in turn impact the prices of the raw materials and our operating margins, results of operations and financial condition

We source our raw materials on the basis of purchase orders, and do not have long term contracts with our raw material suppliers. We depend on a limited number of raw material suppliers for all of our raw material requirements. There may be an unforeseen shortage of raw materials in the future which may impact our results of operations.

Dependence on third parties for distribution of our products

We are dependent on third parties in relation to our distribution and sales. All our products are distributed and sold through third party retail stores and other channels of retail, over which we have limited control. For instance, while we enter into agreements with C&F agents and distributors in the normal course of business, such agreements are typically not long-term

contracts. As of August 31, 2018, we have entered into agreements with 14 C&F Agents. Further, the sale of our *Gilma* products is exclusively undertaken from *Gilma* branded franchisee stores. Over the last five Fiscals, we have also reduced our dependency on our co-branding initiatives with LPG companies.

We constantly seek to grow our product reach to under-penetrated geographies, increase the penetration of our products in markets in which we are currently present and widen the portfolio of our products available in those markets by growing our distribution network. Our success is dependent on our ability to successfully appoint new distributors to expand our network and effectively manage our existing distribution network. Further, we may also face disruptions in the delivery of our products for reasons beyond our control, including poor handling by distributors of our products, transportation bottlenecks, natural disasters and labour issues, which could lead to delayed or lost deliveries.

Seasonality of business

Our business and the kitchen solutions industry in general is subject to seasonality. Generally, we witness an increase in sales in the second half of the Fiscal and sales generally decline during the first quarter. Our business is also affected by certain festivals which lead to an increase in our sales and by retailers reducing their purchases from us in first quarter of a particular Fiscal. As a result, comparisons of our sales and operating results over different quarterly periods during the same financial year may not necessarily be meaningful.

Changing consumer preferences

The kitchen appliances and kitchen cookware market in India is evolving and consumers may be tempted to shift their choices and preferences when new products are launched or various marketing and pricing campaigns of different brands are introduced. Our future growth depends on availability of, the state of the credit markets, consumer credit, and general economic sentiment. While we believe our current products are in line with changing consumer preferences, our growth would be dependent on our ability to respond to such changing consumer preferences more effectively and successfully. The success of our products depends on our ability to innovate our product portfolio in line with the technological developments in the kitchen solutions industry and on the basis of shifts in consumer preferences.

Competition

The kitchen cookware appliance business and our associated retail business with *Gilma* operates in a highly competitive environment. We compete with other retailers that market products similar to ours. We compete with national businesses that utilize a similar retail store strategy, as well as local unorganized kitchen cookware appliance manufacturers. Many of our competitors may have substantially greater financial and other resources and may be better established with greater brand recognition than us.

The expansion of our business in existing and new markets is dependent on our ability to introduce distinctive brands and products that differentiate us from our competitors. In addition, significant increase in advertising expenditures and promotional activities by our competitors may require us to similarly increase our marketing expenditure for our business and engage in effective pricing strategies.

Our Critical Accounting Policies (as per our consolidated Ind AS financial statements)

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised net of sales tax / goods and service tax.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied.

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Government incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same.

Sales of goods that result in discount vouchers/coupons/loyalty points for customers are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the sale of goods and the discount vouchers/coupons/loyalty issued. The consideration allocated to the discount vouchers/coupons/loyalty points is measured by reference to their fair value. Such consideration is not recognised as revenue at the time of the initial sale transaction – but is deferred and recognised as revenue when the discount vouchers/coupons/loyalty points are redeemed and the Company's obligations have been fulfilled.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Individual assets costing less than ₹5,000 are depreciated in full in the year of purchase.

Asset	Useful life in years
Leasehold Improvements	Over the lease period
Office Equipment's	15 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Inventories

Inventories are valued at the lower of weighted average cost and the net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Foreign Currency transactions and translations

The functional currency of the Company is Indian Rupee (₹).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise.

Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows

estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent assets are not recognised in the financial statements.

Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Company's obligation.

Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

Impairment of Property Plant and Equipment and Intangible Assets

The Company reviews its carrying value of investments in subsidiaries, property, plant and equipment and intangible assets annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Fair value of compulsorily convertible debentures

The fair value of compulsorily convertible debentures at the end of each reporting period has been determined based on the enterprise value and equity value of the Company. The Company reviews the assumptions used in determining the fair value at the end of each reporting date.

New standards and interpretations not yet adopted:

- (a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the effect of this on the financial statements.
- (b) Ind AS 115 - Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from Contracts with Customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue.

The new standard applies to contracts with customers. The core principle of the new standard is that the Company should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the Company's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

The standard is effective for annual periods beginning on or after April 1, 2018. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

Principal Components of our Statement of Profit and Loss

The following descriptions set forth information with respect to the key components of our Restated Consolidated Financial Statements.

Our Revenue

Revenue from Operations

Our revenue from operations consists of sale products (excluding goods and services tax) and other operating revenue. Sale of products (including excise duty) primarily consists of sale of cookware and cooking appliances across our brands, and our home solutions comprise various household utilities, including consumer lighting under the *Pigeon*, *Gilma* and BLACK+DECKER brands which are either manufactured or traded by us.

Our other operating revenue consist of sale of scrap, duty drawback and development income.

Other Income

The key components of our other income are liability no more required written back which are liabilities earlier provided for by us but are reversed now, interest income from banks on deposits, interest on income tax refunds, interest unwinded on discounting of security deposits and interest on trade receivables and miscellaneous income.

Our Expenditure

Our expenses primarily consist of the following:

- *Cost of materials consumed* primarily consists of consumption of raw materials, primarily aluminum, aluminum derivatives, paints, wires, bakelite powder, packing material for products manufactured by us;
- *Purchases of stock in trade* consists of cost of procurement of traded products, primarily LED lights, water bottle, flask, electric kettle, chimney, iron and chopper for our *Pigeon* brand and products under BLACK + DECKER brand;
- *Changes in inventories of finished goods, work-in-progress and stock-in-trade (increase) / decrease* are an adjustment of the opening and closing stock of finished goods, work-in-progress and stock-in-trade at the end of the Fiscal;
- *Excise duty* is the excise duty paid to the government on the manufacture of our products. Due to the implementation of GST, excise duty was payable till June 30, 2017 for Fiscal 2018.
- *Employee benefit expense* consists of salaries and wages, contribution to provident and other funds, gratuity expense and staff welfare expenses;
- *Depreciation and amortisation expenses* comprises of depreciation expenses for all existing and new property, plant and equipment added during the year. Amortisation expenses primarily includes amortisation of intangible assets;
- *Finance costs* includes interest expense on borrowings, interest paid to others, unwinding of interest on provisions and other borrowing costs which include bank charges and other processing charges; and
- *Other expenses* primarily includes expenses on freight and forwarding, business promotion & advertisement expenses, sales commission, loss on financial liability designated as FVTPL, travelling and conveyance, power and fuel, provision for doubtful trade and other receivables, loans and advances (net) and balance written off and job work charges.

Tax (Expenses) / Benefit

Elements of our tax (expenses) / benefit are as follows:

- *Current tax expense for the current year (for Fiscal 2016)*: Our current tax expense for the current year is the amount of tax payable based on the taxable profit for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.
- *Current tax expense relating to prior year (for Fiscals 2018 and 2017)*: This primarily consists of refund of tax paid for the manufacturing facility at Baddi (Himachal Pradesh) pursuant to section 80IC of the Income Tax Act, 1961.
- *Deferred tax*: Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Other Comprehensive Income

The other comprehensive income consists of (i) items that will not be reclassified to the statement of profit or loss which consists of remeasurement of the net defined benefit plans – gains / (losses); and (ii) all the items of income and expense that will be reclassified to the statement of profit or loss which consists of fair value changes on cash flow hedges net.

Total Comprehensive Income / (loss)

Total comprehensive income / (loss) consists of profit / loss after tax for the year and other comprehensive income.

Our Results of Operations

The following table sets forth a breakdown of our restated consolidated results of operations for fiscal 2018, fiscal 2017 and fiscal 2016 and each item as a percentage of our total income for the periods indicated.

Particulars	Fiscal 2018		Fiscal 2017 (Proforma)		Fiscal 2016 (Proforma)	
	₹ in million	(%) of Total Income	₹ in million	(%) of Total Income	₹ in million	(%) of Total Income
Revenue from operations	5,289.52	98.95	5,150.33	99.44	5,232.71	99.71
Other income	56.33	1.05	29.21	0.56	15.23	0.29
Total income	5,345.85	100.00	5,179.54	100.00	5,247.94	100.00
Expenses						
Cost of materials consumed	2,411.19	45.10	2,669.69	51.54	2,941.68	56.05
Purchases of stock in trade	1,203.26	22.51	833.73	16.10	798.74	15.22
Changes in inventories of finished goods, work-in-progress and stock-in-trade, (increase)/decrease	(78.96)	(1.48)	(117.43)	(2.27)	(128.80)	(2.45)
Excise duty	53.33	1.00	215.49	4.16	243.53	4.64
Employee benefits expense	590.87	11.05	516.25	9.97	475.34	9.06
Finance cost	169.35	3.17	150.05	2.90	157.71	3.01
Depreciation & amortisation expenses	119.69	2.24	118.12	2.28	111.02	2.12
Other expenses	1,010.11	18.90	983.33	18.98	1,083.04	20.64
Total expenses	5,478.84	102.49	5,369.23	103.66	5,682.26	(108.28)
Profit / (Loss) before exceptional items and tax	(132.99)	(2.49)	(189.69)	(3.66)	(434.32)	(8.28)
Exceptional items	-	-	-	-	-	-
Profit / (Loss) before tax	(132.99)	(2.49)	(189.69)	(3.66)	(434.32)	(8.28)
Tax expense / (benefit):						
Current tax expense for current year	-	-	-	-	6.00	0.11
Current tax expense relating to prior year	(5.37)	(0.10)	2.78	0.05	-	-
Deferred tax	-	-	-	-	(0.41)	(0.01)
Net tax expense / (benefit)	(5.37)	(0.10)	2.78	0.05	5.59	0.10
Profit / (Loss) after tax for the year	(127.62)	(2.39)	(192.47)	(3.71)	(439.91)	(8.38)
Other Comprehensive Income						
<i>Items that will not be reclassified to statement of profit and loss</i>						
Remeasurements of the defined benefit Plans - Gains / (losses)	1.75	0.03	1.32	0.03	6.66	0.12
<i>Items that will be reclassified to statement of profit and loss</i>						
Fair value changes on cash flow hedges net	1.24	0.03	-	-	-	-
Total comprehensive income / (loss)	(124.63)	(2.33)	(191.15)	(3.68)	(433.25)	(8.26)

Fiscal 2018 compared to Fiscal 2017

Total income: We recorded a total income of ₹5,345.85 million in Fiscal 2018, an increase of 3.21% over our total income of ₹5,179.54 million in Fiscal 2017. This increase was mainly due to the following:

- **Revenue from operations:** Our revenue from operations increased by 2.70% from ₹5,150.33 million in Fiscal 2017 to ₹5,289.52 million in Fiscal 2018. This increase was primarily due to the following factors:
 - Our revenue from sale of products (including excise duty) increased by 2.59% from ₹5,119.90 million in Fiscal 2017 to ₹5,252.46 million in Fiscal 2018. The following is a brand wise break up of our revenue from sale of products (including excise duty):

Brand	Revenue from sale of products (including excise duty) (₹ in million)		Percentage increase / (decrease)
	Fiscal 2018	Fiscal 2017	
Pigeon	4,666.33	4,492.92	3.85%
Gilma	465.06	542.33	(14.25%)
BLACK + DECKER	49.41	-	-

The increase in revenue from sale of products under the *Pigeon* brand was primarily due to an increase in sales of vegetable choppers, chimneys, wet grinder, mixer grinder and pressure cooker. The decrease in revenue from sale of products under the *Gilma* brand was due to discontinuation of certain products and focus on certain products such as hobs, chimneys and glass cooktops. The marginal increase in revenue from sale of products (including excise duty) was also due to the shifting of our manufacturing lines of induction and glass cooktops stoves from our manufacturing facility in Baddi (Himachal Pradesh) to Bengaluru and reduction of our co-branding business with LPG companies. The overall increase in the revenue from sale of products (including excise duty) was also due to an increase in the dealers from 19,054 as of March 31, 2017 to 29,800 as of March 31, 2018, increase in C&F agents from seven as of March 31, 2017 to 14 as of March 31, 2018, distribution of the products in modern retail and e-commerce platforms.

- *Other operating revenue:* Our other operating revenue increased by 21.79% from ₹30.43 million in Fiscal 2017 to ₹37.06 million in Fiscal 2018. This increase was primarily due to an increase in sale of scrap from ₹20.64 million in Fiscal 2017 to ₹26.83 million in Fiscal 2018 which was partially offset by a duty drawback from ₹9.79 million in Fiscal 2017 to ₹6.98 million in Fiscal 2018.
- *Other income:* Our other income increased by 92.84% from ₹29.21 million in Fiscal 2017 to ₹56.33 million in Fiscal 2018. This increase was primarily due to (i) an increase in the liability no more required written back from ₹9.55 million in Fiscal 2017 to ₹41.85 million in Fiscal 2018 due to vendor balances of more than 3 years written back; (ii) receipt of government grants and gain on financial instruments designated at FTVPL of ₹2.52 million and ₹1.33 million respectively in Fiscal 2018 which was not present in Fiscal 2017.

Total expenses: Our total expenses were ₹5,478.84 million in Fiscal 2018, an increase of 2.04% over our total expenses of ₹5,369.23 million in Fiscal 2017. This increase was mainly due to the following factors:

- *Cost of materials consumed:* Our cost of materials consumed totaled to ₹2,411.19 million in Fiscal 2018, a decrease of 9.68% over ₹2,669.69 million in Fiscal 2017. The decrease was due to improved material efficiencies, reduction in material cost due to the implementation of the goods and services tax, change in product mix, better material procurement controls due to the implementation of SAP at our manufacturing facility at Baddi (Himachal Pradesh).
- *Purchase of stock in trade:* Our purchase of stock in trade totaled to ₹1,203.26 million in Fiscal 2018, an increase of 44.32% over ₹833.73 million in Fiscal 2017. The increase was due to an increase in purchase of traded goods which primarily comprised of *Pigeon* LED products and BLACK + DECKER products.
- *Changes in inventories of finished goods, work-in-progress and stock-in-trade, (increase)/ decrease:* There was an increase in inventories of finished goods, work-in-progress and stock-in trade of ₹78.96 million in Fiscal 2018, as compared to an increase of ₹117.43 million in Fiscal 2017. This was primarily due to better operational efficiency in our supply chain, improvement in demand forecasting and better monitoring of our products.
- *Excise Duty:* The excise duty paid in Fiscal 2018 totaled ₹53.33 million, a decrease of 75.25% over ₹215.49 million in Fiscal 2017. This decrease was primarily due to GST becoming applicable from July 1, 2017. Accordingly, the excise duty paid during Fiscal 2018 was applicable till June 30, 2017 and hence is not comparable to the excise duty paid in Fiscal 2017.
- *Employee benefits expense:* Our employee benefit expense totaled ₹590.87 million in Fiscal 2018, an increase of 14.45% over ₹516.25 million in Fiscal 2017. This increase was primarily due to a 14.42% increase in salaries and wages from ₹457.50 million in Fiscal 2017 to ₹523.48 million in Fiscal 2018. This was due to an increase in employees in the corresponding period and a revision in salaries and wages.
- *Finance cost:* Our finance cost totaled ₹169.35 million in Fiscal 2018, an increase of 12.86% over our finance cost of ₹150.05 million in Fiscal 2017. This increase was primarily due to an increase in interest expense on borrowings from ₹114.90 million in Fiscal 2017 to ₹126.68 million in Fiscal 2018 and interest expense on interest paid to others from ₹19.77 million in Fiscal 2017 to ₹26.21 million in Fiscal 2018. This was primarily due to additional bank facilities such as working capital term loans and vehicle loan availed by us coupled with an increase in interest paid on security deposits placed by C&F agents.
- *Depreciation and amortisation expenses:* Our depreciation and amortisation expenses totaled ₹119.69 million in Fiscal 2018, an increase of 1.33% over depreciation and amortisation expenses of ₹118.12 million in Fiscal 2017. This increase was primarily due to addition to fixed assets, such as plant and machinery of ₹39.11 million and vehicles of ₹10.17 million.
- *Other expenses:* Our other expenses totaled ₹1,010.11 million in Fiscal 2018, an increase of 2.72% over other expenses of ₹983.33 million in Fiscal 2017. This increase was primarily due to an increase in (i) freight and forwarding from ₹163.99 million in Fiscal 2017 to ₹195.66 million in Fiscal 2018 due to an increase in the number of dealers; (ii) business, promotion & advertisement expenses from ₹151.77 million in Fiscal 2017 to ₹161.73 million in Fiscal 2018 due to an increase in the number of dealers and brand promotion; (iii) travelling and conveyance from ₹51.45 million

in Fiscal 2017 to ₹69.96 million in Fiscal 2018; (iv) Provision for doubtful trade and other receivables, loans and advances (net) and balance written off from ₹4.89 million in Fiscal 2017 to ₹59.65 million in Fiscal 2018 due to the adoption of a conservative provisioning policy adopted by us; and (v) power and fuel from ₹53.85 million in Fiscal 2017 to ₹54.23 million in Fiscal 2018 which was partially offset by a decrease in (i) loss on financial liability designated as FVTPL from ₹205.20 million in Fiscal 2017 to ₹153.80 million in Fiscal 2018; (ii) sales commission from ₹148.69 million in Fiscal 2017 to ₹114.85 million in Fiscal 2018; and (iii) job work charges from ₹68.00 million in Fiscal 2017 to ₹58.07 million in Fiscal 2018.

Loss before exceptional items and tax: As a result of the factors outlined above, our loss before exceptional items and tax decreased by 29.89% from ₹189.69 million in Fiscal 2017 to ₹132.99 million in Fiscal 2018.

Loss before tax: As a result of the factors outlined above, our loss before tax decreased by 29.89% from ₹189.69 million in Fiscal 2017 to ₹132.99 million in Fiscal 2018.

Tax expense / (benefit).

- *Current tax expense for the current year:* We did not record current tax expenses in Fiscals 2017 and 2018. This was primarily due to brought forward income tax losses by us.
- *Current tax expense relating to prior year:* We recorded a current tax benefit relating to prior year of ₹5.37 million in Fiscal 2018 as compared to a current tax expense of ₹2.78 million in Fiscal 2017.
- *Deferred tax:* We did not record any deferred tax in Fiscals 2017 and 2018.

Net tax expense / benefit: As a result of the factors outlined above, we recorded a net tax benefit of ₹5.37 million in Fiscal 2018 as compared to a net tax expense of ₹2.78 million in Fiscal 2017.

Loss after tax for the year: As a result of the factors outlined above, our loss after tax for the year decreased by 33.69% from ₹192.47 million in Fiscal 2017 to ₹127.62 million in Fiscal 2018.

Other Comprehensive Income: We recorded other comprehensive income of ₹2.99 million in Fiscal 2018 as compared to a total other comprehensive income of ₹1.32 million in Fiscal 2017. This was primarily due to gains on remeasurements of defined benefit plans which will not be subsequently reclassified to the statement of profit or loss.

Total comprehensive income / (loss) for the year: As a result of the factors outlined above, our total comprehensive loss for the year decreased by 34.80% from ₹191.15 million in Fiscal 2017 to ₹124.63 million in Fiscal 2018.

Fiscal 2017 compared to Fiscal 2016

Total income: We recorded a total income of ₹5,179.54 million in Fiscal 2017, a decrease of 1.30% over our total income of ₹5,247.94 million in Fiscal 2016. This decrease was mainly due to the following:

- *Revenue from operations:* Our revenue from operations decreased by 1.57% from ₹5,232.71 million in Fiscal 2016 to ₹5,150.33 million in Fiscal 2017. This decrease was primarily due to the following factors:
 - Our revenue from sale of products (including excise duty) decreased by 1.47% from ₹5,196.23 million in Fiscal 2016 to ₹5,119.90 million in Fiscal 2017. This decrease was primarily due to the change of our distribution model from super distributors to dealers for the distribution of our products. The following is a brand wise break up of our revenue from sale of products (including excise duty):

Brand	Revenue from sale of products (including excise duty) (₹ in million)		Percentage increase / (decrease)
	Fiscal 2017	Fiscal 2016	
<i>Pigeon</i>	4,492.92	4,630.90	(2.97%)
<i>Gilma</i>	542.33	613.21	(11.56%)

The decrease in revenue from sale of products under the *Pigeon* brand was primarily due to a discontinuation of air fryers. Pressure cookers, LPG stove, nonstick cookware, chimney, emergency lamp, iron and rice cooker were the primary revenue drivers under the *Pigeon* brand. The decrease in revenue from sale of products under the *Gilma* brand was due to discontinuation of certain products and focus on certain products such as hobs, chimneys and glass cooktops.

- *Other operating revenue:* Our other operating revenue decreased by 16.58% from ₹36.48 million in Fiscal 2016 to ₹30.43 million in Fiscal 2017. This decrease was primarily due to a decrease in sale of scrap from ₹28.44 million in Fiscal 2016 to ₹20.64 million in Fiscal 2017 which was partially offset by an increase in duty drawback from ₹8.04 million in Fiscal 2016 to ₹9.79 million in Fiscal 2017.

- *Other income:* Our other income increased by 91.79% from ₹15.23 million in Fiscal 2016 to ₹29.21 million in Fiscal 2017. This increase was primarily due to (i) an increase in the liability no more required written back from ₹2.31 million in Fiscal 2016 to ₹9.55 million in Fiscal 2017 due to vendor balances of more than 3 years written back; and (ii) bad debts recovered of ₹8.15 million in Fiscal 2017 as compared to no bad debts recovered in Fiscal 2016 which was partially offset by a decrease in interest income from ₹11.93 million in Fiscal 2016 to ₹4.56 million in Fiscal 2017.

Total expenses: Our total expenses were ₹5,369.23 million in Fiscal 2017, a decrease of 5.51% over our total expenses of ₹5,682.26 million in Fiscal 2016. This increase was mainly due to the following factors:

- *Cost of materials consumed:* Our cost of materials consumed totaled to ₹2,669.69 million in Fiscal 2017, a decrease of 9.25% over ₹2,941.68 million in Fiscal 2016. The decrease was due standardization in procurement and control of raw materials, change in product mix and correction of bill of materials at our manufacturing facilities.
- *Purchase of stock in trade:* Our purchase of stock in trade totaled to ₹833.73 million in Fiscal 2017, an increase of 4.38% over ₹798.74 million in Fiscal 2016. The increase was due to an increase in purchase of traded goods which primarily comprised of LED products under the *Pigeon* brands.
- *Changes in inventories of finished goods, work-in-progress and stock-in-trade, (increase)/ decrease:* There was an increase in inventories of finished goods, work in progress and stock-in trade of ₹117.43 million in Fiscal 2017, as compared to an increase of ₹128.80 million in Fiscal 2016. This was primarily due to better demand forecasting and inventory management of our products.
- *Excise Duty:* The excise duty paid in Fiscal 2017 totaled ₹215.49 million, a decrease of 11.51% over ₹243.53 million in Fiscal 2016. This decrease was primarily due to increase in sales of traded goods as against manufactured products manufactured by us.
- *Employee benefits expense:* Our employee benefit expense totaled ₹516.25 million in Fiscal 2017, an increase of 8.61% over ₹475.34 million in Fiscal 2016. This increase was primarily due to a 7.45% increase in salaries and wages from ₹425.79 million in Fiscal 2016 to ₹457.50 million in Fiscal 2017. This was due to an increase in employees in the corresponding period and a revision in salaries and wages and augmentation of our management and sales team.
- *Finance cost:* Our finance cost totaled ₹150.05 million in Fiscal 2017, a decrease of 4.86% over our finance cost of ₹157.71 million in Fiscal 2016. This increase was primarily due to a decrease in interest expense on borrowings from ₹123.15 million in Fiscal 2016 to ₹114.90 million in Fiscal 2017 and bank charges and other processing charges from ₹24.51 million in Fiscal 2016 to ₹14.92 million in Fiscal 2017 partially offset by an increase in interest paid to others from ₹9.67 million in Fiscal 2016 to ₹19.77 million in Fiscal 2017. This was primarily due to reduction in interest rates by our lenders, which was offset by interest paid on security deposits of C&F agents.
- *Depreciation and amortisation expenses:* Our depreciation and amortisation expenses totaled ₹118.12 million in Fiscal 2017, an increase of 6.40% over depreciation and amortisation expenses of ₹111.02 million in Fiscal 2016. This increase was primarily due to capitalization of plant and machinery of ₹24.66 million, buildings of ₹16.99 million, vehicles of ₹13.58 million and intangible assets of ₹3.88 million.
- *Other expenses:* Our other expenses totaled ₹983.33 million in Fiscal 2017, a decrease of 9.21% over other expenses of ₹1,083.04 million in Fiscal 2016. This decrease was primarily due to a decrease in (i) business promotion & advertisement expenses from ₹268.76 million in Fiscal 2016 to ₹151.77 million in Fiscal 2017 due to reduction in our co-branded business with LPG companies; and (ii) job work charges from ₹93.74 million in Fiscal 2016 to ₹68.00 million in Fiscal 2017 which was partially offset by an increase in (i) sales commission from ₹64.25 million in Fiscal 2016 to ₹148.69 million in Fiscal 2017 due to an increase in C&F charges and expenses for the promotion of our brands; and (i) loss on financial liability designated as FVTPL from ₹182.30 million in Fiscal 2016 to ₹205.20 million in Fiscal 2017.

Loss before exceptional items and tax: As a result of the factors outlined above, our loss before exceptional items and tax decreased by 56.32% from ₹434.32 million in Fiscal 2016 to ₹189.69 million in Fiscal 2017.

Loss before tax: As a result of the factors outlined above, our loss before tax decreased by 56.32% from ₹434.32 million in Fiscal 2016 to ₹189.69 million in Fiscal 2017.

Tax expense / (benefit).

- *Current tax expense for the current year:* Our current tax expense for the current year totaled ₹6.00 million in Fiscal 2016 as compared to no current tax expense in Fiscal 2017. This was primarily due to current tax expense of our manufacturing facility in Baddi (Himachal Pradesh) in Fiscal 2016.
- *Deferred tax:* We recorded a deferred tax of ₹0.41 million for Fiscal 2016 as compared to no deferred tax in Fiscal 2017. This was primarily due to timing difference in income tax depreciation and book depreciation.

Net tax expense / benefit: As a result of the factors outlined above, we recorded a net tax expense of ₹5.59 million in Fiscal 2016 as compared to a net tax expense of ₹2.78 million in Fiscal 2017.

Loss after tax for the year: As a result of the factors outlined above, our loss after tax for the year decreased by 56.25% from ₹439.91 million in Fiscal 2016 to ₹192.47 million in Fiscal 2017.

Other Comprehensive Income: We recorded other comprehensive income of ₹1.32 million in Fiscal 2017 as compared to a total other comprehensive income of ₹6.66 million in Fiscal 2016. This was primarily due to a decrease in gains on remeasurements of defined benefit plans which will not be subsequently reclassified to the statement of profit or loss.

Total comprehensive income / (loss) for the year: As a result of the factors outlined above, our total comprehensive loss for the year decreased by 55.88% from ₹433.25 million in Fiscal 2016 to ₹191.15 million in Fiscal 2017.

Liquidity and Capital Resources

Capital Requirements

For Fiscals 2016, 2017 and 2018 we met our funding requirements, including capital expenditure, satisfaction of debt obligations, investments, taxes, working capital requirements and other cash outlays, principally with funds generated from operations and optimisation of operating working capital, with the balance principally met using external borrowings from banks.

The following table sets forth information on cash and cash equivalents as at the dates indicated:

Particulars	As at March 31		
	2018	2017	2016
	(in ₹ million)		
Cash and cash equivalents	4.00	5.42	4.11

The following table sets forth certain information concerning our cash flows for the periods indicated:

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
	(in ₹ million)		
Net cash flow from operating activities	113.04	294.80	193.19
Net cash flow from investing activities	(61.49)	(47.34)	(128.01)
Net cash flow from financing activities	(52.97)	(246.15)	(64.44)

Net Cash Flow from Operating Activities

For Fiscal 2018, our net cash flow from operating activities was ₹113.04 million which primarily comprised of (i) net loss before taxation of ₹132.99 million which was adjusted for, primarily among other things, depreciation of ₹119.69 million, fair valuation of compulsory convertible debentures of ₹153.80 million and finance cost of ₹152.89 million partially offset by liability no more required written back of ₹41.85 million; (ii) changes in working capital; and (iii) net income taxes (paid) / refund received. Changes in working capital primarily included, inter-alia, increase in trade receivables of ₹247.93 million due to increased sales and enhanced credit terms to modern retailers, ecommerce and distributors, increase in inventories of ₹325.11 million due to increase in traded products and higher inventory level of BLACK+DECKER products, increase in trade payables of ₹343.34 million due to renegotiated payment terms and increase in import vendors due to increase in trading volumes. For Fiscal 2018 no net income taxes (paid) / refund received were recorded in net cash flow from operating activities.

For Fiscal 2017, our net cash flow from operating activities was ₹294.80 million which primarily comprised of (i) net loss before taxation of ₹189.69 million which was adjusted for, primarily among other things, depreciation of ₹118.12 million, fair valuation of compulsory convertible debentures of ₹205.20 million and finance cost of ₹134.67 million; (ii) changes in working capital; and (iii) net income taxes (paid) / refund received. Changes in working capital primarily included, inter-alia, increase in trade receivables of ₹103.03 million due to increased sales and increase in trade payables of ₹201.30 million due to enhanced business volumes, particularly from modern retail and e commerce platforms. Net cash flow from operating activities also included net income taxes paid of ₹13.11 million.

For Fiscal 2016, our net cash flow from operating activities was ₹193.19 million which primarily comprised of (i) net loss before taxation of ₹434.32 million which was adjusted for, primarily among other things, depreciation of ₹111.02 million, fair valuation of compulsory convertible debentures of ₹182.30 million and finance cost of ₹132.82 million; (ii) changes in working capital; and (iii) net income taxes (paid) / refund received. Changes in working capital primarily included, inter-alia, decrease in trade receivables of ₹116.30 million due to accelerated collections, Net cash flow from operating activities also included net income taxes paid of ₹30.50 million.

Net Cash Flow from Investing Activities

For Fiscal 2018, our net cash used in investing activities was ₹61.49 million which primarily comprised of capital expenditure on fixed assets (including capital advance) of ₹63.18 million which was partially offset by the interest received on bank deposits of ₹1.93 million and proceeds from the sale of fixed assets of ₹2.32 million.

For Fiscal 2017, our net cash used in investing activities was ₹47.34 million which primarily comprised of capital expenditure on fixed assets (including capital advance) of ₹70.95 million which was partially offset by movement of margin money deposit with banks (net) of ₹17.92 million.

For Fiscal 2016, our net cash used in investing activities was ₹128.01 million which primarily comprised of capital expenditure on fixed assets (including capital advance) of ₹121.42 million and movement of margin money deposit with banks (net) of ₹(10.02) million.

Net Cash Flow from Financing Activities

For Fiscal 2018, our net cash used in financing activities was ₹52.97 million which primarily comprised of finance cost of ₹148.17 million offset by repayment of long term borrowings of ₹56.56 million and net increase in working capital borrowings of ₹26.76 million.

For Fiscal 2017, our net cash used in financing activities was ₹246.15 million which primarily comprised of finance cost of ₹124.94 million, decrease in working capital borrowings of ₹69.48 million and repayment of long term borrowings of ₹51.73 million.

For Fiscal 2016, our net cash used in financing activities was ₹64.44 million which primarily comprised of finance cost of ₹128.44 million, repayment of long term borrowings of ₹60.01 million offset by an increase in working capital borrowings of ₹124.01 million.

Capital Expenditures

Our capital expenditures are mainly related to setting up new manufacturing facility at Bengaluru for the manufacture of pressure cookers, press machines for roller coating and LPG units, channel forming machine for glass cooktops and deployment of new hard anodized tanks, construction work for our new office building and other civil works.

The table below provides details of our net cash outflow on capital expenditures for the periods stated on a restated consolidated basis.

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
	(in ₹ million)		
Capital expenditure on fixed assets (including capital advance)	63.18	70.95	121.42

Planned Capital Expenditures

Our planned capital expenditures for fiscal 2019 primarily relate to the automation of production process, new warehouse in Bengaluru, implementation of technology to increase our operational efficiencies. We estimate our planned capital expenditure to be approximately ₹326.00 million.

The anticipated source of funding for our planned capital expenditures is combination of cash from our operations and financial assistance from scheduled commercial banks and financial institutions. For further information, see “*Objects of the Offer*” on page 77.

Indebtedness

As of March 31, 2018, we had fund and non-fund based borrowings. For further details see “*Financial Indebtedness*” on page 294.

Contractual Obligations

The table below sets forth, as of March 31, 2018, we had contractual obligations with definitive payment terms.

Particulars	As at March 31, 2018			
	Carrying value	Total	Less than 1 year	More than 1 year
	(in ₹ million)			
Borrowings	962.54	964.99	849.25	113.29
Compulsory convertible debentures	3,000.00	3,000.00	3,000.00	-
Trade payables and others	1,670.17	1,670.17	1667.17	3.00

Contingent Liabilities and commitment

As of March 31, 2018, we had the following contingent liabilities and commitments:

Particulars	As at
	March 31, 2018 (₹ Million)
<i>Contingent liabilities</i>	
- Indirect tax matters under appeal	61.56
- Other disputed claims	2.68
- Direct tax matters under appeal	127.82
- Provident fund claims	9.39
- Tax liability towards pending C form	11.34
- Bank guarantee	-
<i>Commitment</i>	
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets (net of advances)	27.81
Total	240.60

Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

Off-Balance Sheet Transactions

We have not entered into any off balance sheet transactions.

Market Risks

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Commodity Price Risk

We are exposed to fluctuations in the price of aluminum, aluminum derivatives and steel. The market price of these commodities fluctuate due to certain factors, such as government policy and level of demand and supply in the market and price movement domestically and internationally. Therefore, fluctuations in the prices of aluminum, aluminum derivatives and steel may have a significant effect on our business, results of operations and financial condition.

Interest Rate Risk

We have floating rate and marginal cost of fund based lending rate indebtedness with banks and thus are exposed to market risk as a result of changes in interest rates. Upward fluctuations in interest rates increase the cost of both existing and new debt. We monitor the movement of interest rates on an ongoing basis.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. We transact business primarily in Indian Rupees and our exports are in U.S. dollars. We also import significant portion of our traded products from China designated in US Dollars. As a result, we have foreign currency trade payables and receivables and are therefore exposed to foreign exchange risk. Certain of our transactions act as a natural hedge as a portion of both our assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk we adopt a policy of selective hedging based on the risk perception of our management

Liquidity risk

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, to the extent possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. We manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Credit risk

We are exposed to credit risk from our operating activities, primarily from trade receivables. We typically extend credit terms of 30 days to our distributors and franchisees and 60 days to modern retail and e-commerce platforms. If the counterparties do not pay promptly, or at all, we may have to make provisions for or write-off such amounts. As of March 31, 2018, 2017 and

2016, our trade receivables on a restated consolidated basis were ₹795.52 million, ₹592.84 million and ₹495.85 million, respectively. As at fiscals 2018, 2017 and 2016 our trade receivables considered doubtful were ₹124.36 million, ₹94.58 million and ₹85.24 million, respectively.

Inflation Risk

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Total turnover of each major industry segment in which our Company operated

We are engaged in the business of manufacturing and trading of kitchen appliances. For the purpose of reporting we operate as a single segment under the provisions of Ind AS 108 'Operating Segments' as the nature of products, the production and distribution process, class of customers and the regulatory environment is similar for all the segments.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge that have in the past or may in the future affect our business operations or financial performance which may be described as “unusual” or “infrequent”.

Known Trends or Uncertainties

Other than as described in “*Risk Factors*” and this “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 14 and 280, respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

Future Relationships Between Expenditure and Income

Other than as described in “*Risk Factors*” on page 14 and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 280, to our knowledge there are no known factors which we expect will have a material adverse impact on our operations or finances.

New Product or Business Segments

Other than as described in “*Our Business*” on page 114, there are no other business segments in which we operate / intend to diversify.

Competitive Conditions

We expect competitive conditions in our industry to further intensify as new entrants emerge and as existing competitors seek to emulate our business model and offer similar products. For further details, please refer to “*Risk Factors*” and “*Our Business*” beginning on pages 14 and 114, respectively.

Significant Developments after March 31, 2018

To our knowledge, except as stated below and as otherwise disclosed in this Draft Red Herring Prospectus, there is no subsequent development after the date of our financial statements contained in this Draft Red Herring Prospectus which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months:

- Allotment of 4,733,516 Equity Shares to SCI on September 23, 2018 pursuant to conversion of 5,489,147 Series A CCDs; and
- Allotment of 1,083,111 Equity Shares to SCI-GIH on September 23, 2018 pursuant to conversion of 1,083,111 Series B CCDs

FINANCIAL INDEBTEDNESS

Our Company has availed loans in the ordinary course of business for the purposes of, *inter alia*, purchase/import of raw materials, packing material, stores and spares and meeting working capital requirements. Our Promoters provide personal guarantees in relation to these loans as and when required. For the Offer, our Company has obtained the necessary consents required under the relevant loan documentations for undertaking activities, including, *inter alia*, for change in its capital structure, change in its shareholding pattern, reconstitution of the board of directors and change or amendment to the constitutional documents of our Company.

Pursuant to a resolution dated July 12, 2018 passed by our Shareholders, our Company is authorised to borrow any sum or sums of money from time to time, with or without security and on such terms and conditions as our Board may deem fit, provided the total amount of monies including money already borrowed by our Company (excluding temporary loans obtained from bankers of our Company in the ordinary course of business) shall not at any time exceed the limit of ₹3,500 million, irrespective of the fact that such aggregate amount of borrowings outstanding at any one time may exceed the aggregate for the time being of the paid up capital of our Company and its free reserves not set apart for any specific purpose.

Set forth below is a brief summary of our aggregate borrowings as of August 31, 2018 on a consolidated basis:

Category of borrowings	Sanctioned amount (in ₹ million)	Outstanding amount (in ₹ million) as on August 31, 2018
Term loans	125.00	120.83
Working Capital Facilities*		
Fund-based working capital	1,053.00	872.00
Non-fund based working capital	197.00	155.85
Vehicle Loan	18.12	10.86
Total	1,393.12	1,159.54

* Working Capital Facilities typically include sub-limits for other facilities like Letter of Credit, Overdraft facility, cash credit, Guarantees, including others

Principal terms of the borrowings availed by us:

- Interest:** In terms of the loans availed by us, the interest rate is typically a spread between 11% and 15.15% per annum including the base rate of a specified lender, as applicable. The spread varies among different loans.
- Tenor:** The tenor of the term loans availed by us is typically 60 months and the tenor of the cash credit facilities availed by is 12 months.
- Security:** In terms of our borrowings where security needs to be created, we are typically required to:
 - create security by way of hypothecation on our Company's present and future book-debts;
 - create *pari-passu* charges with other lenders on some of our properties and plants and machinery;
 - create equitable mortgage over some of our properties; and
 - create charges on our movable and immovable assets including our equipment, machinery, etc.

Additionally, our Promoters, Rajendra Gandhi and Sunita Rajendra Gandhi, and our Director, Neha Gandhi, have provided personal guarantees as security in relation to the facilities availed by us.

The details above are indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

- Re-payment:** The working capital facilities are typically repayable on demand. However, in certain cases, our lenders may have a right to modify or cancel the facilities without prior notice and require immediate repayment of all outstanding amounts. The term loan availed by us from South Indian Bank is repayable in 60 equated monthly instalments.
- Penalty:** The loans availed by our Company contain provisions prescribing penalties for delayed payment or default in the repayment obligations or for diversion of short term funds to long term funds. These penalties typically range from 1% p.a. to 2% p.a.
- Prepayment and Pre-closure:** Our Company may prepay part or full amount with notice and certain pre-payment charges as may be applicable in accordance with the terms and conditions agreed upon with a specific lender. The prepayment charge is typically 2% to 3% of the amount being prepaid. Further, our Company may also be subject to pre-closure charge which typically varies from 2% to 3% of either outstanding and undisbursed amount, or the sanctioned amount.

7. **Events of Default:** Borrowing arrangements entered into by our Company contain standard events of default, including:
- a) Change in capital structure or shareholding pattern of the borrower from current levels without prior permission of the lender;
 - b) Change or amendment to the constitutional documents without the prior approval of the lender;
 - c) Creation of any further charge on the fixed assets of our Company without prior approval of the lender;
 - d) Violation of any term of the relevant agreement or any other borrowing agreement entered into by our Company with the lender;
 - e) Transfer of the controlling interest or drastic changes in the management set-up including the resignation of the promoter directors without prior notice being given to the lender;
 - f) Approaching the capital markets for mobilisation of additional resources in the form of equity or debt without prior permission of the lender; and
 - g) Diversion of funds for purposes other than the sanctioned purpose.

The details above are indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

Additionally our Company is required to ensure that the aforementioned events of default and other events of default, as specified under the various binding documents and agreements entered into by our Company for the purpose of availing of loans are not triggered.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes; and (iv) other pending litigation as determined to be material as per a policy determined by the Board of Directors, in each case involving our Company, Promoters, Directors and Group Company (“**Relevant Parties**”).

For the purpose of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation pursuant to Board resolution dated September 21, 2018 to be disclosed by our Company in the Draft Red Herring Prospectus:

- (a) **Pre-litigation notices:** Notices received by the Relevant Parties from third parties (excluding statutory/regulatory/tax authorities or notices threatening criminal action) shall not be evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum; and
- (b) **De minimis monetary threshold for civil litigation:** Pending litigation involving the Relevant Parties, other than criminal proceedings, statutory and regulatory actions and taxation matters, shall be considered material if the monetary amount of the claim by or against the entity or person in any such proceeding exceeds 0.1% of the total income of the Company as per the last restated consolidated audited financial statements. For the purposes of disclosure in the Offer Documents, it is clarified that the de minimis threshold for all outstanding civil litigation involving the Relevant Parties is ₹5.3 million. However, in the event of pending civil litigation wherein a monetary liability is not quantifiable, such litigation shall be considered as material only in the event that the outcome of such litigation has a bearing on the operations, performance, prospects or reputation of the Company.

Further, except as stated in this section, there are no (i) outstanding dues to creditors of our Company as determined to be material by our Board of Directors, in accordance with SEBI ICDR Regulations; (ii) outstanding dues to small scale undertakings and other creditors, including material creditors as defined under the materiality policy; (iii) outstanding proceedings initiated against our Company for economic offences; (iv) pending defaults or non-payment of statutory dues by our Company; (v) disciplinary actions taken by the SEBI or a recognised stock exchange against our Promoters and Group Company; and (vi) overdues or defaults to banks or financial institutions by our Company”.

I. Litigation involving our Promoters

A. Outstanding criminal litigation against our Promoters

1. A criminal complaint bearing CC No. 35390/2006 (“**Complaint**”) has been filed by the Karnataka State Pollution Control Board (“**KSPCB**”) before the court of the Additional Chief Metropolitan Magistrate, Bengaluru (“**ACMM Court**”) against our Company and our Promoter, Rajendra Gandhi. Pursuant to the Complaint, the KSPCB has alleged the violation of, *inter alia*, Section 21 of The Air (Prevention and Control of Pollution) Act, 1981 (“**Air Act**”) by our Company. The KSPCB has alleged that our Company had operated our erstwhile facility situated at No. 28/1, adjacent to AGS layout, 3rd main road, Arehalli Village, Uttarahalli Hobli, Bengaluru without obtaining the requisite consents under Air Act. Pursuant to an order, the ACMM Court took cognizance of the alleged offence and issued a non-bailable warrant against our Promoter, Rajendra Gandhi. Subsequently, pursuant to an order of the ACMM Court dated January 22, 2011, our Promoter, Rajendra Gandhi was enlarged on bail. Subsequently, our Company submitted an application for discharge to the ACMM Court, submitting, *inter alia*, that the Complaint was made by an officer, not authorised by the KSPCB and therefore and was in violation of Section 43 of the Air Act, which requires a complaint alleging violation of Section 37 of the Air Act to be made by the concerned pollution control board or an officer authorised by such board. In response, the KSPCB filed objections dated February 18, 2017 with the ACMM Court, seeking the quashing of our application for discharge. On March 31, 2017, the ACMM Court passed its order in relation to the Complaint, and held that the Complaint filed was maintainable and the application for discharge of the Complaint was rejected. Aggrieved by the order, our Company filed an interlocutory application bearing number I.A. No. 1/2017 and a criminal petition 3097/2017 before the High Court of Karnataka (“**HC Application**”), for the quashing of the Complaint. Pursuant to its order dated April 17, 2017, the High Court of Karnataka has ordered a stay on the proceedings before the ACMM Court until further notice. The matter is currently pending.
2. Two criminal complaints bearing CC No. 413/2015 (“**Complaint 1**”) and CC No. 209/2015 (“**Complaint 2**”) (together, the “**Complaints**”) have been filed by the Assistant Commissioner of Central Excise (Legal), Bangalore-III Commissionerate and the Joint Commissioner of Central Excise-Legal, Bengaluru-III Commissionerate, respectively before the Special Court for Economic Offence at Bangalore (“**Special Court**”) against our Company and our Promoter, Rajendra Gandhi and a partnership firm, Vardhaman Enterprises, in which our Promoter Rajendra Gandhi is a partner, respectively (“**Accused**”). The complaints have been filed in relation to erstwhile proceedings initiated against our Company and our Promoter, Rajendra Gandhi, for the alleged contravention of the Central Excise Rules, 2002 and CENVAT Credit Rules, 2004 in relation to *inter alia*, clandestine removals and irregular availment of CENVAT credit.

The Special Court took cognizance of Complaint 1 on October 3, 2015 and Complaint 2 on July 14, 2015 and issued summons to the Accused. Pursuant to an application filed by our Company and our Promoter, Rajendra Gandhi, the Special Court passed an order, allowing our Promoter, Rajendra Gandhi to be released on bail on executing a personal bond and directing him to furnish surety to ensure regular appearance in Court. Aggrieved, our Company filed criminal petitions bearing nos. 7845/2015 and 8344/2015 before the High Court of Karnataka (“**HC**”), for quashing the complaints and setting aside the orders dated July 14, 2015 and October 3, 2015. Additionally, our Company also filed stay application bearing I.A. No. 1/2015 for the stay of proceedings before the Special Court. Subsequently the HC passed an order dated December 16, 2015, ordering a stay of further proceedings before the trial court. The matters are currently pending.

3. A criminal complaint bearing CC No. 350/2013 (“**Complaint**”) has been filed by the State of Karnataka at the instance of Deputy Director of Factories, Bangalore Division-3, Bangalore (“**Complainant**”) before the court of the Judicial Magistrate of First Class, Kanakapura (“**JMFC Court**”) against our Promoter, Rajendra Gandhi and an ex-employee of our Company. This Complaint has been filed in relation to an accident at our factory premises situated at 81/1 Medamarana Halli, Harohalli Industrial Area, Kanakapura taluk, Ramanagara District, which caused injuries to our ex-employee, Jayarathnamma, who alleged that the accident occurred *inter alia*, because: (i) there was no provision of photo electronic sensors on the Hydraulic Power Press Machine (“**Machine**”) being operated by her; (ii) the Machine was not tested by a competent person for safe working periodically once in 12 months; and (iii) the Machine was being operated without providing fixed safety guards on the backside and between the tool and the die. The Complainant has alleged violation of the Karnataka Factories Rules, 1969 read with the provisions of the Factories Act, 1948. The matter is currently pending.

B. Outstanding actions initiated by regulatory and statutory authorities against our Promoters

1. Our Promoter, Rajendra Gandhi, received a notice dated September 27, 2017 from the Office of the Tehsildar of the Kanakapura Taluk (“**Tehsildar**”) in reference to our Promoter, Rajendra Gandhi’s purchase of land bearing Sy. No. 81/6 in Ramanagara District, Harohalli through a Sale Deed dated September 17, 2017. The Tehsildar had required Rajendra Gandhi to submit certain documents within a week of the receipt of the notice, failing which it was stated that legal proceedings would be instituted. The documents required, *inter alia*, included, proof of agriculturist, the income certificate obtained from the Tehsildar and income tax certificates of the last five years, in connection with a declaration letter he had earlier submitted as per Section 81A of the Registration Act, when he had registered the land. Subsequently Rajendra Gandhi has replied to the notice on September 20, 2018 with the required documents. No further communication has been received from the Tehsildar.

C. Material outstanding civil litigation by our Promoters

1. A company petition bearing number 36/BB/2018 dated November 22, 2017 (“**Petition**”) has been filed by our Promoter, Rajendra Gandhi, and our Company, before the National Company Law Tribunal bench at Bengaluru (“**NCLT**”) against our Associate PAPL and its director, Anraj Bhandari, in relation to, *inter alia*, PAPL not conducting its AGM as mandated under the Companies Act since 2015, and adopting and approving financial statements for the financial year ended March 31, 2015 and March 31, 2016. Pursuant to the Petition filed under Section 97(1), Section 241 and Section 244 of the Companies Act, our Company has represented before the NCLT that as PAPL has not conducted its AGM as mandated under the Companies Act, the same can lead to a violation of the Companies Act, 2013. Pursuant to this Petition, our Company has prayed for (i) appointment of an independent chairman on the board of PAPL; (ii) holding of AGMs for the financial year ended 2014-15, 2015-16 and 2016-2017 and filing of relevant forms with the RoC as required under section 97(1) of the Companies Act, 2013; (iii) directing the ROC to not list the name of our Promoter, Rajendra Gandhi, as a defaulting director until the disposal of the petition; (iv) permission to our Company to purchase shares of Anraj Bhandari and remove him from the board of PAPL; and (v) any other permanent remedy as may be decided by the NCLT. The NCLT directed to issue a notice and to serve a copy of the petition to the Registrar of Companies, Bengaluru (“**RoC**”). On April 17, 2018, Rajendra Gandhi received a notice from the RoC, asking him to show cause as to why PAPL should not be struck off under the provisions of the Companies Act, 2013. In response, a reply dated May 23, 2018, has been sent to the RoC, requesting the RoC to withdraw the notice, until final disposal of the Petition. Subsequently, our Company filed an interim application bearing no. I.A. 71/2018 before the NCLT praying to direct the RoC to not to disqualify Rajendra Gandhi from acting as a director in other companies, pending disposal of the main Petition. In I.A. 71/2018, the NCLT has passed an order dated May 30, 2018, impleading the RoC, Karnataka as a respondent. Further, the NCLT has issued an order on July 18, 2018 directed the ROC to maintain the status quo and not to disqualify Rajendra Gandhi as a director until the disposal of the Petition. The matter is currently pending.

II. Litigation involving our Company

A. Outstanding criminal litigation against our Company

1. For details in relation to CC No. 35390/ 2006 against, amongst others, our Company, see “- Litigation involving our Promoter - Outstanding criminal litigation against our Promoters” on page 296

2. For details in relation to CC No. 413/2015 against, amongst others, our Company, see “-*Litigation involving our Promoters - Outstanding criminal litigation against our Promoters*” on page 296

B. Material outstanding civil litigation against our Company

1. Our Associate Company PAPL, has filed a suit bearing number O.S. 5217/2017 in the court of the Additional City Civil Judge, Bengaluru (“**ACCJ**”) in relation to alleged outstanding dues amounting to ₹8.09 million with an interest of 18% p.a. to be paid by our Company to PAPL for mixer grinders manufactured and supplied to our Company from time to time on credit basis. Our Company has filed written statements in response to the suit, claiming that the suit is not maintainable and is liable to be dismissed due to suppression of facts. The matter is currently pending.

C. Outstanding actions initiated by regulatory and statutory authorities

1. Our Company submitted an accident report dated November 19, 2011 to the Deputy Director, Division-4, Department of Factories and Boilers Industrial Safety and Health, Bangalore (“**Deputy Director**”) in relation to an accident at our factory unit situated at 81/1 Medamarana Halli, Harohalli Industrial Area, Kanakapura taluk, Ramanagara District, which led to injuries to our worker, Lakshamma (“**Complainant**”). The Deputy Director in the accident investigation report dated December 23, 2011 (“**Notice 1**”) observed that certain provisions of the Factories Act, 1948 and the Karnataka Factories Rules, 1969 had been breached by our Company. Our Company replied to Notice 1 on January 4, 2012 and stated *inter alia* that the Company has not violated any provision of the Factories Act, 1948 and Karnataka Factories Rules, 1969 and sought to drop all the proceedings. Further, the Complainant filed an application before the Commission for Schedule Caste and Schedule Tribe at Bengaluru (“**SC/ST Commission**”) claiming an amount of ₹3 million. Our Promoter, Rajendra Gandhi, was issued summons by the SC/ST Commission in case no. 43/2018 to be present on February 16, 2018. The matter is currently pending.
2. A show cause notice dated October 20, 2016 was received by our Company from the Kanakapura Planning Authority (“**KPA**”) in respect of the land admeasuring, in aggregate, 6 acres, 37 guntas, in survey numbers 81/2, 81/3, 81/4, and 81/1, Medamaranahalli, Harohalli Hobli, Kanakapura Taluk (“**Property**”), alleging that the building was an illegal construction due to non-obtaining of requisite approvals from the KPA for carrying on industrial developmental programmes on the land. The show-cause notice called upon our Company to submit relevant documents within 7 days. Our Company vide letter dated November 4, 2016, clarified that the industry was being carried on after obtaining necessary approvals, permissions and licenses from concerned statutory authorities since 2008, including the appropriate conversion orders, and that property taxes were being paid regularly. Our Company requested one month to trace certain documents, and to furnish them to the KPA, in compliance with the notice dated October 20, 2016.

A further notice dated December 16, 2016 was received by our Company from the KPA stating that since the extension of time, up to December 4, 2016, had passed and no documents had been received by KPA, the industry should be stopped immediately and our Company was given 7 days from receipt of the notice to show cause as to why action should not be taken by the authority to bring the land to its original state. Our Company responded vide a letter dated December 27, 2016, provided, *inter alia*, the relevant conversion orders, plan approval from the village panchayat, licenses and no objection certificates from various statutory authorities, general licenses from the village panchayat and single window clearance obtained from the managing director, KUM and member secretary, state level single window clearance committee. Further, our Company also undertook to file applications in the due course, along with the ‘as-built plan’ for regularization under the Akrama-Sakrama Scheme (framed under Section 76FF of the Karnataka Town and Country Planning Act, 1961), once the same is implemented. Subsequently we received a notice dated January 25, 2017 and our Company replied vide letter dated February 4, 2017 pleading for no orders to be issued against our Company under the Karnataka Town and Country Planning Act, 1961 and to not issue any direction for demolition or removal of industry and/or industrial building in the Property. Thereafter, no further notices have been received from the KPA.

3. A notice dated May 17, 2018 was received by our Company from the Regional PF Commissioner-I (“**PF Commissioner**”), allegedly in relation to non-payment of employee provident fund (“**EPF**”) contribution on applicable components of basic wages such as *inter alia*, conveyance allowance and special allowances totalling to ₹28.30 million for the period from September 2014 to December 2017 and for non-enrolment of certain eligible employees as required for under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“**EPF Act**”). Our Company filed a reply dated August 30, 2018 with the PF Commissioner stating that the Company has already paid EPF contribution on the basic wages and dearness allowance and allowances such as, *inter alia*, conveyance allowance and special allowance are outside the scope of definition of basic wages as provided for in the EPF Act, and requested to drop the enquiry proceedings. The matter is currently pending.
4. A notice dated November 10, 2009 was received by our Company from Regional Provident Fund Commissioner-II the (“**RPFC-II**”) allegedly in relation to default in payment of provident fund and non-enrolment of employees for the period November 2007 to August 2011. Pursuant to an order dated June 16, 2014, the RPFC-II ordered the Company to pay an amount of ₹9.38 million towards payment of unpaid provident fund dues. Additionally, pursuant to an order dated September 3, 2014, the RPFC-II directed State Bank of India (“**SBI**”), with whom our Company has a bank account, to pay the amount of ₹9.38 million due on behalf of our Company and also attach the bank account of the Company maintained with the SBI. A writ petition bearing number 45239/2014 dated September 17, 2014 was filed

in the High Court of Karnataka (“**High Court**”) by our Company praying for a stay on the order passed by the RPFC-II. The High Court, pursuant to an order dated September 17, 2014, granted an interim stay on the order of the RPFC-II attaching our Company’s bank account. Subsequently, our Company also filed a petition before the EPF Appellate Tribunal (“**EPFAT**”) praying to set aside the order dated June 16, 2014 passed by the RPFC-II on September 3, 2014. On September 17, 2014, the EPFAT, New Delhi passed an order directing the Company to deposit 30% of the amount allegedly unpaid towards payment of provident fund. Subsequently, this case has been transferred to the Central Government Industrial Tribunal. The matter is currently pending hearing at the Central Government Industrial Tribunal.

D. Material outstanding civil litigation by our Company

1. An original suit bearing number O.S. 2997/2015 (“**Petition**”) dated March 30, 2015 has been filed by our Company before the Additional City Civil Judge, at Bengaluru (“**Court**”) against our Associate, PAPL (“**Defendant**”), in relation to infringement of our ‘PIGEON’ trademark. Our Company has alleged that such infringement was a result of unauthorised sale and manufacture of kitchen electrical and non-electrical appliances and utensils under the trademark ‘PIGEON’ by the Defendant. Our Company further alleged that, during 2003, our Company, had permitted the Defendant to use our ‘PIGEON’ trademark in relation to certain products manufactured by it. Subsequently in 2015, our Company and our Promoter, Rajendra Gandhi, who is currently a director on the board of directors of PAPL, had requested the Defendant to stop using our trademark for the manufacture of its products. Upon becoming aware of the unauthorised sale and manufacture of kitchen electrical and non-electrical appliances and utensils under our mark, our Company has filed this Petition. The Defendant, by way of objections, alleged that, *inter alia*, the said trademark is a generic name and the use of same was known to our Company. Subsequently, the Court vide its order dated April 17, 2015 granted an ex parte ad-interim injunction in favour of our Company, restraining the Defendants from, *inter alia*, infringing and passing off our ‘PIGEON’ trademark, in relation to the manufacture and sale of kitchen electrical and non-electrical appliances bearing our ‘PIGEON’ trademark, and also ordered the court commissioner to seize the products being our trademark ‘PIGEON’ from the premises of the Defendants. Subsequently, the Court, pursuant to an order dated August 18, 2015, granted temporary injunction and restrained the defendant from infringing and passing off the trademark ‘PIGEON’ in relation to selling and manufacturing household electrical and non-electrical kitchen appliances, utensils, spare parts, components and accessories under the brand name ‘PIGEON’ pending disposal of the petition. This matter is currently pending
2. For details in relation to company petition 36/BB/2018 filed by our Company, amongst others, see “*Litigation involving our Promoter - Outstanding civil litigation by our Promoters*” on page 297.

III. Litigation involving our Directors

A. Outstanding Criminal litigation against our Directors

1. For details in relation to CC No. 35390/ 2006 against, amongst others, our Director, Rajendra Gandhi, see “*Litigation involving our Promoter- Outstanding Criminal Litigation against our Promoters*” on page 296.
2. For details in relation to CC No. 413/2015 and CC No. 209/15, against, amongst others, our Director, Rajendra Gandhi see “*-Litigation involving our Promoters - Outstanding criminal litigation against our Promoters*” on page 296.
3. For details in relation to CC No. 350/2013 against, amongst others, our Director, Rajendra Gandhi see “*-Litigation involving our Promoters - Outstanding criminal litigation against our Promoters*” on page 296.

B. Outstanding actions initiated by regulatory and statutory authorities against our Directors

1. For details in relation to notice dated September 27, 2017 from the Office of the Tehsildar of the Kanakapura Taluk by our Director Rajendra Gandhi see “*Litigation involving our Promoters- Outstanding actions initiated by regulatory and statutory authorities against our Promoters*” on page 298.

C. Material outstanding civil litigation by our Directors

1. For details in relation to company petition filed by our Director, Rajendra Gandhi, amongst others, see “*Litigation involving our Promoters- Outstanding Civil Litigation by our Promoters*” on page 297.

Tax Proceedings

Our Company is involved in certain direct and indirect tax proceedings, in relation to *inter alia*, allegedly for wrongful availment of input service credit under the provisions of the CENVAT Credit Rules, 2004 and non-payment of applicable central excise duty. Except as disclosed below, there are no outstanding tax proceedings involving our Company, Directors or Promoters.

Nature of case	Number of cases	Amount involved (in ₹ million)
Company		

Direct Tax*	Nil	Nil
Indirect Tax	11	151.47
Directors		
Direct Tax	Nil	Nil
Indirect Tax	-	-
Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

* Other than the tax cases involving our Company, Stovekraft India, a partnership firm in which our Company and our Promoter, Rajendra Gandhi, hold 99% and 1% interest respectively, is involved in a direct tax case where the amount involved is ₹ 96.60 million

Outstanding dues to Small Scale Undertakings and other Creditors

As of March 31, 2018, the Company owed outstanding dues of ₹1,097.48 million to a total of 522 creditors, out of which our Company owed outstanding dues of ₹40.28 million to a total of 30 small scale undertakings.

For the purpose of material creditors to be disclosed in this Draft Red Herring Prospectus, our Board has considered and adopted the following policy pursuant to a board resolution dated September 21, 2018:

Outstanding dues to any creditor of the Company which exceed 5% of the trade payables of the Company as at March 31, 2018 being ₹72.58 million, based on the latest Restated Consolidated Financial Statements, shall be considered material.

As per the above policy, the outstanding amount owed to small scale undertakings and material creditors as on March 31, 2018, by our Company is as follows:

Material Creditors	Number of cases	Amount involved (in ₹ million)
Small scale undertakings *	Nil	Nil
Other creditors	1	122.39
Total	1	122.39

* Entities that are identified as "Micro & Small Enterprises" under the Restated Consolidated Financial Statements are considered as small scale undertakings. Further, our Company has not received any intimation from any of our creditors regarding their status as micro or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. For further details, see the section titled "Financial Statements" on page 161

The details pertaining to outstanding dues towards our creditors are available on the website of our Company at <https://www.stovekraft.com/blog/creditors/>. It is clarified that information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information including our Company's website, www.stovekraft.com, would be doing so at their own risk.

Material Developments since the last balance sheet

Except as disclosed in "Management's Discussion And Analysis of Financial Condition and Results of Operations" on page 280, no circumstances have arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any which materially and adversely affect, or are likely to affect, our operations or profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

Outstanding proceedings initiated against our Company for economic offences

For details in relation to criminal complaint bearing CC No. 413/2015 filed by the Assistant Commissioner of Central Excise (Legal), Bangalore-III Commissionerate before the Special Court for Economic Offence at Bangalore against, *inter alia*, our Company amongst others, see "Litigation involving our Promoters- Outstanding criminal litigation against our Promoters" on page 296. Except as stated above, there are no proceedings initiated against our Company for any economic offence.

Defaults in respect of dues payable

Our Company has no outstanding defaults in relation to statutory dues payable or any defaults in payments of loans.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government of India, various governmental agencies and other statutory and/ or regulatory authorities required for carrying out our present business activities and except as mentioned below, no further material approvals are required for carrying on our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus and in case of licenses and approvals which have expired, we have either made an application for renewal or are in the process of making an application for renewal. For further details in connection with the applicable regulatory and legal framework, within which we operate, see “Regulations and Policies” on page 128.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities.

I. Approvals in relation to the Offer

For details of the approvals and authorization obtained by our Company in relation to the Offer, see “*Other Regulatory and Statutory Disclosures - Authority for the Offer*” on page 304.

II. Incorporation details of our Company

- (i) Certificate of incorporation dated June 28, 1999 issued by the RoC to our Company in the name of Stove Kraft Private Limited.
- (ii) Fresh certificate of incorporation dated August 13, 2018 issued by the RoC to our Company consequent upon conversion to a public company in the name of Stove Kraft Limited.
- (iii) Our Company was allotted a corporate identity number U29301KA1999PLC025387.

III. Approvals in relation to our business operations

(i) Approvals in relation to our manufacturing operations:

(a) Employment related laws

We have obtained the relevant registrations under the Factories Act, 1948, Karnataka Shops and Commercial Establishments Act, 1961 except for a sales office situated in Jaipur, Industrial Employment (Standing Orders) Act, 1946, except for the Baddi unit which is pending approval, Payment of Gratuity Act, 1972, and the Contract Labour (Regulation and Abolition) Act, 1970.

We have also obtained registration under the Employees’ Provident Fund and Miscellaneous Provisions Act, 1952, and have been allotted code number 25633 for our units in Karnataka, and 103039 for the unit in Baddi. We have also obtained registration under the Employees’ State Insurance Act, 1948, and have been allotted code number 53000402900000999 for our units in Karnataka and code number 14001530510000699 for our unit at Baddi.

(b) Environmental regulations

We have obtained relevant consents from the relevant regulatory authorities for establishment and operations of our manufacturing units under the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981. We have obtained relevant authorization from the regulatory authority in respect of our manufacturing unit at Baddi under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, and have applied for such authorization in respect of our unit I in Karnataka.

(c) Other approvals

We have also obtained registrations as electrical installation certificates under the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010, legal metrology registrations, and we have not obtained no-objection certificates for our unit I in Karnataka and for our unit at Baddi, as applicable under the relevant central and state legislations. We have also obtained the importer exporter code for our operations.

IV. Approvals for our business operations under tax legislations

We are required to register under various national tax laws and state specific tax laws such as the Income Tax Act, 1961, state specific sales tax, goods and services tax, and state professional tax legislations. We have obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws, including PAN AADCS9958B, TAN BLRS04606A, GST registration number 29AADCS9958B1ZY for our unit in Bangalore, Karnataka, and GST registration number 02AADCS9958B1ZE for our unit in Baddi, Himachal Pradesh.

V. Intellectual Property Rights

Our Company has obtained the following trademark registrations:

S. No	Trade mark	Trademark No.	Class	Certificate no.	Date of application	Date of expiry
1.	STOVEKRAFT (Logo)	2230467	21	1120776	November 8, 2011	November 8, 2021
2.	STOVEKRAFT (Logo)	2230461	7	1151769	November 8, 2011	November 8, 2021
3.	STOVEKRAFT	2230468	21	1120709	November 8, 2011	November 8, 2021
4.	STOVEKRAFT	2230464	9	1120968	November 8, 2011	November 8, 2021
5.	STOVEKRAFT	2230462	7	1650052	November 8, 2011	November 8, 2021
6.	STOVEKRAFT (Logo)	2230465	11	1650177	November 8, 2011	November 8, 2021
7.	STOVEKRAFT	2230466	11	1648293	November 8, 2011	November 8, 2021
8.	GILMA	1067551	11	RLC/112191	December 18, 2001	December 18, 2021
9.	GILMA	1067552	21	RLC/112194	December 18, 2001	December 18, 2021
10.	GILMA	2474753	7	1922981	February 8, 2013	February 7, 2023
11.	GILMA	2158656	20	1300251	June 13, 2011	June 13, 2021
12.	GILMA	2554705	6	1198630	June 26, 2013	June 26, 2023
13.	PIGEON	1198490	21	RLC/170361	May 13, 2003	May 13, 2023
14.	PIGEON	1198491	11	RLC/170360	May 13, 2003	May 13, 2023
15.	PIGEON (Label)	1397584	7	RLC/190608	November 7, 2005	November 25, 2025
16.	PIGEON (Label)	1397585	11	RLC/190610	November 7, 2005	November 25, 2025
17.	PIGEON (Label)	1397586	21	1245655	November 7, 2005	November 7, 2025
18.	PIGEON	2474754	7	1373620	February 8, 2013	February 8, 2023
19.	Master Cuisine	3785511	8	1986037	March 22, 2018	March 22, 2028
20.	Master Cuisine	3785512	11	1986038	March 22, 2018	March 22, 2028
21.	Master Cuisine	3785526	21	1985775	March 22, 2018	March 22, 2028

Our Company has obtained the following design registrations under the Design Rules, 2001:

S. No	Design	Design No.	Class	Certificate no.	Date of issue	Date of expiry
1.	STOVEKRAFT – Pressure Cooker	257872	07-02	38736	June 9, 2015	June 9, 2025

Our Company has applied for the following design registration, which is pending approval:

S. No.	Design	Application No.	Class	Date of renewal application
1.	Mixer Grinder	254931	07-04	June 27, 2013

Our Company has applied for the following trademark registrations, which are currently pending:

S. No.	Trade mark	Temporary trade mark no. for pending applications	Class	Date of application
1.	PIGEON	2554706	9	June 26, 2013
2.	PIGEON - Logo	2554707	9	June 26, 2013
3.	PIGEON	2554708	12	June 26, 2013
4.	PIGEON - Logo	2554709	12	June 26, 2013
5.	MIO – Pigeon - Logo	2777315	21	July 21, 2014
6.	BELLISSIMA and PIGEON - Logo	2777316	21	July 21, 2014
7.	PIGEON LED	3449481	11	April 1, 2017
8.	PIGEON LED	3449482	35	April 1, 2017
9.	GILMA	2474752	9	February 8, 2013
10.	Master Cuisine	3785510	7	March 22, 2018
11.	STOVEKRAFT (Logo)	2230463	9	November 8, 2011

The applications for trademarks made by our Company have been objected in the ordinary course of the application process in respect of which our Company has filed the requisite documents, that are currently pending, with the Registrar of Trade Marks.

Further, our Company is required to obtain mandatory certification from Bureau of Indian Standards and Bureau of Energy Efficiency for certain of our products such as electric irons, LED Lamps etc. Some of the BIS certifications applicable to us for which we have obtained certificates are as follows:

S. No.	Products	Certifications	Date of Expiry
1.	Electric irons	IS 302 (Part 2: Sec 3): 2007	March 18, 2019

2.	Self ballered LED lamps for general lighting services	IS 16102 (Part 1): 2012	August 22, 2019
3.	Fixed general purpose LED	IS 10322 (Part 5/Sec 1): 2012	March 19, 2019
4.	AC supplied electronic control gear for LED modules	IS 15885 (Part 2/ Sec 13)	December 21, 2019

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on September 21, 2018 and our Shareholders have approved the Offer pursuant to a resolution passed at the EGM held on September 24, 2018 under Section 62(1)(c) of the Companies Act, 2013.

For details on the authorisation of each of the Selling Shareholders in relation to the Offer, see “*The Offer*” on page 59.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, members of the Promoter Group, Group Company and our Directors have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Each Selling Shareholders in respect of itself confirms that it has not been prohibited from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority in India.

The companies with which our Promoters and Directors are or were associated as promoter, directors or persons in control have not been prohibited from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors are associated with entities which are engaged in securities market related business and are registered with SEBI.

There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved as promoter or directors.

Prohibition by RBI

None of our Company, our Promoters, Directors and our Group Company have been identified as a Wilful Defaulter. There are no violations of securities laws committed by our Company, our Promoters, our Group Company and our Directors in the past or is pending against our Company, our Promoters, our Group Company and our Directors. Each Selling Shareholder specifically confirms that it has not been identified as a Wilful Defaulter in terms of the SEBI ICDR Regulations.

Eligibility for the Offer

Our Company is eligible for the Issue in accordance with Regulation 26(2) of the SEBI ICDR Regulations, which states as follows:

“An issuer not satisfying the condition stipulated in sub-regulation (1) may make an initial public offer if the issue is made through the book-building process and the issuer undertakes to allot, at least seventy five percent of the net Issue to public, to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers.”

We are an unlisted company, not satisfying the conditions specified in Regulation 26(1) of the SEBI ICDR Regulations and are therefore required to Allot at least 75% of the Offer is proposed to be Allotted to QIBs to meet the conditions detailed of Regulation 26(2) of the SEBI ICDR Regulations. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Hence, we are eligible for the Offer under Regulation 26(2) of the SEBI ICDR Regulations.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable. In accordance with Regulation 4(5) of the SEBI ICDR Regulations, neither us nor any of our Promoters or our Directors are Wilful Defaulters.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI ICDR Regulations, failing which the entire application monies shall be refunded forthwith in terms of Companies Act 2013, SEBI ICDR Regulations and any other applicable laws. In case of delay, if any, in refund/ unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws. The Selling Shareholders shall provide all required information, support and cooperation to the Company in this respect.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THIS DRHP HAS BEEN SUBMITTED TO THE SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING EDELWEISS FINANCIAL SERVICES LIMITED, JM FINANCIAL LIMITED AND IDFC BANK LIMITED (“BRLMs”), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, EACH OF THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY MADE OR CONFIRMED BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF AND FOR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2018 WHICH READS AS FOLLOWS:

WE, EDELWEISS FINANCIAL SERVICES LIMITED, IDFC BANK LIMITED AND JM FINANCIAL LIMITED (TOGETHER, THE “BOOK RUNNING LEAD MANAGERS” OR “BRLMs”), STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 27, 2018 (“DRAFT RED HERRING PROSPECTUS”) PERTAINING TO THE SAID OFFER.
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION, AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:
 - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”), IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER, AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC., FRAMED / ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, (AS AMENDED AND TO THE EXTENT NOT REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE), THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE.

5. WE CERTIFY THAT A WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF EQUITY SHARES AS PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE OFFER. – NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE COMPANY'S MEMORANDUM OF ASSOCIATION, OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013, AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED / TRANSFERRED TO A SEPARATE BANK ACCOUNT, AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
 - (a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER.**
14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF THE CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. – COMPLIED WITH.**
15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH, AND OUR COMMENTS, IF ANY. - COMPLIED WITH.**
16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY BOOK RUNNING LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR– COMPLIED WITH.**
17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY AS PER IND AS 24 IN THE FINANCIAL STATEMENTS AND INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AS CERTIFIED BY MISHRA & CO, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER: 012355S), PURSUANT TO ITS CERTIFICATE DATED SEPTEMBER 27, 2018.**
18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y(1)(A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS. (IF APPLICABLE) – NOT APPLICABLE.**

The filing of this Draft Red Herring Prospectus does not, however, absolve the Company and any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013, or from the requirement of obtaining such statutory and/ or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Caution - Disclaimer from our Company, our Directors, the Selling Shareholders and BRLMs

Our Company, our Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website www.stovekraft.com, or the respective websites of our Promoters, Promoter Group or any affiliate of our Company would be doing so at his or her own risk. The Selling Shareholders, its respective directors, affiliates, associates, and officers accept no responsibility for any statements made in this Draft Red Herring Prospectus other than those statements or undertakings specifically made or confirmed by the Selling Shareholders in relation to itself and its respective proportion of the Offered Shares.

Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

None among our Company, any of the Selling Shareholders or any member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue,

sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in a wide range of transactions with, and perform services for, our Company, the Selling Shareholders, their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective directors, officers, agents, group company, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDA, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs, and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Bengaluru only.

The Offer for Sale of the Equity Shares in the Offer shall not, under any circumstances, create any implication that there has been no change in the affairs of our Company or any of the Selling Shareholders since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the laws of any state of the United States and may not be offered or sold in the United States (as defined in Regulation S under the U.S. Securities Act (“**Regulation S**”)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States pursuant to Regulation S.

Each purchaser of the Equity Shares in the Offer in India shall be deemed to:

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Members that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares was originated.
- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Members that it did not purchase the Equity Shares as result of any “directed selling efforts” (as defined in Regulation S).
- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Members that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to resell or otherwise transfer any of the Equity Shares, it agrees that it will not offer, sell or otherwise transfer the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act.
- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Members that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion

with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

- Represents and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Members that if it acquired any of the Equity Shares for one or more managed accounts, that it was authorized in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- Agree to indemnify and hold our Company, the Selling Shareholders, the BRLMs and the Syndicate Members harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

Acknowledge that our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Overseas Towers, 7th Floor, 756-L, Anna Salai, Chennai 600 002, Tamil Nadu, India and electronically on the platform provided by SEBI.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the office of the Registrar of Companies, Bengaluru situated at “E” Wing, 2nd Floor, Kendriya Sadana, Koramangala, Bengaluru 560 034, Karnataka, India.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, all monies received from the applicants in pursuance of the Red Herring Prospectus, as required by applicable law and each Selling Shareholder will be liable severally and not jointly to re-imburse the Company for such repayment of monies, on its behalf, with respect to its respective portion of the Offered Shares. For the avoidance of doubt, a Selling Shareholder shall not be responsible to pay interest for any delay, except to the extent such delay has been caused solely and directly by an act of omission of such Selling Shareholder in relation to its respective portion of the Offered Shares. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within six Working Days from the Bid/ Offer Closing Date or within such period as may be prescribed by SEBI. Further, the Selling Shareholders shall extend reasonable support, as required and requested by our Company and the BRLMs for the completion of the necessary formalities to facilitate the process for listing and commencement of trading at all the Stock Exchanges within six Working Days of the Bid/ Offer Closing Date or within such period as may be prescribed by SEBI to the extent of their respective portion of the Offered Shares.

If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Price information of past issues handled by the BRLMs

A. Edelweiss Financial Services Limited

1. Price information of past issues handled by Edelweiss:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1	Fine Organic Industries Limited	6,001.69	783.00	July 2, 2018	815.00	5.72% [6.56%]	Not Applicable	Not Applicable
2	ICICI Securities Limited	34,801.16	520.00	April 4, 2018	435.00	-27.93% [5.44%]	-37.26% [5.22%]	Not Applicable
3	Galaxy Surfactants Limited	9,370.88	1,480.00	February 8, 2018	1,525.00	1.14% [-3.31%]	-0.85% [1.33%]	-14.68% [7.66%]
4	Amber Enterprises India Limited	6,000.00	859.00 ^{^^}	January 30, 2018	1,175.00	27.15% [-5.04%]	32.56% [-2.81%]	10.68% [2.44%]
5	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	3.50% [3.00%]	6.27% [-2.83%]	-5.20% [4.13%]
6	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-3.57% [3.95%]	-11.51% [0.75%]	-28.51% [4.93%]
7	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	30.16% [1.02%]	48.93% [2.11%]	74.66% [5.04%]
8	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 6, 2017	295.90	3.61% [-3.19%]	8.12% [2.05%]	-4.21% [1.59%]
9	Prataap Snacks Limited	4,815.98	938.00 ^{^^}	October 5, 2017	1,270.00	25.12% [5.70%]	31.82% [5.60%]	40.99% [3.27%]
10	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.10	3.62% [6.25%]	18.97% [8.17%]	15.36% [4.06%]

Source: www.nseindia.com

^{^^} Amber Enterprises India Limited - employee discount of ₹ 85 per equity share to the offer price was offered to the eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹ 859 per equity share

^{^^}Prataap Snacks Limited - employee discount of ₹ 90 per equity share to the issue price was offered to the eligible employees bidding in the employee reservation portion. All calculations are based on the issue price of ₹ 938 per equity share

Notes

1. Based on date of listing.
2. % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th / 90th / 180th calendar day from listing day.
3. Wherever 30th / 90th / 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.
4. The Nifty 50 index is considered as the benchmark index
5. Not Applicable. – Period not completed
6. Disclosure in Table-1 restricted to 10 issues.

2. Summary price information of past issues handled by Edelweiss:

Fiscal Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-19*	2	40,802.85	-	1	-	-	-	1	-	-	-	-	-	-
2017-18	11	218,549.76	-	-	1	1	5	4	-	1	3	3	1	3
2016 - 17	6	123,361.22	-	-	1	1	3	1	-	-	-	3	2	1

* The information is as on the date of the document

1. Based on date of listing.

2. Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.

3. The Nifty 50 index is considered as the Benchmark Index.

*For the financial year 2018-19 – 2 issues have been completed.1 issue has completed 30 days. 1 issue has completed 90 days.

B. JM Financial Limited

1. Price information of past issues handled by JM Financial Limited:

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 th calendar days from listing
1.	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	+58.04% [+1.17%]	NA	NA
2.	Fine Organic Industries Limited	6,001.69	783.00	July 2, 2018	815.00	+5.72% [+6.56%]	NA	NA
3.	IndoStar Capital Finance Limited	18,440.00	572.00	May 21, 2018	600.00	-0.96% [+1.84%]	-16.28% [+9.07%]	NA
4.	Bandhan Bank Limited	44,730.19	375.00	March 27, 2018	499.00	+31.81% [+3.79%]	+42.96% [+6.26%]	+51.89% [+9.42%]
5.	Aster DM Healthcare Limited	9,801.00	190.00	February 26, 2018	183.00	-13.66% [-3.77%]	-4.97% [+0.21%]	-8.16% [+9.21%]
6.	Galaxy Surfactants Limited	9,370.88	1,480.00	February 8, 2018	1,525.00	+1.14% [-3.31%]	-0.85% [+1.33%]	-14.80% [+7.66%]
7.	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 6, 2017	295.90	+3.61% [-3.19%]	+5.91% [+2.95%]	-4.21% [+1.59%]
8.	Prataap Snacks Limited	4,815.98	938.00 ⁽¹⁾	October 5, 2017	1,270.00	+25.12% [+5.70%]	+31.82% [+5.60%]	+40.99% [+3.27%]
9.	SBI Life Insurance Company Limited	83,887.29	700.00 ⁽²⁾	October 3, 2017	735.00	-7.56% [+5.89%]	-0.66% [+6.81%]	-3.11% [+2.58%]
10.	ICICI Lombard General Insurance Company Limited	57,009.40	661.00	September 27, 2017	651.10	+3.62% [+6.25%]	+17.60% [+7.78%]	+12.13% [+2.69%]

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details

Notes:

1. A discount of ₹90 per equity share had been offered to eligible employees.
2. A discount of ₹68 per equity share had been offered to eligible employees.
3. Opening price information as disclosed on the website of NSE.
4. Change in closing price over the issue/offer price as disclosed on NSE.
5. Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.
6. In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.
7. 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days.
8. Restricted to last 10 issues.

2. Summary statement of price information of past issues handled by JM Financial Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30 th calendar days from listing date			Nos. of IPOs trading at premium on as on 30 th calendar days from listing date			Nos. of IPOs trading at discount as on 180 th calendar days from listing date			Nos. of IPOs trading at premium as on 180 th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%
2018-2019*	3	52,445.00	-	-	1	1	-	1	-	-	-	-	-	-
2017-2018	10	251,600.44	-	-	4	-	3	3	-	1	5	1	1	2
2016-2017	7	137,049.21	-	-	2	1	1	3	-	-	1	2	2	2

*The information is as on the date of the document

C. IDFC Bank Limited

1. Price information of past issues handled by IDFC Bank Limited:

Sr. No.	Issuer Name	Issue Size (₹ Million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar day from listing
1.	Shankara Building Products Limited	3,450.01	460.00	April 05, 2017	545.00	51.25% [0.51%]	81.25% [4.16%]	214.30% [5.08%]
2.	Dixon Technologies (India) Limited	5,992.79	1,766.00	September 18, 2017	2,725.00	50.07% [0.57%]	97.90% [3.63%]	95.41% [2.32%]
3.	The New India Assurance Company Limited	95,858.23	800.00*	November 13, 2017	748.90	-27.66% [0.59%]	-8.29% [3.84%]	-12.93% [7.57%]
4.	Khadim India Limited	5,430.57	750.00	November 14, 2017	730.00	-10.40% [0.06%]	-6.47% [3.47%]	10.21% [6.09%]
5.	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	30.16% [1.02%]	48.93% [2.11%]	74.66% [5.04%]
6.	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-3.57% [3.95%]	-11.51% [0.75%]	-28.51% [4.93%]

Sr. No.	Issuer Name	Issue Size (₹ Million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar day from listing
7.	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	674.00	3.26% [3.48%]	4.65% [-2.02%]	-5.38% [6.01%]
8.	Newgen Software Technologies Ltd	4,246.21	245.00	January 29, 2018	253.00	-0.29% [-5.34%]	2.57% [-3.09%]	-2.35% [2.90%]
9.	Amber Enterprises India Ltd	5,995.74	859.00**	January 30, 2018	1,180.00	27.40% [-5.31%]	32.10% [-2.42%]	10.42% [4.05%]
10.	Rites Limited	4,605.14	185.00***	July 02, 2018	190.00	34.97% [6.56%]	Not Available	Not Available

* The offer price was ₹770.00 per equity share after a discount of ₹30 per equity share to retail individual bidders and eligible employees.

** The offer price was ₹774.00 per equity share after a discount of ₹85 per equity share to eligible employees.

*** The offer price was ₹179.00 per equity share after a discount of ₹6 per equity share to retail individual bidders and eligible employees.

Notes:

- Source: www.nseindia.com and www.bseindia.com for the price information and prospectus/finalised basis of allotment for issue details.
- NSE was the designated stock exchange for the IPOs listed as item 4,5,6 & 10 and BSE was the designated stock exchange for the IPOs listed as item 1,2,3,7,8 & 9. Therefore, price information and benchmark index values have been/will be shown only for designated stock exchange. NIFTY and SENSEX have been used as the benchmark indices.
- In case of reporting dates falling on a trading holiday, values for the trading day, immediately following the trading holiday have been considered.
- Since 30, 90 and 180 calendar days, from listing date has not elapsed for certain IPOs, data for the same is not available.
- Restricted to latest 10 issue.

2. Summary statement of price information of past issues handled by IDFC Bank Limited

Fiscals	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-2019*	1	4,605.14	-	-	-	-	1	-	-	-	-	-	-	-
2017-2018	9	219,468.57	-	1	3	2	2	1	-	1	3	3	-	2
2016-2017	1	3,610.00	-	-	1	-	-	-	-	1	-	-	-	-

* As on the date of the Draft Red Herring Prospectus

Source: www.nseindia.com

Notes:

- Date of listing of equity shares has been considered for calculating total no. of IPOs in a particular financial year.
- The discount/premium has been/will be calculated based on the closing stock price.
- Since 30 and 180 calendar days, from listing date has not elapsed for certain IPOs, data for the same is not available.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/ MIRSD/ 1/ 2012 dated January 10, 2012 issued by SEBI, see the websites of the BRLMs, as set forth in the table below:

S. No	Name of the BRLM	Website
1.	Edelweiss Financial Services Limited	www.edelweissfin.com
2.	JM Financial Limited	www.jmfl.com
3.	IDFC Bank Limited	www.idfcbank.com

Consents

Consents in writing of: (a) all the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory Auditor, legal counsels appointed for the Offer, Bankers to our Company, the BRLMs, F&S, the Registrar to the Offer, in their respective capacities, have been obtained; and (b) the Syndicate Members, the Banker(s) to the Offer/ Escrow Collection Bank(s)/ Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors namely, Deloitte Haskins & Sells, Chartered Accountants, to include their name in this Draft Red Herring Prospectus as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Financial Statements dated September 24, 2018 and the statement of tax benefits dated September 26, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

In relation to our Bengaluru facility, our Company has received written consent from G. Shyam Sunder & Associates dated September 24, 2018, Chartered Engineers to include their names in this Draft Red Herring Prospectus and as “expert” as defined under section 2(38) of the Companies Act in respect of the certificate dated September 24, 2018 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

In relation to our Baddi facility, our Company has received written consent from Parashar & Co dated September 24, 2018, Chartered Engineers to include their names in this Draft Red Herring Prospectus and as “expert” as defined under section 2(38) of the Companies Act in respect of the certificate dated September 24, 2018 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Offer Expenses

The expenses of this Offer include, among others, underwriting fees, brokerage and selling commission, printing and stationery expenses, fees payable to the BRLMs, Registrar to the Offer and legal counsel, advertising and marketing expenses, depository fees, and listing fees. For further details, of Offer expenses, see “*Objects of the Offer – Offer Expenses*” on page 80.

All fees and expenses in relation to the Offer other than the listing fees (which will be borne by our Company) shall be shared amongst our Company and the Selling Shareholders, in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders in relation to their respective portion of the Offer for Sale, and the Selling Shareholders agrees that it will reimburse our Company all such expenses, upon successful completion of the Offer, in accordance with applicable law.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expenses) will be as per the Syndicate Agreement, copies of which will be made available for inspection at the Registered Office from 10:00 am to 4:00 pm on Working Days from the date of filing of the Red Herring Prospectus until the Bid/ Offer Closing Date.

For details of the Offer expenses, see “*Objects of the Offer*” on page 77.

Commission payable to SCSBs and Registered Brokers

For details of the commission payable to SCSBs and Registered Brokers, RTAs and CDPs, see “*Objects of the Offer*” on page 77.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Registrar Agreement dated September 27, 2018 entered into, between our Company, the Selling Shareholders and the Registrar to the Offer a copy of which will be made available for inspection at the Registered Office from 10:00 am to 4:00 pm on Working Days from the date of filing of the Red Herring Prospectus until the Bid/ Offer Closing Date.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

Grading of the Offer

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Credit Rating

As this is an offer of Equity Shares, credit rating is not required.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than cash or by way of bonus issues

Except as disclosed in this Draft Red Herring Prospectus, our Company has not issued any Equity Shares other than for cash or by way of a bonus issue.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation \.

Previous capital issue during the previous three years by listed Group Companies and subsidiaries/ associates of our Company

Our Company does not have any listed group company or any subsidiary or a listed associate entity.

Performance vis-à-vis objects – Public/ rights issue of our Company and/ or listed Group Companies and subsidiaries of our Company

Our Company has not undertaken any public or rights issue in the past. Our Company does not have any listed group company or subsidiary as on the date of this Draft Red Herring Prospectus.

Outstanding debentures or bonds or other instruments

Other than (a) CCDs granted to SCI and SCI-GIH which are pending for conversion and as disclosed in “*Capital Structure*” on page 67; (b) 10 Class A Equity Shares which are pending for reclassification and as disclosed in “*Capital Structure*” on page 67; and (c) as mentioned in “*Financial Indebtedness*” on page 294, our Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding preference shares

Our Company does not have any outstanding preference shares as on date of this Draft Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least three years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should provide complete details such as name of the sole/ first Bidder, ASBA Form number, the Bidder's, DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder and the ASBA Account number in which the amount equivalent to the Bid Amount is blocked. Further, the Bidder shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/ information mentioned hereinabove. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as name of the sole/ first Bidder, Anchor Investor Form number, DP ID, Client ID, PAN, date of the Anchor Investor Form, address of the Anchor Investor, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Form and the name and address of the BRLM where the Anchor Investor Form was submitted by the Anchor Investor.

Our Company has not received investor complaints during the period of three years preceding the date of the Draft Red Herring Prospectus.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/ information mentioned hereinabove.

Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries including any defaults in complying with their obligations under the SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee comprising Rajiv Mehta Nitinbhai, Shubha Rao Mayya and Rajendra Gandhi as members. For details, see "*Our Management*" on page 139.

Our Company has also appointed Shashidhar SK, as the Chief Financial Officer, Company Secretary and Compliance Officer of our Company for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

Stove Kraft Limited

81/1, Medamarana Halli Village
Harohalli Hobli, Kanakapura Taluk
Ramnagar District 562 112
Karnataka, India
Tel: +91 8028016222
Fax: +91 8028016209
E-mail: cs@stovekraft.com
Website: www.stovekraft.com

As on the date of this Draft Red Herring Prospectus, there are no pending investor complaints against our Company.

Our Company does not have any company under same management within the meaning of section 370(1B) of the Companies Act.

Disposal of investor grievances by listed companies under the same management

As of the date of this Draft Red Herring Prospectus, none of the companies under the same management as that of our Company are listed on any stock exchange. Accordingly, the requirement to disclose details of investor grievances by listed companies under the same management as our Company does not apply.

Changes in Auditors

There has been no change in our auditors during the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years.

Revaluation of Assets

Except as stated in note number 3(a) to our Restated Consolidated Financial Statements in “*Financial Statements*” on page 161 and in note number 3(a) to our Restated Standalone Financial Statements in “*Financial Statements*” on page 161, our Company has not revalued its assets.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and the other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/ or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Offer.

The Offer

The Offer comprises of a Fresh Issue and an Offer for Sale by the Selling Shareholders. All fees and expenses relating to the Offer other than the listing fees (which will be borne by our Company) shall be shared amongst our Company and the Selling Shareholders in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders in relation to their respective portion of the Offer for Sale may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse our Company all such expenses, upon successful completion of the Offer, in accordance with applicable law.

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the MoA and AoA and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with applicable law. For further details, see “*Main Provisions of Articles of Association*” on page 365.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our Shareholders in accordance with the provisions of Companies Act, 2013, the Memorandum and Articles of Association, the SEBI Listing Regulations and other applicable laws. All dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer for the entire year, in accordance with applicable law. For further details, in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 160 and 364, respectively.

Face Value and Offer Price

The face value of each Equity Share is ₹ 10 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs and advertised in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and the [●] editions of Kannada daily newspaper [●], (Kannada being the regional language of Karnataka where our Registered Office is situated) each with wide circulation, at least five Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

The offer will constitute [●]% of post-Offer, paid-up Equity Share capital of the company.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, see “*Main Provisions of Articles of Association*” on page 365.

Option to receive Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only.

As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated May 9, 2018 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated May 30, 2018 amongst CDSL, our Company and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of [●] Equity Share subject to a minimum Allotment of [●] Equity Shares. For details, see “*Basis for Allotment*” on page 354.

Joint Holders

Subject to our AoA, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/ authorities in Bengaluru.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures), Rules, 2014, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer equivalent to at least the minimum number of securities as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within 60 days from the Bid Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law.

In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the Equity Shares in the Offer for Sale.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will such shares shall be subject to lock-in. be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of SEBI ICDR Regulations.

Arrangements for Disposal of Odd Lots

There are no arrangements required for disposal of odd lots since the Equity Shares will be traded only in dematerialized form and the market lot for the Equity Shares is one Equity Share.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, lock-in of the minimum Promoter's Contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 67 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. For details, see "*Main Provisions of Articles of Association*" on page 365.

Period of operation of subscription list

See "*Offer Structure – Bid/ Offer Programme*" on page 323.

OFFER STRUCTURE

Initial public offer of up to [●] Equity Shares for cash at price of ₹ [●] (including a premium of ₹ [●] per Equity Share) aggregating up to [●] comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 1,450.00 million by our Company and Offer of Sale of up to 7,163,721 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation ⁽²⁾	At least [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	At least 75% of the Offer Size being available for allocation to QIBs. However, up to 5% of the QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs	Not more than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders shall be available for allocation	Not more than 10% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders shall be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocated on a proportionate basis to Mutual Funds only; and (b) Not more than [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary of which one-third shall be available for allocation to Mutual Funds only	Proportionate	Allotment to each retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on a proportionate basis. For details see, “Offer Procedure – Part B – Section 7: Allotment Procedure and Basis of Allotment – Allotment to RIIs” on page 354
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares thereafter such that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares and in multiples of [●] Equity Shares thereafter such that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Shares For Retail Individual Bidders, [●] Equity Shares and in multiples of one Equity Share thereafter, subject to availability in the Retail Portion		
Trading Lot	One Equity Share		

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Who can apply ⁽³⁾⁽⁴⁾	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than Category III Foreign Portfolio Investors, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies and trusts, Category III Foreign Portfolio Investors	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form ⁽⁴⁾		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).		

- (1) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. For details, see "Offer Structure" on page 322
- (2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR.
- (3) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders
- (4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For details of terms of payment applicable to Anchor Investors, see "Offer Procedure – Part B - Section 7: Allotment Procedure and Basis of Allotment" from page 354


Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "Terms of the Offer" on page 319.

Withdrawal of the Offer

Our Company and the Selling Shareholders severally and not jointly, in consultation with the BRLMs, reserve the right not to proceed with the Fresh Issue, and each Investor Selling Shareholder, severally and not jointly, reserves the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of their respective portion of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges simultaneously. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and/or the Selling Shareholders withdraw the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue/ offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/ Offer Programme

BID/ OFFER OPENS ON	 ⁽¹⁾
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BID/ OFFER CLOSING ON	[●]⁽²⁾
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS	[●]

- (1) Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations
- (2) Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/ Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds (if any, for Anchor Investors)/ unblocking of funds in ASBA Accounts	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable is indicative other than the Bid/ Offer Opening Date and the Bid/ Offer Closing Date and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed (and the Selling Shareholders shall extend reasonable cooperation with respect to its Offered Shares), the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted only between **10.00 a.m. and 5.00 p.m. Indian Standard Time (“IST”)** during the Bid/ Offer Period (except the Bid/ Offer Closing Date) at the Bidding Centres and the Designated Branches mentioned on the Bid cum Application Form.

On the Bid/ Offer Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. IST and shall be uploaded until (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system of the Stock Exchanges or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date and, in any case, no later than 1.00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only on Working Days. None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise.

In case of any discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Offer shall ask for rectified data.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of such revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the other Syndicate Members.

OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/ CFD/ DIL/ 12/ 2013) dated October 23, 2013 notified by the SEBI, and updated pursuant to November 1, 2015 circular, June 16, 2016 circular and February 15, 2018 circular, (the “General Information Document”) included below under “Part B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations and amendments thereof, to the extent applicable to the Offer but has not been updated to reflect the commercial considerations between the Company and the Selling Shareholders with respect to the Offer. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Managers. Please refer to the relevant provisions of the General Information Document, which are applicable to the Offer.

Our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in applicable laws, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein at least 75% of the Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders, in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any portion except in the QIB Portion, would be allowed to be met with spill-over from any other portion or combination of portions, at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange and subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms that do not have the details of the Bidders’ depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the relevant Bidding Centres and our Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com), at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are submitted on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified

stamp are liable to be rejected. Additionally, ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and ASBA Forms that do not contain such details are liable to be rejected. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians (including relevant QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis)	[●]
Non-Residents including Eligible NRIs applying on a repatriation basis, FPI, FVCIs, registered multilateral and bilateral development financial institutions	[●]
Anchor Investors	[●]

* Other than electronic Bid cum Application Form

Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB or any Banker to the Offer.

Who can Bid?

In addition to the category of Bidders set forth under “- Part B - General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue” on page 335, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- FPIs, other than Category III FPIs;
- Category III FPIs who are foreign corporates or foreign individuals only under the Non-Institutional Portion;
- Scientific and/ or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in the Offer under the laws, rules, regulations, guidelines and policies applicable to them.

Participation by associates and affiliates of BRLMs and Syndicate Members

The BRLMs and Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs and any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs) and our Promoters, Promoter Group and any persons related to our Promoters and Promoter Group cannot apply in the Offer in the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids, provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of the Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSBs to block their Non-Resident External (“NRE”) accounts or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSBs to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of applicable FEMA regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company (on a fully diluted basis) and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company (on a fully diluted basis). The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by our Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to the RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The existing individual and aggregate investment limits for FPI in our Company is 10% and 49% of the total paid-up Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments. Two or more subscribers of offshore derivative instruments having a common beneficial owner shall be considered together as a single subscriber of the offshore derivative instrument. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instrument investments held in the underlying company.

An FPI shall issue ODIs only to those subscribers which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations and circulars issued in this regard, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad-based funds, which are classified as Category II Foreign Portfolio Investors by virtue of their investment manager being appropriately regulated, may issue, subscribe or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only if (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iii) such offshore derivative instruments shall not be issued to or transferred to persons who are resident Indians or NRIs and to entities beneficially owned by resident Indians or NRIs. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

- (a) such offshore derivative instruments are transferred to persons in accordance with the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations prescribe, *inter-alia*, the investment restrictions applicable to the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF registered with the SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to public offerings.

Category I and category II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI ICDR Regulations, the shareholding of VCFs, category I AIFs, category II AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing of a draft offer document with SEBI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only, and net of bank charges and commission.

Our Company, the Selling Shareholders and the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders reserve the right to reject any Bid by a banking company without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. A banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the “**IRDA Investment Regulations**”), are broadly set forth below:

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer, and the amount calculated under (a), (b) and (c) below, as the case may be.

- (a) *Limit for the investee company:* The lower of: (i) 10%* of the outstanding equity shares (face value); and (ii) 10% of such funds and reserves as specified under the IRDA Investment Regulations, in case of a life insurer, or 10% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including reinsurer or a health insurer), as the case may be;
- (b) *Limit for the entire group of the investee company:* Not more than: (i) 15% of such funds and reserves as specified under the IRDA Investment Regulations, in case of a life insurer, or 15% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including reinsurer or a health insurer); or (ii) 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) *Limit for the industry sector to which the investee company belongs:* Not more than: (i) 15% of the such funds and reserves as specified under the IRDA Investment Regulations, in case of a life insurer, or 15% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including a re-insurer or a health insurer); or (ii) 15% of the investment asset, whichever is lower.

* *The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time.

Bids by Provident Funds/ Pension Funds

In case of Bids made by provident funds/ pension funds with minimum corpus of ₹ 250 million, subject to applicable laws, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, Government of India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million (subject to applicable laws), Systemically Important NBFCs (as defined under in RBI regulations) a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/ or bye laws must be lodged along with the Bid cum Application Form, as the case may be. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholders, in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

In accordance with existing regulations, OCBs cannot participate in the Offer.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Bid, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Offer shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, the BRLMs and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the

Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

General Instructions

Do's:

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidder's depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;
6. If you are an ASBA Bidder, the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. Ensure that the name(s) given in the Bid cum Application Form is/ are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
11. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgement Slip;
12. Except for (i) Bids on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of circular dated June 30, 2008 of SEBI, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms circular dated July 20, 2006 of the SEBI, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
13. Ensure that the Demographic Details are updated, true and correct in all respects;
14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person resident outside India should be in compliance with applicable foreign and Indian laws;

18. Bidders should note that in case the DP ID, Client ID and PAN mentioned in their Bid cum Application Form and entered into the online bidders system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, matches with the DP ID, Client ID and PAN available in the Depository database;
19. Ensure that you have correctly signed the authorisation/ undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid;
20. Ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in);
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus; and
22. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price (including any revisions thereof);
3. Do not pay the Bid Amount in cheques, demand drafts, by cash, money order, by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. If you are a QIB or Non-Institutional Bidder, do not Bid at Cut-off Price;
6. Do not withdraw or lower the size of your Bid (in terms of number of Equity Shares Bid for, or Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;
7. Do not instruct your respective SCSBs to release the funds blocked in the ASBA Account under the ASBA process;
8. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
9. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
10. Do not submit Bid for an amount more than funds available in your ASBA Account;
11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
12. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
13. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
14. Do not submit more than five Bid cum Application Forms per ASBA Account;
15. Anchor Investors should not bid through the ASBA process;
16. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
17. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
18. Do not send ASBA Forms by post. Instead submit the same to only a Designated Intermediary;

19. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;
20. Do not submit the GIR number instead of the PAN;
21. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer; and
22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Escrow Account for Anchor Investors

Our Company and the Selling Shareholders, in consultation with the BRLMs will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT). For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections from Anchor Investors

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●], all editions of [●] and [●] editions of [●] (which are English, Hindi and Kannada daily newspapers, (Kannada being the regional language of Karnataka where our Registered Office is located), each with wide circulation. Our Company shall, in the pre-Offer advertisement state the Bid/ Offer Opening Date, the Bid/ Offer Closing Date and the QIB Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

“Any person who:

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following:

- to appoint a compliance officer who shall be responsible for compliance with applicable law, including any directives issued by SEBI from time to time and who shall also attend to matters relating to investor grievances and complaints;
- all steps for completion of necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are proposed to be listed are taken with six Working Days Bid/ Offer Closing Date, or any other timelines prescribed;
- The funds required for making refunds (to the extent applicable) as per the modes disclosed, shall be made available to the Registrar to the Offer;
- this Draft Red Herring Prospectus, as of its date, is, or shall be prepared and contains, or shall contain, information as per requirements of applicable law and customary disclosure standards;
- Company has not taken, and shall not take, directly or indirectly, any action designed, or that may be reasonably expected, to cause, or result in stabilization or manipulation of the price of any security of the Company;
- that we shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- intimation of the credit of securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- except for allotment of Equity Shares pursuant to exercise of options under the ESOP Scheme, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/ unblocked in ASBA Account on account of non-listing, under-subscription, etc.; and
- adequate arrangements shall be made to collect all Bid cum Application Forms by Bidders.

Undertakings by Each of the Selling Shareholders

Each Selling Shareholder, severally, with respect to itself only (and not in respect of any other person), undertakes that:

- the Equity Shares being offered by it under the Offer for Sale have been held by it for a minimum period as specified in Regulation 26(6) of the SEBI ICDR Regulations;
- it shall not have any recourse to the proceeds from the Offer for Sale until final listing and trading approvals have been received by the Company from the Stock Exchanges;
- it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of the Offered Shares being offered pursuant to the Offer until such time that the lock-in (if applicable) remains effective save and except as may be permitted under the SEBI ICDR Regulations;
- it shall provide all reasonable assistance to our Company, as may be reasonably required and necessary in accordance with Applicable Law, for completion of the necessary formalities in relation to the Equity Shares being offered by it pursuant to the Offer;
- it shall, severally and not jointly, reimburse our Company for expenses incurred, on behalf of such Selling Shareholder, in relation to their respective portion of the Offered Shares pursuant to the Offer in the manner agreed to amongst the Selling Shareholders and our Company, upon successful completion of the Offer and in accordance with applicable laws; and
- in relation to itself as a Selling Shareholder and the Equity Shares being offered by it under the Offer for Sale, it shall comply with all applicable laws, including but not limited to the SEBI ICDR Regulations and the Companies Act 2013, and the rules and regulations made thereunder, in relation to the Offer.

Utilisation of Offer Proceeds

The Selling Shareholders along with our Company declare that all monies received out of the Offer shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act 2013.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/ Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the issue. For taking an investment decision, the Bidders/ Applicants should rely on their own examination of the issuer and the issue, and should carefully read the Red Herring Prospectus/ Prospectus before investing in the issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/ Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations**”).

Bidders/ Applicants should note that investment in equity and equity related securities involves risk and Bidder/ Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/ or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“**RHP**”)/ Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Bidders/ Applicants should carefully read the entire RHP/ Prospectus and the Bid cum Application Form/ Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/ or overlap between the disclosure included in this document and the RHP/ Prospectus, the disclosures in the RHP/ Prospectus shall prevail. The RHP/ Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the Lead Manager(s) to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at www.sebi.gov.in.

For the definitions of capitalised terms and abbreviations used herein Bidders/ Applicants may see “*Glossary and Abbreviations*”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/ FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/ Applicants may refer to the RHP/ Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/ Applicants may refer to the RHP/ Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (“**SCRR**”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/ Applicants may refer to the RHP/ Prospectus.

2.4 Types of Public Offers – Fixed Price Offers and Book Built Offers

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer

may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/ Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/ Applicants should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/ Applicants) and not more than ten Working Days. Bidders/ Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/ Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/ Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLMs, and the advertisement in the newspaper(s) issued in this regard.

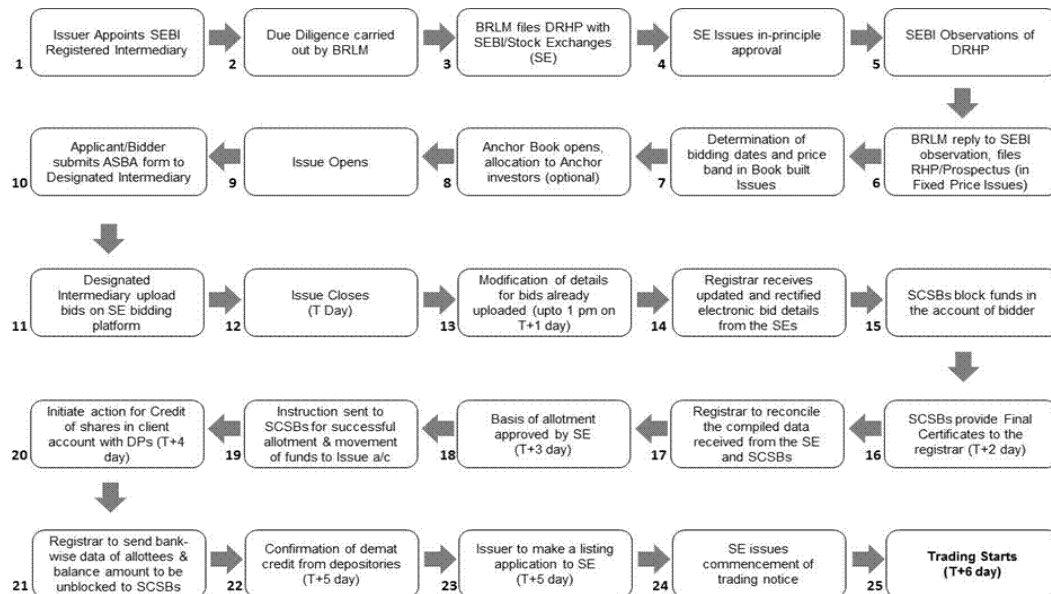
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/ Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

i. Step 7: Determination of Issue Date and Price

ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries.



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/ Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/ Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/ Applicants are requested to refer to the RHP/ Prospectus for more details.

Subject to the above, an illustrative list of Bidders/ Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/ Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/ Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/ Application Form as follows: “Name of sole or first Bidder/ Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/ Applications by HUFs may be considered at par with Bids/ Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- Scientific and/ or industrial research organisations authorised in India to invest in the Equity Shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/ Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders/ Applicants should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of the Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders/ Applicants may refer to the RHP/ Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/ Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/ Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/ Applicants Bidding/ applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialised form in accordance with Section 29 of the Companies Act, 2013. Bidders/ Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/ Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below. The samples of the Bid cum Application Form for resident Bidders/ Applicants and the Bid cum Application Form for non-resident Bidders/ Applicants are reproduced below:

Application Form – For Residents

COMMON BID CUM APPLICATION FORM		XYZ LIMITED - INITIAL PUBLIC ISSUE - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS																																																																
Address : _____ Contact Details : _____ CIN No. _____		Address : _____ Contact Details : _____ CIN No. _____		Address : _____ Contact Details : _____ CIN No. _____																																																																
TO, THE BOARD OF DIRECTORS XYZ LIMITED		BOOK BUILT ISSUE ISIN : _____		Bid cum Application Form No. _____																																																																
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER																																																																
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		ESCROW BANK/SCSB BRANCH STAMP & CODE		Mr. / Ms. _____																																																																
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3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL				6. INVESTOR STATUS																																																																
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Application Form – For Non – Residents

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : _____ Contact Details: _____ CIN No _____	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIs OR PFCIS, ETC APPLYING ON A REPATRIATION BASIS
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<div style="border: 1px solid black; padding: 2px; display: inline-block;">BOOK BUILT ISSUE</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">ISIN : _____</div>
		Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE SUB-BROKER'S / SUB-AGENT'S STAMP & CODE BANK BRANCH SERIAL NO.	BROKER/SCSB/DP/RTA STAMP & CODE ESCROW BANK/SCSB BRANCH STAMP & CODE SCSB SERIAL NO.	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER Mr./Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____ 2. PAN OF SOLE / FIRST BIDDER _____
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3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID _____	6. INVESTOR STATUS <input type="checkbox"/> NRI Non-Resident Indian(s) (Repatriation basis) <input type="checkbox"/> FII FII or Sub-account not a Corporate/Foreign Individual <input type="checkbox"/> FIIA FII Sub-account Corporate/Individual <input type="checkbox"/> FVCI Foreign Venture Capital Investor <input type="checkbox"/> FPI Foreign Portfolio Investors <input type="checkbox"/> OTH Others (Please Specify) _____
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4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF") <table style="width: 100%; border-collapse: collapse;"> <tr> <th rowspan="2">Bid Options:</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> <tr> <td>Option 1</td> <td>8 7 6 5 4 3 2 1</td> <td>3 2 1</td> <td>3 2 1</td> <td>3 2 1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td>8 7 6 5 4 3 2 1</td> <td>3 2 1</td> <td>3 2 1</td> <td>3 2 1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td>8 7 6 5 4 3 2 1</td> <td>3 2 1</td> <td>3 2 1</td> <td>3 2 1</td> <td><input type="checkbox"/></td> </tr> </table>	Bid Options:	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)	Bid Price	Retail Discount	Net Price	Option 1	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	<input type="checkbox"/>	(OR) Option 2	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	<input type="checkbox"/>	(OR) Option 3	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	<input type="checkbox"/>	5. CATEGORY <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB
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7. PAYMENT DETAILS Amount paid (₹ in figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____	PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
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I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED AGREED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GIDPI) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER Date : _____	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the line: 1) _____ 2) _____ 3) _____	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system) <div style="border: 1px solid black; height: 50px;"></div>
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LOGO	XYZ LIMITED INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No. PAN of Sole / First Bidder _____
DPID / CLID _____	Amount paid (₹ in figures) _____ Bank & Branch _____ ASBA Bank A/c No. _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____	Stamp & Signature of SCSB Branch <div style="border: 1px solid black; height: 50px;"></div>	

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XYZ LIMITED - INITIAL PUBLIC ISSUE - NR	<table style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td colspan="3"></td> </tr> <tr> <td>Bank & Branch</td> <td colspan="3"></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Amount Paid (₹)				ASBA Bank A/c No.				Bank & Branch				Stamp & Signature of Broker / SCSB / DP / RTA <div style="border: 1px solid black; height: 50px;"></div>	Name of Sole / First Bidder _____ <div style="border: 1px solid black; padding: 5px; text-align: center;">Acknowledgement Slip for Bidder</div> Bid cum Application Form No.
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4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER/ APPLICANT

- (a) Bidders/ Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- (b) **Mandatory Fields:** Bidders/ Applicants should note that the name and address fields are compulsory and e-mail and/ or telephone number/ mobile number fields are optional. Bidders/ Applicants should note that the contact details mentioned in the Bid cum Application Form/ Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Bids/ Applications:** In the case of Joint Bids/ Applications, the Bids/ Applications should be made in the name of the Bidder/ Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/ Applicant would be required in the Bid cum Application Form/ Application Form and such first Bidder/ Applicant would be deemed to have signed on behalf of the joint holders.
- (d) **Impersonation:** Attention of the Bidders/ Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/ Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/ Applicants should inform their respective CDP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/ FIRST BIDDER/ APPLICANT**

- (a) PAN (of the sole/ first Bidder/ Applicant) provided in the Bid cum Application Form/ Application Form should be exactly the same as the PAN of the person(s) in whose sole or first name the relevant beneficiary account is held as per the Depositories’ records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/ Applications on behalf of the Central or State Government, Bids/ Applications by officials appointed by the courts and Bids/ Applications by Bidders/ Applicants residing in Sikkim (“PAN Exempted Bidders/ Applicants”). Consequently, all Bidders/ Applicants, other than the PAN Exempted Bidders/ Applicants, are required to disclose their PAN in the Bid cum Application Form/ Application Form, irrespective of the Bid/ Application Amount. Bids/ Applications by the Bidders/ Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders/ Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- (e) Bids by Bidders/ Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/ MRD/ DP/ 22/ 2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/ APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- (a) Bidders/ Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**
- (b) Bidders/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- (c) Bidders/ Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/ Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/ Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- (d) Bidders/ Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders'/ Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/ RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Issue Opening Date in case of an IPO, and at least one Working Day before Bid/ Issue Opening Date in case of an FPO.
- (b) The Bidders/ Applicants may Bid at or above Floor Price or within the Price Band for IPOs/ FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders/ Applicants may Bid at Floor Price or any price above the Floor Price (For further details Bidders/ Applicants may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer and the Selling Shareholders in consultation with the Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders/ Applicants may refer to the RHP/ Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

- (a) The Bidder/ Applicant may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder/ Applicant does not exceed ₹ 200,000 and Eligible Employees Bidding in the Employee Reservation portion can Bid for a Bid Amount not exceeding ₹ 500,000.
- (b) In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount, if any), then such Bid may be rejected if it is at the Cut-off Price.
- (c) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

- (d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/ Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut-off Price.
- (e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Offer Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- (g) A Bid cannot be submitted for more than the Issue size.
- (h) The maximum Bid by any Bidder/ Applicant including QIB Bidder/ Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder/ Applicant in the Bid cum Application Form may be treated as optional bids from the Bidder/ Applicant and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder/ Applicant at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders/ Applicants may refer to (Section 5.6 (e))).

4.1.4.2 Multiple Bids

- (a) Bidder/ Applicant should submit only one Bid cum Application Form. Bidder/ Applicant shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders/ Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
 - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders/ Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder/ Applicant and may be rejected.
 - ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders/ Applicants, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
 - i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.
 - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - iii. Bids by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

- iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS/ APPLICANTS

- (a) The categories of Bidders/ Applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders/ Applicants may refer to the RHP/ Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/ Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/ Applicants may refer to the RHP/ Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders/ Applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/ Applicant may refer to the RHP/ Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- (a) Each Bidder/ Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/ Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/ Applicant are requested to refer to the RHP/ Prospectus for more details.
- (c) Bidders/ Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/ Applicant should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/ Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder/ Applicant. In case of Bidders/ Applicant specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bidders/ Applicant who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- (c) All Bidders/ Applicants (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Instructions for Anchor Investors:

- (a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- (b) Payments should be made either by RTGS, direct credit or NEFT.
- (c) The Banker to the Offer shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 Payment instructions for ASBA Bidders/ Applicants:

- (a) Bidders/ Applicants may submit the ASBA Form either
 - i. in electronic mode through the internet banking facility offered by an SCSB authorising blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - ii. in physical mode to any Designated Intermediary.
- (b) Bidders/ Applicants must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- (c) Bidders/ Applicants should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders/ Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) Bidders/ Applicants should submit the Bid cum Application Form only at the Bidding Centres, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- (g) Bidders/ Applicants bidding through a Designated Intermediary (other than an SCSB) should note that ASBA Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for such Designated Intermediary to deposit ASBA Forms.
- (h) Bidders/ Applicants bidding directly through the SCSBs should ensure that the ASBA is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- (l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.3 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Issue Closing Date.

4.1.7.4 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders/ Applicants applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders/ Applicants may refer to the RHP/ Prospectus.
- (c) The Bidders/ Applicants entitled to the applicable Discount in the Issue may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders/ Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorisation/ undertaking box in the ASBA Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.
- (d) Bidders/ Applicants must note that Bid cum Application Form/ Application Form without signature of Bidder and/ or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders/ Applicants should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.
- (b) All communications in connection with Bids made in the Issue may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/ Applicant, Bid cum Application Form number, Bidders'/ Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.
- (c) Further, the investor shall also enclose a copy of the Acknowledgement Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder may refer to the RHP/ Prospectus and the Bid cum Application Form.

4.2 **INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/ Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids or withdraw their Bids till the Bid/ Issue Closing Date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

- (d) The Bidder can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/ Applicants will have to use the services of the same Designated Intermediary through which such Bidder had placed the original Bid. Bidders/ Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

COMMON BID REVISION FORM		XYZ LIMITED - INITIAL PUBLIC ISSUE - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS		
Address : Contact Details: CIN No.		BOOK BUILT ISSUE		Bid cum Application Form No.		
ISIN :						
TO, THE BOARD OF DIRECTORS XYZ LIMITED						
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER		
				Mr. / Ms.		
				Address		
				Email		
				Tel. No (with STD code) / Mobile		
				2. PAN OF SOLE / FIRST BIDDER		
					
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		3. BIDDER'S DEPOSITORY ACCOUNT DETAILS		
			 NSDL CDSL		
				For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID		
PLEASE CHANGE MY BID						
4. FROM (AS PER LAST BID OR REVISION)						
Bid Options:	No. of Equity Shares Bid (Bid: must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)		(In Figures)			
	8 7 6 5 4 3 2 1		Bid Price Retail Discount Net Price "Cut-off" (Please tick)			
Option 1						
(OR) Option 2						
(OR) Option 3						
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")						
Bid Options:	No. of Equity Shares Bid (Bid: must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)		(In Figures)			
	8 7 6 5 4 3 2 1		Bid Price Retail Discount Net Price "Cut-off" (Please tick)			
Option 1						
(OR) Option 2						
(OR) Option 3						
6. PAYMENT DETAILS						
Additional Amount Paid (₹ in figures)			PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>			
(₹ in words)						
ASBA Bank A/c No.						
Bank Name & Branch						
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABBREVED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.						
7A. SIGNATURE OF SOLE / FIRST BIDDER		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)		BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)		
Date :		1) 2) 3)				
TEAR HERE						
LOGO		XYZ LIMITED		Bid cum Application Form No.		
		BID REVISION FORM - INITIAL PUBLIC ISSUE - R		Acknowledgement Slip for Broker/SCSB/DP/RTA		
DPID / CLID		PAN of Sole / First Bidder				
Additional Amount Paid (₹)		Bank & Branch		Stamp & Signature of SCSB Branch		
ASBA Bank A/c No.						
Received from Mr./Ms.						
Telephone / Mobile		Email				
TEAR HERE						
XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Option 1		Option 2		Option 3	
	No. of Equity Shares					
	Bid Price					
	Additional Amount Paid (₹)					
	ASBA Bank A/c No.					
Bank & Branch						
		Stamp & Signature of Broker / SCSB / DP / RTA		Name of Sole / First Bidder		
				Acknowledgement Slip for Bidder		
				Bid cum Application Form No.		

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/ FIRST BIDDER, PAN OF SOLE/ FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders/ Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/ Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs and Retail Individual Shareholders, such Bidders/ Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000 and Eligible Employees Bidding in the Employee Reservation portion can Bid for a Bid Amount not exceeding ₹ 500,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason or ₹ 500,000 in case of Bids by Eligible Employees Bidding under the Employee Reservation Portion, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/ Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the Allotment is finalised.

4.2.3 FIELD 6: PAYMENT DETAILS

- (a) All Bidders/ Applicants are required to authorise blocking of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/ Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.
- (d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after finalisation of Basis of Allotment.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/ FIRST BIDDER, PAN OF SOLE/ FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However, a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer and the Selling Shareholders in consultation with the Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000 and Eligible Employees Bidding under the Employee Reservation Portion should ensure that the application amount payable does not exceed ₹ 500,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
 - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple applications by a Bidder and may be rejected.
 - ii. For applications from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
 - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - iii. Applications by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue.
- (b) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraph 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraph 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraph 4.1.7.2.3.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 **SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM**

4.4.1 **Bidders may submit completed Bid cum application form/ Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form	
Anchor Investors Application Form	1)	To the Book Running Lead Managers at the locations mentioned in the Anchor Investor Application Form
ASBA Form	(a)	To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the CDP at the Designated CDP Location
	(b)	To the Designated Branches of the SCSBs

- (a) Bidders/ Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/ Applicant had placed the original Bid.
- (b) Upon submission of the Bid cum Application Form, the Bidder/ Applicant will be deemed to have authorised the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/ Applicant.

- (c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/ Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid/ Issue Period, Bidders/ Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- (b) In case of Bidders/ Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- (c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/ Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/ Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the Lead Managers at the end of the Bid/ Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding Centres during the Bid/ Issue Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after finalisation of Basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
 - i. the Bids accepted by the Designated Intermediary,

- ii. the Bids uploaded by the Designated Intermediary, and
- iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.

Any RIB whose Bid has not been considered for Allotment, due to failures on the part of the SCSB may seek redressal from the concerned SCSB within three months of the listing date in accordance with the circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018.

- (b) The Lead Managers and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders/ Applicants, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) Lead Managers and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, entities forming part of the Promoter Group, NIIs & RIIs can be rejected on technical grounds listed herein.

5.5.1 **GROUND FOR TECHNICAL REJECTIONS**

Bid cum Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/ Applicants are advised to note that the Bids/ Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- a. Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account supported by guardian as per Demographic Details provided by Depositories);
- b. Bids by OCBs;
- c. Bids by any entity forming part of the Promoter Group;
- d. In case of partnership firms, Bid for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- e. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum Application Form;
- f. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- g. Bids by any person outside India if not in compliance with applicable foreign and Indian laws;
- h. PAN not mentioned in the Bid cum Application Form, except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i. In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j. Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- k. Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- l. Bids at Cut-off Price by NIIs and QIBs;
- m. The amounts mentioned in the Bid cum Application Form do not tally with the amount payable for the value of the Equity Shares Bid for;
- n. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

- o. Submission of more than five ASBA Forms as through a single ASBA Account;
- p. Bids for number of Equity Shares which are not in multiples of the number of Equity Shares which are not in multiples as specified in the RHP;
- q. Multiple Bids as defined in this GID and the RHP/ Prospectus;
- r. Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- s. Where no confirmation is received from SCSB for blocking of funds;
- t. Bids by Bidders/ Applicants (other than Anchor Investors) not submitted through ASBA process;
- u. Bids submitted to Designated Intermediaries at locations other than the Bidding Centres or to the Banker to the Offer (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- v. Bids not uploaded on the terminals of the Stock Exchanges;
- w. Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form
- x. Bids uploaded without affixing the approval of the IRDA to the Bid cum Application Form, in the event the Allotment of Equity Shares by the Bidder results in the Bidder holding 5% or more of the post-Offer paid up equity capital of our Company; and
- y. Bids not uploaded in the Stock Exchanges bidding system.

5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/ Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/ Prospectus. For details in relation to allocation, the Bidder may refer to the RHP/ Prospectus.
- (b) Under-subscription in any category (except QIB Category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer the Selling Shareholders and in consultation with the Lead Managers and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/ Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

Bidders/ Applicants should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders/ Applicants can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from Bidders/ Applicants, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various investors.

Bid quantity	Bid amount (₹)	Cumulative quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer and the Selling Shareholders, in consultation with the book running lead managers, may finalise the issue price at or below such cut-off price, i.e., at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/ Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder/ Applicant with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder/ Applicant is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders/ Applicants is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder/ Applicant, decide whether a Bidder/ Applicant be allowed to revise the bid upwards or downwards in terms of price and/ or quantity and also decide whether a Bidder/ Applicant be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/ Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/ Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/ Applicants may refer to RHP/ Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“**Maximum RII Allottees**”). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.4 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/ Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/ Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.5 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer and the Selling Shareholders in consultation with the Lead Managers, subject to compliance with the following requirements:
 - i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
 - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹ 100 million;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation more than ₹ 2,500 million, and an additional 10 Anchor Investors for every additional

₹ 2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.

- (b) An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Issue.
- (c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer and the Selling Shareholders in consultation with the Lead Managers, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (d) **In the event that the Issue Price is higher than the Anchor Investor Offer Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (e) **In the event the Issue Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.6 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders/ Applicants may be categorised according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders/ Applicants in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders/ Applicants may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder/ Applicant in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder/ Applicant, the Allotment may be made as follows: the successful Bidders/ Applicants out of the total Bidders/ Applicants for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder/ Applicant may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder/ Applicant is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded to the lower whole number. Allotment to all Bidders/ Applicants in such categories may be arrived at after such rounding; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders/ Applicants in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders/ Applicants in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders/ Applicants applying for minimum number of Equity Shares.

7.7 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Banker to the Offer shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders/ Applicants

applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/ Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/ Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/ Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/ Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/ Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/ list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/ Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/ Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/ Applicants.

If such money is not refunded to the Bidders/ Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/ Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue involving a Fresh Issue and the Offer for Sale, after receipt of minimum subscription of 90% of the Fresh Issue, Equity Shares offered pursuant to the Offer for Sale shall be allocated prior to Equity Shares offered pursuant to the Fresh Issue.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders/ Applicants, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- (a) **In case of ASBA Bids:** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid and also for any excess amount blocked on Bidding.
- (b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- (c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Bidders'/ Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Banker to the Offer, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Banker to the Offer.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- (a) **NACH**—National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Bidders/ Applicants having an account at any of the centres specified by the RBI where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Bidders/ Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where the Bidder/ Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (c) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS**—Anchor Investors having a bank account at any of the centres notified by SEBI where **clearing houses are managed by the RBI, may have the option to receive refunds, if any**, through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Banker to the Offer.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/ Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum, if the Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner. Instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 days of the Bid/ Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/ Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/ Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/ Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the draft Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the draft Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer and the Selling Shareholders in consultation with the Lead Managers, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by Bidders/ Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders/ Applicants, which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/ Applicant
ASBA Bidder/ Applicant	All Bidders/ Applicants except Anchor Investors
Banker to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	Banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/ Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	Basis on which the Equity Shares may be Allotted to successful Bidders/ Applicants under the Issue
Bid	An indication to make an offer during the Bid/ Issue Period by a prospective Bidder/ Applicants pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/ Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/ Applicants upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/ Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/ Applicants may refer to the RHP/ Prospectus for the Bid/ Issue Closing Date
Bid/ Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/ Applicants may refer to the RHP/ Prospectus for the Bid/ Issue Opening Date

Term	Description
Bid/ Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective ASBA Bidders/ Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/ Applicants may refer to the RHP/ Prospectus for the Bid/ Issue Period
Bidder/ Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/ Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/ Applicant should be construed to mean an Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres/	Broker centres notified by the Stock Exchanges, where Bidders/ Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/ Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/ Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2 nd and 4 th Saturday of a month and public holidays)
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/ Issue Period
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular number CIR/ CFD/ POLICYCELL/ 11/ 2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/ Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/ Applicants including the Bidders'/ Applicants' address, name of the Applicant's father/ husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/ Applicants (excluding Anchor Investors) and a list of which is available on http:// www.sebi.gov.in/ cms/ sebi_data/ attachdocs/ 1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders/ Applicants can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Banker to the Offer from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/ Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Members of the Syndicate, Sub-Syndicate/ Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders/ Applicants, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders/ Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/ Prospectus of the Issuer

Term	Description
Discount	Discount to the Issue Price that may be provided to Bidders/ Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/ Applicant may refer to the RHP/ Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Banker to the Offer and in whose favour the Anchor Investors may transfer money through NEFT, direct credit or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Banker to the Offer and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Banker to the Offer	Refer to definition of Banker to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/ Applicant	The Bidder/ Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue/ Fixed Price Process/ Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/ further public offering as applicable
Locations	Bidding centres where the syndicate shall accept ASBA Forms from Bidders/ Applicants
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/ Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/ Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/ Applicants, including FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/ Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI

Term	Description
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/ Prospectus through an offer for sale by the Selling Shareholders
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders/ Applicants other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Issue Price may be decided by the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	Date on which the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	Prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	Bank account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/ Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/ Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular number CIR/ CFD/ POLICYCELL/ 11/ 2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/ RTO	The Registrar to the Issue as disclosed in the RHP/ Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/ Bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders/ Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors/ RIIs	Investors who applies or bids for a value of not more than ₹ 200,000
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders/ Applicants in an issue through Book Building Process to modify the quantity of Equity Shares and/ or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)

Term	Description
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/ Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/ SM	The Syndicate Member(s) as disclosed in the RHP/ Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement among the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than the second and fourth Saturdays of each month, Sundays or public holidays, on which commercial banks in Mumbai are open for business; provided however, when referring to (a) announcement of Price Band; and (b) Bid/ Issue Period, the term shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/ HO/ CFD/ DIL/ CIR/ P/ 2016/ 26 dated January 21, 2016

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company comprise of two parts, Part I and Part II, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part I and Part II, the provisions of Part II shall be applicable. However, Part II shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognized stock exchange in India pursuant to an initial public offering of the Equity Shares of the Company without any further action, including any corporate action, by the Company or by the Shareholders.

THE COMPANIES ACT, 2013

AND

THE COMPANIES ACT, 1956 (AS APPLICABLE)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

STOVE KRAFT PRIVATE LIMITEDPART I

1. CONSTITUTION OF THE COMPANY

- a) *The regulations contained in table “F” of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.*
- b) *The regulations for the management of the Company and for the observance of the Shareholders thereof and their representatives shall be such as are contained in these Articles, subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Special Resolution as prescribed by the Companies Act, 2013.*

2. INTERPRETATION

A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

- a. **“Act”** means the Companies Act, 2013 (to the extent that such enactment is in force and applicable to the context in which such term is used herein), and all rules and clarifications issued thereunder or the Companies Act, 1956 and the rules issued thereunder (to the extent that such enactment is in force and applicable to the context in which such term is used herein), and shall include all amendments, modifications and re-enactments of the foregoing. Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980.
- b. **“ADRs”** shall mean American Depository Receipts representing ADSs.
- c. **“Annual General Meeting”** shall mean a General Meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act.
- d. **“ADSs”** shall mean American Depository Shares, each of which represents a certain number of Equity Shares.
- e. **“Articles”** shall mean these articles of association as adopted or as from time to time altered in accordance with the provisions of these Articles and the Act.
- f. **“Auditors”** shall mean and include those persons appointed as such for the time being by the Company.
- g. **“Board”** shall mean the board of directors of the Company, as constituted from time to time, in accordance with law and the provisions of these Articles.
- h. **“Board Meeting”** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

- i. **“Beneficial Owner”** shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act.
- j. **“Business Day”** shall mean a day, not being a Saturday or a Sunday or public holiday, on which banks are open for business in Bengaluru, India and, in the context of a payment being made to or from a scheduled commercial bank in a place other than India, in such other place.
- k. **“Capital” or “Share Capital”** shall mean the share capital for the time being, raised or authorised to be raised for the purpose of the Company.
- l. **“Chairman”** shall mean such person as is nominated or appointed in accordance with Article 37 herein below.
- m. **“Companies Act, 1956”** shall mean the Companies Act, 1956 (Act I of 1956), as may be in force for the time being.
- n. **“Company” or “this Company”** shall mean **STOVE KRAFT LIMITED**.
- o. **“Committees”** shall mean a committee constituted in accordance with Article 74.
- p. **“Debenture”** shall have the meaning assigned to it under the Act.
- q. **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- r. **“Depository”** shall mean a depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.
- s. **“Director”** shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with law and the provisions of these Articles.
- t. **“Dividend”** shall include interim dividends.
- u. **“Equity Share Capital”** shall mean the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis.
- v. **“Equity Shares”** shall mean fully paid-up equity shares of the Company having a par value of INR **10/-** (Rupees **Ten**) per equity share, and INR **10/-** (Rupees **Ten**) vote per equity share or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares.
- w. **“Executor” or “Administrator”** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Securities of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.
- x. **“Extraordinary General Meeting”** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act;
- y. **“Financial Year”** shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.
- z. **“Fully Diluted Basis”** shall mean, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof.
- aa. **“GDRs”** shall mean the registered Global Depositary Receipts, representing GDSs.
- bb. **“GDSs”** shall mean the Global Depositary Shares, each of which represents a certain number of Equity Shares.
- cc. **“General Meeting”** shall mean a meeting of holders of Equity Shares and any adjournment thereof and constituted in accordance with the provisions of the Act.

- dd. **“Independent Director”** shall mean an independent director as defined under the Act and under the SEBI Listing Regulations.
- ee. **“India”** shall mean the Republic of India.
- ff. **“Law”** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, including the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, (ii) governmental approvals or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, (iv) rules, policy, regulations or requirements of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or any other generally accepted accounting principles.
- gg. **“Managing Director”** shall have the meaning assigned to it under the Act.
- hh. **“MCA”** shall mean the Ministry of Corporate Affairs, Government of India.
- ii. **“Memorandum”** shall mean the memorandum of association of the Company, as amended from time to time.
- jj. **“Office”** shall mean the registered office for the time being of the Company.
- kk. **“Officer”** shall have the meaning assigned thereto by Section 2(59) of the Act.
- ll. **“Ordinary Resolution”** shall have the meaning assigned thereto by Section 114 of the Act.
- mm. **“Paid up”** shall include the amount credited as paid up.
- nn. **“Person”** shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- oo. **“Promoters”** shall mean Rajendra J. Gandhi and Sunita Gandhi.
- pp. **“Register of Members”** shall mean the register of shareholders to be kept pursuant to Section 88 of the Act.
- qq. **“Registrar”** shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.
- rr. **“Rules”** shall mean the rules made under the Act and notified from time to time.
- ss. **“Seal”** shall mean the common seal(s) for the time being of the Company.
- tt. **“SEBI”** shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.
- uu. **“SEBI Listing Regulations”** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- vv. **“Secretary”** shall mean a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under the Act.
- ww. **“Securities”** shall mean any Equity Shares or any other securities, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.
- xx. **“Sequoia”** shall mean Sequoia Capital India Growth Investment Holdings I and SCI Growth Investments II
- yy. **“Share Equivalents”** shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.

- zz. “**Shareholder**” shall mean any shareholder of the Company, from time to time.
- aaa. “**Shareholders’ Meeting**” shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles.
- bbb. “**Special Resolution**” shall have the meaning assigned to it under Section 114 of the Act.
- ccc. “**Transfer**” shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word “**Transferred**” shall be construed accordingly.
- ddd. “**Tribunal**” shall mean the National Company Law Tribunal constituted under Section 408 of the Act.

B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

- (i) References to a party shall, where the context permits, include such party’s respective successors, legal heirs and permitted assigns.
- (ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
- (iii) References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.
- (iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- (v) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.
- (vi) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.
- (vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.
- (viii) A reference to a party being liable to another party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- (ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- (x) References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.

- (xi) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified.
- (xii) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act or the Depositories Act or the SEBI Listing Regulations, shall, as the case may be, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL

- (i) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.
- (ii) The Company has power, from time to time, to increase its authorised or issued and Paid up Share Capital in accordance with the Act, applicable Law and these Articles.
- (iii) The Share Capital of the Company may be classified into shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.
- (iv) Subject to Article 4(iii), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- (v) The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly Paid up shares and if so issued shall be deemed as fully/partly Paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.
- (vi) The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.
- (vii) Nothing herein contained shall prevent the Directors from issuing fully Paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- (viii) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- (ix) All of the provisions of these Articles shall apply to the Shareholders.
- (x) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.
- (xi) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

5. BRANCH OFFICES

The Company shall have the power to establish one or more branch offices, in addition to the Office, in such places at its Board may deem fit.

6. PREFERENCE SHARES

(a) Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) Convertible Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

7. PROVISIONS IN CASE OF PREFERENCE SHARES.

Upon the issue of preference shares pursuant to Article 6 above, the following provisions shall apply:

- (a) No such preference shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
- (b) No such preference shares shall be redeemed unless they are fully paid;
- (c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the preference shares are redeemed;
- (d) Where any such preference shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the preference shares to be redeemed, to a reserve, to be called the "**Capital Redemption Reserve Account**" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;
- (e) The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;
- (f) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and
- (g) Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

8. SHARE EQUIVALENT

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

9. ADRS/ GDRS

The Company shall, subject to the applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights, in accordance with the directions of the Board.

10. ALTERATION OF SHARE CAPITAL

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

- (a) increase its Share Capital by such amount as it thinks expedient;
- (b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;
Provided that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;
- (c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination;
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

11. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

12. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board or a Special Resolution of the Shareholders, as required under the Act, the Company may purchase its own shares or other Securities, as may be specified by the Act read with the Rules made thereunder from time to time, and as may be prescribed by the MCA or the SEBI, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with the Law.

13. POWER TO MODIFY RIGHTS

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and the Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to provisions of the Act and applicable Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall *mutatis mutandis* apply to every such meeting.

14. REGISTERS TO BE MAINTAINED BY THE COMPANY

- (a) The Company shall, in terms of the provisions of Section 88 of the Act and the provisions of the Depositories Act, cause to be kept the following registers in terms of the applicable provisions of the Act
 - (i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;
 - (ii) A register of Debenture holders; and
 - (iii) A register of any other security holders.
- (b) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.
- (c) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

15. SHARES AND SHARE CERTIFICATES

- (a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (b) A duplicate certificate of shares may be issued, if such certificate:
 - i. is proved to have been lost or destroyed; or
 - ii. has been defaced, mutilated or torn and is surrendered to the Company.
- (c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (d) A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of Depository shall be the *prima facie* evidence of the interest of the beneficial owner.
- (e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate, within a period of 30 days from the receipt of such lodgement.] Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees two for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law.
- (f) The provisions of this Article shall *mutatis mutandis* apply to Debentures and other Securities of the Company.
- (g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.
- (h) Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.
- (i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (j) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (h) of this Article.
- (k) All books referred to in sub-article (i) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.
- (l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (m) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.

- (n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of such share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not such Shareholder shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

16. SHARES AT THE DISPOSAL OF THE DIRECTORS

- (a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 of the Act) at such time as they may, from time to time, think fit, to give to any person or persons the option or right to call for any shares either at par or premium or at a discount subject to the provisions of the Act during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.
- (b) Subject to applicable Law, the Directors are hereby authorised to issue Equity Shares or Debentures (whether or not convertible into Equity Shares) for offer and allotment to such of the officers, employees and workers of the Company as the Directors may decide or the trustees of such trust as may be set up for the benefit of the officers, employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the stock exchanges and SEBI, the Directors may impose the condition that the Equity Shares or Debentures of the Company so allotted shall not be transferable for a specified period.
- (c) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his Executor or Administrator.
- (d) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
- (e) In accordance with Section 56 and other applicable provisions of the Act and the Rules:
- (i) Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued in the manner prescribed under Section 46 of the Act and the Rules framed thereunder. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue.
- (ii) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 15 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient

delivery to all such holders. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two.

- (iii) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.
- (iv) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

17. UNDERWRITING AND BROKERAGE

- (a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any Person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

18. CALLS

- (a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any Person except with the sanction of the Company in the General Meeting.
- (b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.
- (c) The Board may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.
- (d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- (e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.
- (f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.
- (g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the

terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

- (h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- (i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- (j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
- (k) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.
- (l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

19. COMPANY'S LIEN:

i. On shares:

- (a) The Company shall have a first and paramount lien:
 - (i) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.
- (b) Company's lien, if any, on such partly paid shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.
- (c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully Paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares.
- (d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

- (e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

ii. On Debentures:

- (a) The Company shall have a first and paramount lien:
 - (i) on every Debenture (not being a fully paid Debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

- (b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.
- (c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.
- (d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the Person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

- (e) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

20. FORFEITURE OF SHARES

- (a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any

such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.
- (d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- (e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- (f) Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.
- (g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- (h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.
- (i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any Person and the remedy of any Person aggrieved by the sale shall be in damages only and against the Company exclusively.
- (j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the Person or persons entitled thereto.
- (k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

21. FURTHER ISSUE OF SHARE CAPITAL

- (a) Where at any time, the Company proposes to increase its subscribed Capital by the issue of further shares, such shares shall be offered—
- (i) to Persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-
 - a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
 - b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;
 - c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;
 - (ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or
 - (iii) to any Persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to the compliance with the applicable provisions of the Act and any other conditions as may be prescribed under Law.
- (b) The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.
- (c) Nothing in this Article shall apply to the increase of the subscribed Capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:
- Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.
- (d) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.

22. TRANSFER AND TRANSMISSION OF SHARES

- (a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.
- (b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.
- (c)
 - (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.
 - (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

- (d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
- (e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
- (f) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the Person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever.

- (g) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.
- (h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.
- (i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.
- (j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.
- (k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- (l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour

of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

- (m) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

- (n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

- (o) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.
- (p) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and Debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.
- (q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
- (r) The Company shall not register the transfer of its Securities in the name of the transferee(s) when the transferor(s) objects to the transfer.

Provided that the transferor serves on the Company, within sixty working days of raising the objection, a prohibitory order of a Court of competent jurisdiction.

- (s) The Board may delegate the power of transfer of Securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s).

Provided that the delegated authority shall report on transfer of Securities to the Board in each meeting.

- (t) There shall be a common form of transfer in accordance with the Act and Rules.

- (u) The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

23. DEMATERIALIZATION OF SECURITIES

- (a) Dematerialization:

Notwithstanding anything contained in these Articles, and subject to the applicable provisions of the Act, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

- (b) Subject to the applicable provisions of the Act, instead of issuing or receiving certificates for the Securities, as the case maybe, either the Company or the investor may exercise an option to issue, dematerialize, hold the Securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or re-enactment thereof.

- (c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause the Promoters to direct their respective Depository participants not to accept any instruction slip or delivery slip or other authorisation for Transfer in contravention of these Articles.

- (d) If a Person opts to hold his Securities with a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

- (e) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

- (f) Rights of Depositories & Beneficial Owners:

- (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.
 - (ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
 - (iii) Every Person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.
 - (iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.
- (g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the Person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other Person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more Persons or the survivor or survivors of them.

- (h) Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of shares and Debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

(i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of Securities on surrender by a Person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(k) Transfer of Securities:

(i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(l) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(m) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(n) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.

(o) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

(p) Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

(q) Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall

inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of Securities to the Beneficial Owner or the transferee as the case may be.

(r) Overriding effect of this Article:

Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles.

24. NOMINATION BY SECURITIES HOLDERS

- (a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.
- (b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.
- (c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
- (d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
- (e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

25. NOMINATION FOR FIXED DEPOSITS

A depositor (who shall be the member of the Company) may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

26. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any Person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

27. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO SHAREHOLDERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

28. BORROWING POWERS

- (a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
 - (i) accept or renew deposits from Shareholders;
 - (ii) borrow money by way of issuance of Debentures;
 - (iii) borrow money otherwise than on Debentures;
 - (iv) accept deposits from Shareholders either in advance of calls or otherwise; and
 - (v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up Capital, free reserves and securities premium of the Company, the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

- (b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.
- (c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with the sanction of the Company in General Meeting accorded by a Special Resolution.
- (d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.
- (f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.
- (g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

29. SHARE WARRANTS

- (a) The Company may issue share warrants subject to, and in accordance with, the provisions of Sections 114 and 115 of the Companies Act, 1956; and accordingly the Board may in its discretion, with respect to any Share which is fully Paid-up, on application in writing signed by the Persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
- (b)
 - (i) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of 2 (two) clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposited warrant.
 - (ii) Not more than one person shall be recognised as depositor of the share warrant.
 - (iii) The Company shall, on 2 (two) days' written notice, return the deposited share warrant to the depositor.
- (c)
 - (i) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Shareholder at a meeting of the Company, or be entitled to receive any notices from the Company.
 - (ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the Shareholder included in the warrant, and he shall be a Shareholder of the Company.
- (d) The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.
- (e) The provisions contained under this Article shall cease to have effect post the notification of section 465 of the Act which shall repeal the provisions of Companies Act, 1956.

30. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

- (a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.
- (b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- (c) Where the shares are converted into stock, such of the Articles as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock -holder" respectively.

31. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

32. WHEN ANNUAL GENERAL MEETING TO BE HELD

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

33. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

- (a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

34. NOTICE OF GENERAL MEETINGS

- (a) Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

- (a) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,
 - (b) Auditor or Auditors of the Company, and
 - (c) all Directors.
- (b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.
 - (c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.
 - (d) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.
 - (e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.
 - (f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

- (g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

35. REQUISITION OF EXTRAORDINARY GENERAL MEETING

- (a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.
- (b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
- (c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
- (d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.
- (e) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
- (f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.
- (g) The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

36. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

37. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect, on a show of hands or on a poll if properly demanded, one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

38. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

39. QUESTIONS AT GENERAL MEETING HOW DECIDED

- (a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.
- (b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- (c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- (d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.
- (e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.
- (f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- (g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.
- (h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

40. PASSING RESOLUTIONS BY POSTAL BALLOT

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time and applicable Law.

41. VOTES OF SHAREHOLDERS

- (a) No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

- (b) No shareholder shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.
- (c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

- (d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.
- (e) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.
- (f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint-holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.
- (g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.
- (h) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- (i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.
- (j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.
- (k) A Shareholder present by proxy shall be entitled to vote only on a poll.
- (l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in

- the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.
- (m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out under Section 105 and other provisions of the Act and in the Companies (Management and Administration) Rules, 2014.
 - (n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.
 - (o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.
 - (p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
 - (q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.
 - (i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
 - (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.
 - (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
 - (iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
 - (v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.
 - (vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.
 - (vii) Any such Minutes shall be evidence of the proceedings recorded therein.
 - (viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.
 - (ix) The Company shall cause minutes to be duly entered in books provided for the purpose of: -
 - a) the names of the Directors and Alternate Directors present at each General Meeting;

- b) all Resolutions and proceedings of General Meeting.
- (r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.
- (s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.
- (t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.
- (u) The Shareholders shall exercise their voting rights as Shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.
- (v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).
- (w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company.

42. DIRECTORS

- (a) Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.
- (b) On and from the date on which the Equity Shares are listed on the stock exchange, pursuant to the initial public offering of Equity Shares, and subject to shareholders' approval in the first EGM held post listing of the Equity Shares pursuant to such initial public offering, for so long as Sequoia holds 5% (five per cent) or more of the paid up equity share capital of the Company on a fully diluted basis, Sequoia shall have the right to nominate one director on the Board of the Company.

43. CHAIRMAN OF THE BOARD OF DIRECTORS

- (a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.
- (b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

44. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Act, any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "**the Original Director**") (subject to such person being acceptable to the Chairman) during the Original Director's absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

45. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 42. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

46. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

47. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.

48. EQUAL POWER TO DIRECTOR

Except as otherwise provided in these Articles, the Act and the applicable Law, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

49. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.

The nominee director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.

The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

50. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification shares of the Company.

51. REMUNERATION OF DIRECTORS

- (a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.
- (b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.
- (c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.
- (d) Subject to the provisions of the Act and these Articles. all fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees with approval of Central Government. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

52. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

53. TRAVEL EXPENSES OF DIRECTORS

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

54. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 42 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

55. VACATION OF OFFICE BY DIRECTOR

- (a) Subject to relevant provisions of Sections 167, and 188 other relevant provisions of the Act, the office of a Director, shall *ipso facto* be vacated if:
 - (i) he is found to be of unsound mind by a court of competent jurisdiction; or

- (ii) he applies to be adjudicated an insolvent; or
- (iii) he is adjudged an insolvent; or
- (iv) he is convicted by a court of any offence involving moral turpitude or otherwise, and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or
- (v) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call; or
- (vi) he absents himself from 3 (three) consecutive meetings of the Board or from all Meetings of the Board for a continuous period of 12 (twelve) months, whichever is longer, without obtaining leave of absence from the Board; or
- (vii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
- (viii) he acts in contravention of Section 184 of the Act; or
- (ix) he becomes disqualified by an order of a court or the Tribunal; or
- (x) he is removed in pursuance of Section 169 of the Act; or
- (xi) he is disqualified under Section 164(2) of the Act.

Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

56. RELATED PARTY TRANSACTIONS

- (a) Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a 'related party' with respect to: :
 - (i) sale, purchase or supply of any goods or materials;
 - (ii) selling or otherwise disposing of, or buying, property of any kind;
 - (iii) leasing of property of any kind;
 - (iv) availing or rendering of any services;
 - (v) appointment of any agent for purchase or sale of goods, materials, services or property;
 - (vi) such Director's or its relative's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
 - (vii) underwriting the subscription of any securities or derivatives thereof, of the company;

without the consent of the Shareholders by way of a resolution in accordance with Section 188 of the Act.
- (b) no Shareholder of the Company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.
- (c) nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis
- (d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.
- (e) The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.
- (f) The term 'related party' shall have the same meaning as ascribed to it under the Act.

- (g) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

57. DISCLOSURE OF INTEREST

- (a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2% (two per cent) of the Paid-up share capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- (b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void;
1. in his being a shareholder holding not more than 2 (two) per cent of its Paid-up share capital.
- Subject to the provisions of Section 188 of the Act and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.
- (c) The Company shall keep a Register in accordance with Section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 57(a). The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.
- (d) A Director may be or become a Director of any company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such company except in so far as Section 188 or Section 197 of the Act as may be applicable.

58. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

In accordance with Section 152 of the Act, at the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Director(s) appointed as nominee Director(s), or the Director(s) appointed as a Debenture Director(s), or the Director(s) appointed as Independent Director(s) under Articles hereto shall not retire by rotation under this Article, shall they be included in calculating the total number of Directors of whom one thirds shall be liable to retire by rotation from office in terms of Section 152 of the Act.

59. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

- (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if

that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-
- (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
 - (ii) retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;
 - (iii) he is not qualified or is disqualified for appointment; or
 - (iv) a resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any applicable provisions of the Act; or
 - (v) Section 162 of the Act is applicable to the case.

60. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 42 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

61. REGISTER OF DIRECTORS ETC.

The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

The Company shall in respect of each of its Directors and key managerial personnel keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

62. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE.

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

63. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairman of the Board as the Managing Director / whole time director or executive director of the Company.

64. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) /

manager, and if he ceases to hold the office of a Managing Director(s) / whole time director(s) / executive director(s)/ manager he shall ipso facto and immediately cease to be a Director.

65. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s) / whole time director(s) / executive director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

66. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager s in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

67. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

- (a) to make calls on Shareholders in respect of money unpaid on their shares;
- (b) to authorise buy-back of Securities under Section 68 of the Act;
- (c) to issue Securities, including Debentures, whether in or outside India;
- (d) to borrow money(ies);
- (e) to invest the funds of the Company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statements and the Board's report;
- (h) to diversify the business of the Company;
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) fees/ compensation payable to non-executive directors including independent directors of the Company; and
- (l) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Act.

In terms of and subject to the provisions of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

- (a) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;

- (b) to borrow money; and
- (c) any such other matter as may be prescribed under the Act, the SEBI Listing Regulations and other applicable provisions of Law.

68. MAKING LIABILITY OF DIRECTORS UNLIMITED

The Company may, by Special Resolution in a General Meeting, alter its Memorandum of Association so as to render unlimited the liability of its Directors or of any Director or manager, in accordance with Section 323 of the Companies Act, 1956.

69. PROCEEDINGS OF THE BOARD OF DIRECTORS

- (a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held at the Registered Office, or such a place as may be decided by the Board.
- (b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.
- (c) The Company Secretary or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- (d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman or Director may determine.
- (e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.
- (f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

70. QUORUM FOR BOARD MEETING

- (a) Quorum for Board Meetings

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength or two directors, whichever is higher, and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two, shall be the quorum during such meeting.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

71. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

- (a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- (b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

72. ELECTION OF CHAIRMAN OF BOARD

- (a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

73. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

- (a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the Memorandum and Articles of Association of the Company.
- (b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- (c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-
 - i. Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;
 - ii. Remit, or give time for repayment of, any debt due by a Director;
 - iii. Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and
 - iv. Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the Paid-up Capital, free reserves and securities premium of the Company.

74. COMMITTEES AND DELEGATION BY THE BOARD

- (a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.
- (b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to Persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

- (c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.
- (d) The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the SEBI Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

75. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or Persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

76. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members of the Committee, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

77. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

- (a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.
- (b) The Company shall circulate the minutes of the meeting to each Director within 7 (seven) Business Days after the Board Meeting.
- (c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (d) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (e) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -
 - (i) all appointments of Officers;
 - (ii) the names of the Directors present at each meeting of the Board;
 - (iii) all resolutions and proceedings of the meetings of the Board;
 - (iv) the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.
- (f) Nothing contained in sub Articles (a) to (e) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -

- (i) is or could reasonably be regarded as defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the Company.
- (g) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (f) above.
- (h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
- (i) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 1 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

78. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

79. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the Person in whose favour such charge is executed.

80. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all Persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

81. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any Person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other Persons so becoming liable as aforesaid from any loss in respect of such liability.

82. OFFICERS

- (a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.
- (b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.
- (c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.
- (d) Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.
- (e) The Board shall appoint with the approval of the Chairman, the President and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

83. THE SECRETARY

- (a) Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the

Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

- (b) The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

84. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

- (a) on terms approved by the Board;
- (b) which includes each Director as a policyholder;
- (c) is from an internationally recognised insurer approved by the Board; and
- (d) for a coverage for claims of an amount as may be decided by the Board, from time to time.

85. SEAL

- (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.
- (b) The Company shall also be at liberty to have an official Seal(s) in accordance with Section 50 of the Companies Act, 1956, for use in any territory, district or place outside India.
- (c) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two (2) directors and of the secretary or such other person as the Board may appoint for the purpose; and those two (2) directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

86. ACCOUNTS

- (a) The Company shall prepare and keep at the Office books of accounts or other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, in accordance with the Act, Rules and as required under the applicable Law, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.
- (b) Where the Board decides to keep all or any of the books of account at any place other than the Office, the Company shall, within 7 (seven) days of the decision, file with the Registrar, a notice in writing giving the full address of that other place. The Company may also keep such books of accounts or other relevant papers in electronic mode in accordance with the provisions of the Act.
- (c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.
- (d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.

- (e) No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.
- (f) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' which shall include:
 - (i) the extract of the annual return as provided under sub-section (3) of Section 92 of the Act;
 - (ii) number of meetings of the Board;
 - (iii) Directors' responsibility statement as per the provisions of Section 134 (5) of the Act;
 - (iv) a statement on declaration given by Independent Directors under sub-section (6) of Section 149 of the Act;
 - (v) in the event applicable, as specified under sub-section (1) of Section 178 of the Act, Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act;
 - (vi) explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-
 - 1. by the auditor in his report; and
 - 2. by the company secretary in practice in his secretarial audit report;
 - (vii) particulars of loans, guarantees or investments under Section 186 of the Act;
 - (viii) particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed form;
 - (ix) the state of the Company's affairs;
 - (x) the amounts, if any, which it proposes to carry to any reserves;
 - (xi) the amount, if any, which it recommends should be paid by way of Dividends;
 - (xii) material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report;
 - (xiii) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;
 - (xiv) a statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company;
 - (xv) the details about the policy developed and implemented by the Company on corporate social responsibility initiatives taken during the year;
 - (xvi) a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual Directors, as may be prescribed for listed companies; and
 - (xvii) such other matters as may be prescribed under the Law, from time to time.
- (g) All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters herein and explain its transactions.
- (h) The Company shall comply with the requirements of Section 136 of the Act.

87. AUDIT AND AUDITORS

- (a) Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 139 to 147 of the Act and as specified under Law.
- (b) Every account of the Company when audited shall be approved by a General Meeting and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.
- (c) Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.
- (d) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within 7 (seven) days.
- (e) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.
- (f) The Company shall within 7 (seven) days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.
- (g) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- (h) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with Section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Act and all the other provision of Section 140 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.
- (i) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.
- (j) None of the persons mentioned in Section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

88. AUDIT OF BRANCH OFFICES

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

89. REMUNERATION OF AUDITORS

The remuneration of the Auditors shall be fixed by the Company as authorized in General Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014.

90. DOCUMENTS AND NOTICES

- (a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.
- (b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.

- (c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.
- (d) Every Person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the Register of Members, shall have been duly served on or given to the Person from whom he derives his title to such Share.
- (e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.
- (f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.
- (g) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a shareholder has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each shareholder an opportunity to register his email address and change therein from time to time with the Company or the concerned Depository. The Company shall fulfill all conditions required by Law, in this regard.

91. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

92. SERVICE ON SHAREHOLDERS HAVING NO REGISTERED ADDRESS

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

93. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS

A document may be served by the Company on the Persons entitled to a share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the Persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

94. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

- (i) To the Shareholders of the Company as provided by these Articles.
- (ii) To the persons entitled to a share in consequence of the death or insolvency of a Shareholder.
- (iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

95. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

96. DIVIDEND POLICY

- (a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the

- Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.
- (b) Subject to the provisions of Section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.
 - (c)
 - (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both, provided that in computing profits any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded. The Company shall not declare Dividend unless carried over previous losses and depreciation not provided in previous Financial Year or years are set off against profit of the Company for the Financial Year for which the Dividend is proposed to be declared. Where the Company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the free reserves, owing to inadequacy or absence of profits in the Financial Year for which the Dividends are proposed to be declared, such declaration of Dividend shall not be made except in accordance with provisions of the Act and the Rules.
 - (ii) The declaration of the Board as to the amount of the net profits shall be conclusive.
 - (d) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies in accordance with the provisions of the Section 123 of the Act.
 - (e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.
 - (f)
 - (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.
 - (ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.
 - (iii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.
 - (g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.
 - (h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.
 - (i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.
 - (j) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

- (k) Unless otherwise directed any Dividend shall be paid through electronic mode of payment facility approved by the Reserve Bank of India. Where it is not possible to use electronic mode of payment, dividend may be paid by 'payable at par' cheques or warrants sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.
- (l) No unpaid Dividend shall bear interest as against the Company.
- (m) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the General Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.
- (n) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.
- (o) The Company may pay dividends on shares in proportion to the amount Paid-up on each Share in accordance with Section 51 of the Act.

97. UNPAID OR UNCLAIMED DIVIDEND

- (a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank or private sector bank.
- (b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".
- (c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law and such forfeiture, if effected, shall be annulled in appropriate cases.

98. CAPITALIZATION OF PROFITS

The Company in General Meeting may, upon the recommendation of the Board, resolve:

- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution, and
- (b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (c) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.
- (c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
 - (i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;
 - (ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

- (d) A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

99. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE

- (a) The Board shall give effect to a Resolution passed by the Company in pursuance of this Article.
- (b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:
 - (i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and
 - (ii) generally do all acts and things required to give effect thereto.
- (c) The Board shall have full power:
 - i. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or Debentures becoming distributable in fraction; and
 - ii. to authorize any Person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully Paid up, of any further shares or Debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.
- (d) Any agreement made under such authority shall be effective and binding on all such shareholders.

100. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

- (a) If the company shall be wound up, the liquidator may, with the sanction of a special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Shareholder shall be compelled to accept any shares or other Securities whereon there is any liability.

101. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Act, every Director, manager and other Officer or employee of the Company shall be indemnified by the Company against any liability incurred by him and it shall be the duty of the Directors to pay out from the funds of the Company all costs, losses and expenses which any Director, manager, Officer or employee may incur or become liable to by reason of any contract entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, manager, Officer or employee in defending any proceedings, whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Shareholders over all the claims.

102. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of Section 197 of the Act, no Director, manager, Officer or employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any Person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss,

damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of the companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office shall be paid and borne by the Company.

103. INSPECTION BY SHAREHOLDERS

The register of charges, register of investments, register of shareholders, books of accounts and the minutes of the meeting of the Board and Shareholders shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines for inspection of any Shareholder without charge. In the event such Shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

104. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company may amend its Memorandum of Association and Articles of Association in accordance with Sections 13, 14 and 15 of the Act and such other provisions of Law, as may be applicable from time-to-time. The shareholders shall vote for all the equity shares owned or held on record by such shareholders at any annual or extraordinary General meeting of the company in accordance with these Articles.

- (a) The shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.
- (b) The Articles of the company shall not be amended unless (i) Shareholders holding not less than 75% of the Equity shares (and who are entitled to attend and vote) cast votes in favour of each such amendment/s to the Articles.

105. SECRECY

No Shareholder shall be entitled to inspect the Company's work without permission of the Managing Director/Directors or to require discovery of any information respectively any details of Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director/Directors will be inexpedient in the interest of the Shareholders of the Company to communicate to the public.

106. DUTIES OF THE OFFICER TO OBSERVE SECRECY

Every Director, Managing Directors, manager, Secretary, Auditor, trustee, members of the committee, Officer, servant, agent, accountant or other Persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the Company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the Company's affair.

107. PROVISIONS OF THE COMPANIES ACT, 1956 SHALL CEASE TO HAVE EFFECT

Notwithstanding anything contained in these Articles, the provisions of the Companies Act, 1956, as are mentioned under these articles shall cease to have any effect once the said provisions are repealed upon notification of the corresponding provisions under the Act.

PART II

Part II of these Articles includes the rights and obligations of the shareholders of the Company.

In the event of any inconsistency between Part I and Part II of these Articles, the provisions of Part II of these Articles shall prevail. Part II of these Articles shall automatically terminate and cease to have any force and effect and deemed to fall away on and from the date of listing of the Equity Shares on a stock exchange in India, subsequent to an initial public offering of the Equity Shares, without any further action by the Company or its shareholders

TABLE 'F' TO APPLY

1. These Articles shall be called the Articles of Association of Stove Kraft Limited.
2. Unless otherwise specified the "Company" shall mean Stove Kraft Limited.
3. Subject as provided hereunder, the regulations contained in Table F of Schedule 1 of the Companies Act, 2013 shall apply to this Company in so far as they are applicable to a Public Company limited by Shares. The proviso in Regulation 13(i), Regulation 20(a) and Regulation 65 contained in Table F shall not apply to the Company.

I. INTERPRETATION

4. A. Definitions:

In these Articles, the following capitalized terms shall have the meaning as set forth below: -

1. **"Acceptance Notice Period"** shall have the meaning as set forth in Article 15(i)(b);
2. **"Acceptance Notice"** shall have the meaning as set forth. in Article 15(i)(b);
3. **"Act"** shall mean the Companies Act, 1956 and the Companies Act, 2013, as may be amended or modified from time to time;
4. **"Additional Securities"** shall have the meaning as set forth in Article 104;
5. **"Affiliates"** shall mean, with respect to any Person, any company, corporation, association or other Person, which, directly or indirectly, Controls is controlled by or is under common Control with the first named Person. In relation to Sequoia, the term "Affiliate" shall include the funds owned and/or managed and/or advised by Sequoia Capital. If such Person is an individual, the term "Affiliate" shall include a Relative of such individual;
6. **"Agreement"** shall mean the investment agreement dated February 2, 2010 entered into by and between, *inter alia*, the Company, Rajendra, Sunitha, and SCIGI II as amended by the Amendment Series A Agreement and the Series B Investment Agreement to which SCIGI I is also a party;
7. **"Amendment Agreement"** shall mean the Amendment Agreement dated [●], 2018 to the Investment Agreement dated February 2, 2010 as amended by the Amendment Agreement dated March 18, 2010 and the Series B Investment Agreement dated September 13, 2013 entered into between Stove Kraft Limited, Rajendra J. Gandhi, Sunita Gandhi, Stovekraft India, SCIGI II and SCIGI I;
8. **"Amendment Series A Agreement"** shall mean Amendment Agreement dated March 18, 2010 entered into between Rajendra J. Gandhi, Sunita Gandhi, Stove Kraft Private Limited, SCIGI II, Stovekraft India and SME Growth Fund
9. **"Arm's Length"** (including, with correlative meaning, the term "Arm's Length Basis") shall mean on terms consistent with market practice and those actually made in comparable transactions between independent enterprises and/or Third Parties under comparable circumstances and where such comparable transactions are not available, the term "Arm's Length Basis" shall mean that the price would be on arm's length price as determined in accordance with the provisions of the Income Tax Act, 1961, and all other terms and conditions should be entered into such that the contracting parties are unrelated and independent parties;
10. **"Articles"** shall mean these articles of association of the Company;
11. **"Assets"** shall mean assets or properties of every kind, nature, character and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise) as operated, hired, rented, owned or leased by a Person from time to time, including cash, cash equivalents, receivables, securities, accounts and note

- receivables, real estate, plant and machinery, equipment, patents, copyrights, domain names, trademarks, brands and other intellectual property, raw materials, inventory, furniture, fixtures and insurance;
12. **“Auditor”** shall have the meaning as set forth in Article 135;
13. **“Benchmark Price”** shall mean with respect to all Sequoia Securities other than the Series B CCD and the Series B Sale Shares, the price per Sequoia Security which is higher of:
- (i) The Fair Market Value of the Sequoia Security at the relevant time; or
 - (ii) 2(two) times the Investment Amount together with any unpaid dividends (whether accrued or declared or not);
14. **“Board”** shall mean the board of directors of the Company in office at the relevant time, appointed in accordance with the Agreement, these Articles and the Act;
15. **“Business”** shall mean the business of Company and Stovekraft India of manufacturing and trading of kitchen appliances, and shall include such other business that the Company and Stovekraft India are engaged in at the relevant time;
16. **“Business Day”** shall mean a day (other than a Saturday or a Sunday) on which scheduled commercial banks are generally open for business in Mumbai and Bangalore, India and Port Louis, Mauritius;
17. **“Business Plan”** shall mean the initial business plan as set forth in schedule IX of the Agreement, as annually revised and delivered in writing by the Promoters and the Company, along with details of use of proceeds for utilization of the Investment Amount, to the satisfaction of Sequoia no later than 30 (thirty) days prior to the commencement of every Financial Year for such Financial Year, governing the day-to-day Business and operations of the Company and Stovekraft India;
18. **“Buy-Back Election Date”** shall have the meaning as set forth in Article 94;
19. **“Buy-Back Notice”** shall have the meaning as set forth in Article 95;
20. **“Buy-Back Option”** shall have the meaning as set forth in Article 94;
21. **“Buy-Back Price”** shall have the meaning as set forth in Article 96;
22. **“Buy-Back Regulations”** shall have the meaning as set forth in Article 94;
23. **“CCD”** shall mean 8,100,045 (Eight million one hundred thousand forty five) fully and compulsorily convertible debentures which shall constitute, together with the Class A Equity Shares, Series B Sale Shares and Series B CCD, the shareholding of Sequoia in the Company equal to Sequoia Shareholding and having rights attached to them under Article 10;
24. **“CCPS”** shall have the meaning as set forth in Article 10.5;
25. **“Change in Control”** occurs when:
- (i) Any Person, or Persons acting together, acquires Control of the Company and/or Stovekraft India if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Company and/or Stovekraft India on the Closing Date;
 - (ii) The Company consolidates with or merges into or sells or Transfers all or substantially all of the Assets of the Company and/or Stovekraft India to any other Person; or
 - (iii) One or more Persons (other than any Person referred to in sub-paragraph (i) above acquires Control of the Company and/or Stovekraft India;
26. **“Charter Documents”** shall mean, with respect to a Person, the Articles of Association and Memorandum of Association, certificate of incorporation, partnership deed or similar organizational or incorporation documents, of such Person;
27. **“Chartered Accountant”** shall have the meaning as set forth in Section 2 of the Chartered Accountants Act, 1949;

28. **“Class A Equity Shares”** shall mean 5 (five) class A equity shares of the face value of Rs. 10 (Rupees Ten only) each issued and allotted to SCIGI II in accordance with clause 2.1 of the Investment Agreement and 5 (five) class A equity shares of the face value of Rs. 10 (Rupees Ten only) each issued and allotted to SCIGIH I in accordance with clause 2.1 of the Series B Investment Agreement, having rights attached to them under the Definitive Agreements;
29. **“Class B Equity Shares”** shall have the meaning as set forth in Article 35;
30. **“Closing Date”** shall mean March 18, 2010;
31. **“Committee”** shall mean any committee of the Board, appointed in accordance with the Agreement, the Act and these Articles;
32. **“Company”** shall mean Stove Kraft Limited, a company incorporated under the Companies Act, 1956/2013 and having its registered office at 81/1 Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk, Ramanagar District, 562 112, Karnataka, India and shall include its successors and permitted assigns;
33. **“Conforming of Rights”** shall have the meaning as set forth in Article 34;
34. **“Consents”** shall mean any approval, consent, ratification, waiver, notice or other authorization of or from or to any Third Party (other than a Governmental Approval) that may be required for (i) the execution of the Definitive Agreements
- (i) the consummation of the transactions contemplated under the Agreement and
 - (ii) carrying on the Business in a lawful manner;
35. **“Contract”**, with respect to a Person, shall mean any agreement, contract, obligation, promise, undertaking, subcontract, lease, understanding, instrument, note, warranty, insurance policy, benefit plan or legally binding commitment or undertaking of any nature (whether written or oral or express or implied) entered into by such Person;
36. **“Control”** (including with correlative meaning, the terms, “Controlling”, “Controlled by” and “under common Control with”), with respect to a Person, shall mean the acquisition or control of more than 50% (fifty per cent) of the voting rights or of the issued share capital of such Person or the right to appoint and/or remove all or the majority of the members of the board of directors or other governing body of such Person, the power to direct or cause the direction of the management, to merge and exercise significant influence on the management or policies of such Person, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, through Contract or otherwise;
37. **“Cure Period”** shall have the meaning as set forth in Article 124;
38. **“Deed of Adherence”** shall mean the deed of adherence in the form agreed between the Parties under the Agreement;
39. **“Default Notice”** shall have the meaning as set forth in Article 124;
40. **“Definitive Agreements”** shall mean, collectively, the Agreement, the Series B Investment Agreement, the Amendment Agreement, the Charter Documents of the Company and Stovekraft India and any other agreements and documents that may be required pursuant to or entered into in connection with the Agreement, or the transactions contemplated hereby;
41. **“Demand Notice”** shall have the meaning as set forth in Article 24;
42. **“Director”** shall mean a directors of the Company;
43. **“Drag Along Notice”** shall have the meaning as set forth in Article 124 (v) (b);
44. **“DRHP”** shall mean the draft red herring prospectus of the Company;
45. **“Encumbrance”** shall mean any mortgage, pledge, non-disposal undertaking, escrow, power of attorney (by whatever name called) charge, lien or other security interest securing any obligation of any Person or any other agreement or arrangement having a similar effect, option, pre-emptive right, adverse claim, title retention agreement, conditional sale agreement, co-sale agreement, trust (other title exception of whatsoever nature) or

- other encumbrance of any kind, or a Contract to give or refrain from giving any of the foregoing, including any restriction imposed under applicable Laws or Contract on the Transferability of Securities or the operation of the Business, and the term “Encumber” shall be construed accordingly;
46. **“Equity Shares”** shall mean equity shares of face value of Rs. 10 (Rupees Ten only) each in the Share Capital;
47. **“Event of Default”** shall have the meaning as set forth in Article 123;
48. **“Exit Trigger Date”** shall mean March 31, 2019, or such later date as may be mutually agreed in writing between the Company and Sequoia;
49. **“Fair Market Value”**, with respect to any Security, shall mean the valuation of such Security by a Valuer, whose costs shall be borne by the Company, and which valuation shall be made in accordance with applicable Laws and shall take into account the rights attached to such Securities, such Valuer being chosen in the following manner:
- (i) In case the transaction involving determination of Fair Market Value pursuant to the Agreement involves Sequoia, then the Valuer shall be appointed solely by Sequoia;
50. **“Financial Indebtedness”** shall mean any indebtedness for or in respect of:
- (i) Monies borrowed;
 - (ii) Any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialized equivalent;
 - (iii) Any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
 - (iv) The amount of any liability in respect of any lease or hire purchase Contract which would, in accordance with Indian GAAP, be treated as a finance or capital lease;
 - (v) Receivables sold or discounted;
 - (vi) Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing including any Promoter's or the Company's or Stovekraft India's obligation to pay in relation to any call or put option relating to any interest owned by a party in the Company or Stovekraft India (as the case may be), as the case may be;
 - (vii) Any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price including any credit support arrangement in respect thereof (and, when calculation the value of any derivative transaction, only the marked to market value shall be taken into account);
 - (viii) Securities which are expressed to be redeemable;
 - (ix) Any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
 - (x) The amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (ix) above;
51. **“Financial Statements”** shall mean the balance sheet, profit and loss account statements and cash flows (audited or unaudited, as the case may be) of the Company and/or Stovekraft India; and shall have the meaning as set in section 2(40) of the Act.
52. **“Financial Year”** shall mean the period commencing from April 1 of one year and ending on March 31 of the immediately succeeding year;
53. **“First Adjourned Meeting”** shall have the meaning as set forth in Article 73;
54. **“First Series B CCD”** shall mean 2,280,881 (two million two hundred eighty thousand eight hundred eighty one) fully and compulsorily convertible debentures which, together with Class A Equity Shares, CCD, Series B Sale Shares and Second Series B CCD, shall constitute the shareholding of Sequoia in the Company equal to Sequoia Shareholding and having rights attached to them under Article 11;

55. **"First Series B Closing Date"** shall have the meaning set forth in the Series B Investment Agreement;
56. **"First Series B Investment Amount"** shall mean United States Dollars equivalent of Rs. 500,000,000 (Rupees Five Hundred Million only);
57. **"Fully Diluted Basis"**, with respect to any Share, security, note, option, warrant or instrument convertible into Equity Shares, shall mean the deemed conversion of such Share, security, note, option, warrant or convertible instrument into Equity Shares in the Company in accordance with applicable Laws and the terms of issue of such Share, security, note, option, warrant or convertible instrument as of the relevant date of determination of the Share Capital;
58. **"Fully Diluted Share Capital"** shall mean the Share Capital calculated on a Fully Diluted Basis;
59. **"GAAP"** shall mean Generally Accepted Accounting Principles;
60. **"General Meeting"** shall mean a general meeting of the shareholders of the Company, convened and held in accordance with the Agreement, these Articles and the Act;
61. **"Governmental Approvals"** shall mean any permission, approval, consent, license, permit, order, decree, authorization, registration, filing, notification, exemption or ruling to or from or with any Governmental Authority;
62. **"Governmental Authority"** shall mean any national, state, provincial, local or similar government, governmental, regulatory or administrative authority, branch, agency, any statutory body or commission or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of Law or any court, tribunal, arbitral or judicial body, or any stock exchange of India or any other country;
63. **"Group Entities"** shall mean (i) the Company, (ii) Stovekraft India, and (iii) Pigeon Appliances Private Limited having its registered office at No. 28, 1st Floor, Arehalli Village, Uttarahalli Hobli, Near Maruthi Garments, Bangalore, Karnataka-560061;
64. **"Indicative Price Band"** shall mean an indicative price band for the IPO determined by the Company and the Selling Shareholders (as defined in the red herring prospectus for the IPO), in consultation with the book running lead managers appointed for the IPO, at least 10 Business Days prior to the filing of the red herring prospectus with the Registrar of Companies, Karnataka at Bangalore;
65. **"Information"** shall have the meaning as set forth in Article 125;
66. **"Initial IPO Valuation"** shall have the meaning as set forth in Article 11.4(iii)(b);
67. **"Investor Director"** shall have the meaning as set forth in Article 52;
68. **"Investment Amount"** shall mean United States Dollars equivalent of Rs. 500,000,000 (Rupees Five Hundred Million only);
69. **"Investor Observer"** shall have the meaning as set forth in Article 53;
70. **"Investor Offer Notice"** shall have the meaning as set forth in Article 15(i)(a);
71. **"Investor Security(ies)"** shall mean the Sequoia Securities;
72. **"IPO"** shall mean the initial public offering of Securities (including depository receipts), on a Recognized Stock Exchange;
73. **"Key Employees"** shall mean the following employees of the Company or Stovekraft India (as the case may be):
- (i) Employees of and above the designation of manager or equivalent; and/or
 - (ii) Employees with a total cost to the Company or Stovekraft India of or in excess of Rs. 1,500,000 (Rupees One Million Five Hundred Thousand only) cost to Company per annum; and/or

- (iii) Senior staff who are Relatives of the members of the Board or the Promoters or Affiliates of any Promoter; and/or
 - (iv) Non-executive Directors not related to any of the Investors or any of the Promoters; and/or
 - (v) Personnel who report directly to the Board or any of the Promoters; and/or
 - (vi) Such other individuals as may be identified by the Investors from time to time;
74. **“Law”** shall mean any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, order, decree, bye-law, government approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the date of the Agreement or thereafter;
75. **“Liquidation Event”**, with respect to the Company or Stovekraft India (as the case may be), shall mean any of the following:
- (i) The appointment of a provisional or official liquidator by an appropriate court under any applicable Laws;
 - (ii) The commencement of any:
 - (a) Proceedings in relation to a compromise or arrangement with the creditors/debtors of the Company or Stovekraft India (as the case may be) or failure to pay debts, under which the Company or Stovekraft India may be wound up under the Act;
 - (b) Voluntary or involuntary liquidation, dissolution or winding up;

Action indicating an intention to a merger, acquisition, Change in Control, consolidation, or other transaction or series of transactions in which the shareholders of the Company and/or of Stovekraft India (as the case may be) prior to such transaction or transactions will not retain a majority of the voting power of the surviving entity or the Promoters shall be no longer in Control of the Company and/or the Company shall be no longer in Control of Stovekraft India; and
 - (c) Sale, lease, license or other Transfer of all or more than 30% (thirty per cent) of the Assets of the Company and/or Stovekraft India;
76. **“Listing Date”** shall have the meaning as set forth in Article 34;
77. **“Losses”** shall mean any and all losses, liabilities, obligations, claims, demands, actions, suits, judgments, awards, fines, penalties, Taxes, fees, settlements and proceedings, fines, costs, expenses, royalties, deficiencies, damages (whether or not resulting from Third Party claims), charges, costs (including costs of investigation, remediation or other response actions), reduction in value of Sequoia's investment and shareholding, interests, penalties, loss of profits of the Company or Stovekraft India, out-of-pocket expenses, reasonable attorneys' and accountants' fees and disbursements;
78. **“Lower Price”** shall have the meaning as set forth in Article 109;
79. **“Material Adverse Change”** shall mean an adverse change on:
- (i) The validity or enforceability of any of the Definitive Agreements or of the rights or remedies of either of the Investors; or
 - (ii) The Assets, business, property, liabilities, financial condition, results or operations or prospects of the Company and/or of Stovekraft India or of the Promoters, including a change which renders the Company and/or Stovekraft India unable to carry out its business in the Ordinary Course or leads to an erosion of market valuation of the Company and/or Stovekraft India; or
 - (iii) The ability of any Party to perform its obligations under any of the Definitive Agreements; or
 - (iv) The status and validity of any Contracts, Consents or Governmental Approvals required for the Company and/or Stovekraft India or of any Promoter to carry on their respective business;

80. **“Maturity Date”** shall have the meaning as set forth in Article 10.4(i);
81. **“Memorandum” or “Memorandum of Association”** shall mean the memorandum of association of the Company, as may be amended from time to time;
82. **“Net Profit After Tax”** shall mean audited and consolidated net profit after tax and after minority interest, of the Company and Stovekraft India, for the Financial Year 2010 or Financial Year 2011, as the context may require, calculated in accordance with the terms of the Agreement;
83. **“Offer Notice”** shall have the meaning as set forth in Article 104;
84. **“Offer Terms”** shall have the meaning as set forth in Article 104;
85. **“Offered Price”** shall have the meaning as set forth in Article 15(i)(a);
86. **“Offered Securities”** shall have the meaning as set forth in Article 15(i)(a);
87. **“Offeree”** shall have the meaning as set forth in Article 109;
88. **“Offeror”** shall have the meaning as set forth in Article 15(i)(a);
89. **“Officers”** shall mean the employees of the Company or Stovekraft India (as the case may be) who are of the designation of manager and above and shall include nominees of the Promoters and Directors;
90. **“Outstanding Investor Securities”** shall have the meaning as set forth in Article 95;
91. **“Partnership Deed”** shall mean the deed of partnership dated July 01, 2011 for Stovekraft India duly executed between the Company and Rajendra J Gandhi registered with the jurisdictional Registrar of Firms under applicable Law, reconstituting Stovekraft India with cessation of Mr. Atul Jindal as partner, reconstituting the original deed of partnership made on September 1, 2004 executed between Mr. Rajendra J Gandhi and Mr. Atul Jindal, as amended vide deed of partnership dated March 31, 2009 and as further amended pursuant to the Agreement;
92. **“Partners”** shall mean the partners of Stovekraft India, which partners are the Company and Rajendra;
93. **“Party(ies)”** shall mean each of the Company, Stovekraft India, the Promoters and the Investors;
94. **“Person”** shall mean any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under applicable Laws;
95. **“Potential Buyer”** shall have the meaning as set forth in Article 124 (v) (a);
96. **“Prohibited Transfer”** shall have the meaning as set forth in Article 16 (i) (e);
97. **“Promoter”** shall mean each of Rajendra and Sunitha;
98. **“Promoter Director”** shall have the meaning as set forth in Article 52;
99. **“Purchaser”** shall have the meaning as set forth in Article 85;
100. **“Put Notice”** shall have the meaning as set forth in Article 101 (ii);
101. **“Put Option”** shall have the meaning as set forth in Article 100 (i);
102. **“QIPO”** shall mean an IPO which is approved by the Investors, and which satisfies the following conditions:
- (i) The appointment of a reputable merchant banker, acceptable to the Investors, in connection with the IPO;
 - (ii) The IPO results in the listing of the Securities on a Recognized Stock Exchange;

- (iii) Notwithstanding anything contained in the Agreement, Amendment Series A Agreement and Series B Investment Agreement, the Sequoia Conversion Price shall not be lower than half of the lower end of the Indicative Price Band for the IPO;
 - (iv) The lower end of the price band for the IPO is at least such value that ensures the Sequoia Series B Liquidation Preference Amount;
103. **“Rajendra”** shall mean Mr. Rajendra J. Gandhi, son of Late Mr. Jugraj Gandhi, aged about 50 years and residing at 203, Olympus I, Prestige Acropolis, Hosur Road, Bangalore – 560 029, and shall include his heirs, executors, administrators, successors and permitted assigns;
104. **“RBI”** shall mean the Reserve Bank of India;
105. **“Recognized Stock Exchange”** shall mean National Stock Exchange of India Limited (NSE), BSE Limited or any other national or international exchange that is approved by the Investors;
106. **“Related Party”**, shall mean the party defined as per section 2 (76) of the Act, with respect to the Company, shall mean includes;
- (i) Stovekraft India
 - (ii) The Affiliates of the Company or Stovekraft India;
 - (iii) The Promoters, Affiliates of any Promoter, Directors (excluding the Investor Director), any Affiliates of any such Directors and the shareholders of the Company and shareholders of Stovekraft India;
 - (iv) Any Person in, or of which, any of the Persons in paragraphs (i) or (ii) above are directors, partners or proprietors or in which any of the above have any Control;
 - (v) Any Person owned or Controlled by the Relatives or nominees of any Promoter;
 - (vi) Key Employees; and
 - (vii) Any Relative of any of the Persons in paragraphs (i) to (v) above;
107. **“Relative”** shall have the meaning as set forth in Section 2 sub clause (77) of the Companies Act, 2013, and shall include the meaning ascribed to it under Accounting Standard 18 prescribed by the Institute of Chartered Accountants of India;
108. **“Reserved Matters”** shall have the meaning as set forth in Article 83;
109. **“Right of First Refusal Closing”** shall have the meaning as set forth in Article 15 (i)(e);
110. **“ROFR Party”** shall have the meaning as set forth in Article 15 (i) (a);
111. **“ROFR Confirmation Notice”** shall have the meaning as set forth in Article 15 (i) (c);
112. **“SCIGI II”** shall mean SCI Growth Investments II, a private company limited by shares and with limited life incorporated under the laws of the Republic of Mauritius and having its registered office at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius, and shall include its successors and permitted assigns;
113. **“SCIGIH I”** shall mean Sequoia Capital India Growth Investment Holdings I, a private company limited by shares and with limited life incorporated under the laws of the Republic of Mauritius, and registered with the Securities and Exchange Board of India as a Foreign Venture Capital Investor, and having its registered office at 5th Floor, Ebene Esplanade, 24, Cybercity, Ebene, Mauritius, and shall include its successors and permitted assigns;
114. **“SEBI”** shall mean the Securities and Exchange Board of India;
115. **“Second Adjourned Meeting”** shall have the meaning as set forth in Article 73;
116. **“Second Series B CCD”** shall mean 2,280,886 (two million two hundred eighty thousand eight hundred eighty six) fully and compulsorily convertible debentures which, together with Class A Equity Shares, CCD, Series B

Sale Shares and First Series B CCD, shall constitute the shareholding of Sequoia in the Company as set forth in part (iv) of Sequoia Shareholding and having rights attached to them under Article 11;

117. **"Second Series B Investment Amount"** shall mean United States Dollars equivalent of Rs. 500,000,000 (Rupees Five Hundred Million only);
118. **"Second Series B Closing"** shall have the meaning set forth in the Series B Investment Agreement;
119. **"Secretarial Standards"** means secretarial standards issued by the Institute of Company Secretaries of India (ICSI).
120. **"Securities"** shall include Shares and any other convertible instrument that may entitle the holder of such instrument to a) exercise voting rights over the Company, or b) have the instruments converted into Shares of the Company;
121. **"Sequoia"** shall mean each of SCIGI II and SCIGIH I;
122. **"Sequoia Conversion Factor"** shall have the meaning as set forth in Article 10.4(ii);
123. **"Sequoia Conversion Price"** shall mean the price at which each Equity Share is allotted to Sequoia upon conversion of CCD which shall be determined using the following formula:
- Conversion Price = [Investment Amount] ÷ [Number of Equity Shares to be issued to Sequoia upon conversion calculated in accordance with Sequoia Conversion Factor under Article 10.4(ii)];*
124. **"Sequoia Director"** shall have the meaning as set forth in Article 52(i);
125. **"Sequoia Liquidation Preference Amount"** shall have the meaning as set forth in Article 146;
126. **"Sequoia Securities"** shall mean CCD, Series B CCD and Class A Equity Shares issued to Sequoia, and shall include any Shares held by Sequoia at the relevant time provided that the term "Sequoia Securities" shall not include the Second Series B CCD and Series B Sale Shares until completion of Second Series B Closing, provided further that the term "Sequoia Securities" shall not include the Series B CCD and Series B Sale Shares for the purposes of Articles 94 to 99 (including both Articles), 100 to 103 (including both Articles), and 123; and it is hereby clarified that notwithstanding anything contained herein, the rights of SCIGI II under Articles 94 to 99 (including both Articles) (Buy-Back), 100 to 103 (including both Articles) (Put Option), 123(i) (Events of Default – Buy-Back) and 123(ii) (Events of Default – Investors Put Option) hereof with respect to the CCD shall not be applicable to the Investors with respect to Series B CCD and Series B Sale Shares;
114. **"Sequoia Series B Conversion Price"** shall mean the price at which each Equity Share is allotted to Sequoia upon conversion of Series B CCD which shall be determined using the following formula:
- Series B Conversion Price = [Series B Investment Amount] ÷ [Number of Equity Shares to be issued to Sequoia upon conversion of the Series B CCD calculated in accordance with Series B Conversion Factor under Article 11.4(ii)]*
115. **"Sequoia Series B Liquidation Preference Amount"** shall mean such amount as shall be necessary to impart to the Investors a return of higher of 150% on the Series B Investment Amount and the Series B Sale Consideration (as applicable), or the proportionate share of the proceeds of a Liquidation Event based upon the fully diluted holding represented by the Series B Sale Sales and the Series B CCDs;
116. **"Sequoia Shareholding"** shall mean:
- (i) In respect of the CCD, 32.5% (thirty two point five percent) of the Fully Diluted Share Capital, prior to the issuance of Stock Options and prior to the issuance of the Series B CCD;
 - (ii) In respect of the First Series B CCD, the higher of:
 - a. 7.46% of the Fully Diluted Share Capital, prior to the issuance of the Second Series B CCD, and post the issuance of Stock Options; or
 - b. such percentage of the Fully Diluted Share Capital of the Company as shall be necessary to yield Sequoia (in conjunction with the Second Series B CCD) a return equal to the Sequoia Series B Liquidation Preference Amount;

- (iii) in respect of the Series B Sale Shares, 1.49% of the Fully Diluted Share Capital, prior to the issuance of the Second Series B CCD, and 1.39% of the Fully Diluted Share Capital, post the issuance of the Second Series B CCD, and post the issuance of Stock Options; and
 - (iv) in respect of the Second Series B CCD, the higher of:
 - a. 6.94% of the Fully Diluted Share Capital, post the issuance of Stock Options; or
 - b. such percentage of the Fully Diluted Share Capital of the Company as shall be necessary to yield Sequoia (in conjunction with the First Series B CCD) a return equal to the Sequoia Series B Liquidation Preference Amount;
117. **“Series B CCD”** shall mean fully and compulsorily convertible debentures which shall constitute, together with the Class A Equity Shares and the CCD, the shareholding of Sequoia in the Company equal to Sequoia Shareholding and having rights attached to them under Article 11 hereto;
118. **“Series B Investment Agreement”** shall mean the investment agreement dated September 13, 2013 entered into by and between the Company, Rajendra, Sunitha, Stovekraft India and the Investors;
119. **“Series B Investment Amount”** shall mean First Series B Investment Amount; and, if and upon completion of Second Series B Closing in accordance with the Series B Investment Agreement, shall mean the aggregate of First Series B Investment Amount and Second Series B Investment Amount;
120. **“Series B Sale Consideration”** shall mean United States Dollars equivalent of Rs. 100,000,000 (Rupees One Hundred Million only);
121. **“Series B Sale Shares”** shall mean 456,178 (four hundred fifty six thousand one hundred and seventy eight) Equity Shares of the Company that may be purchased by Sequoia from Rajendra in accordance with the Series B Investment Agreement;
122. **“Share Capital”** shall mean the share capital of the Company;
123. **“Shares”** shall mean shares of the Company, whether equity or preference;
124. **“Stock Option Plan”** shall mean a stock option plan in form and substance acceptable to Sequoia, which shall be adopted by the Board to administer the grant, vesting and exercise of the Stock Options;
125. **“Stock Options”** shall mean stock options convertible into Equity Shares not exceeding 3% (three per cent) of the Fully Diluted Share Capital immediately after closing of the transactions contemplated under the Agreement, to be awarded to the Promoters and senior management of the Company identified by Sequoia in accordance with the Stock Option Plan, contingent upon the Company together with Stovekraft India achieving a Net Profit After Tax for the Financial Year 2011 in the following manner:
- a. If Net Profit After Tax is not more than Rs. 350,000,000 (Rupees Three Hundred and Fifty Million only), no Stock Option shall be granted;
 - b. If Net Profit After Tax is Rs. 500,000,000 (Rupees Five Hundred Million only) or above, Stock Options representing 3% (three per cent) shall be granted;
 - c. If Net Profit After Tax is more than Rs. 350,000,000 (Rupees Three Hundred and Fifty Million only) but less than Rs. 500,000,000 (Rupees Five Hundred Million only), the Stock Options to be granted shall be adjusted pro-rata between 0% (zero per cent) to 3% (three per cent) based on the Net Profit After Tax;
126. **“Stovekraft India”** shall mean Stovekraft India, Baddi, a partnership firm registered under the provisions of the Indian Partnership Act, 1932 and having its office at 307/2, Village Burranwala Road, Barotiwala, Tehsil Kausauli, Solan District, Himachal Pradesh, and shall include its authorized representatives, associates, successors in business by whatever way including change of name and permitted assigns;
127. **“Subsidiary”** shall have the meaning as set forth in Article 33;
128. **“Sunitha”** shall mean Mrs. Sunitha Gandhi, wife of Mr. Rajendra J. Gandhi, aged about 46 years and residing at 203, Olympus I, Prestige Acropolis, Hosur Road, Bangalore – 560 029, and shall include her heirs, executors, administrators, successors and permitted assigns;

129. **“Tag Along Closing”** shall have the meaning as set forth in Article 16(i)(c);
130. **“Tag Along Notice”** shall have the meaning as set forth in Article 16(i)(a);
131. **“Tag Along Period”** shall have the meaning as set forth in Article 16(i)(a);
132. **“Tag Along Right”** shall have the meaning as set forth in Article 16(i)(a);
133. **“Tag Along Securities”** shall have the meaning as set forth in Article 16(i)(a);
134. **“Tax” or “Taxes”** shall include without limitation all taxes (Indian and where applicable non-Indian), including without limitation, income tax, fringe benefit tax, sales tax, customs duty, gains, franchise, property, sales, use, employment, license, excise, service, payroll, occupation, recording, value added or transfer taxes, governmental charges, fees, levies or assessments or other taxes, levies, fees, stamp duties, statutory gratuity and provident fund payments or other employment benefit plan contributions, withholding obligations and similar charges of any jurisdiction and shall include any interest, fines, and penalties related thereto and, with respect to such taxes, any estimated tax, interest and penalties or additions to tax and interest on such penalties and additions to tax;
135. **“Third Party”** shall mean a Person who is not a signatory to the Series B Investment Agreement;
136. **“Third Party Sale”** shall have the meaning as set forth in Article 85;
137. **“Third Party Sale Notice”** shall have the meaning as set forth in Article 86;
138. **“Third Party Sale Terms”** shall have the meaning as set forth in Article 86;
139. **“Transfer”** (including with correlative meaning, the terms “Transferred by” and “Transferability”) shall mean to transfer, sell, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), exchange, gift or transfer by operation of Law or in any other way, subject to any Encumbrance or dispose of, whether or not voluntarily;
140. **“Valuer”** shall mean KPMG, Pricewaterhouse Coopers, and Deloitte Touche Tohmatsu, or such Indian firm of Chartered Accountants associated with any of them, and their respective successors.

B. Construction:

- a. Unless the context of the Articles otherwise requires:
- (i) Words using the singular or plural number also include the plural or singular number, respectively;
 - (ii) Words of any gender are deemed to include the other gender;
 - (iii) Reference to the word “include” shall be construed without limitation;
- b. The terms “hereof”, “herein”, “hereby”, “hereto” and derivative or similar words refer to these entire Articles or specified Articles, as the case may be;
- c. Reference to any legislation or Law or to any provision thereof shall include references to any such legislation or Law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and any reference to statutory provision shall include any subordinate legislation made from time to time under that provision;
- d. The index bold typeface, headings and titles herein are used for convenience of reference only and shall not affect the construction of these Articles;
- e. Any word or phrase defined in the body of these Articles as opposed to being defined in this Article 4 above shall have the meaning assigned to it in such definition throughout these Articles, unless the contrary is expressly stated or the contrary clearly appears from the context;
- f. If any provision in this Article 4 is a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to it as if it were a substantive provision in the body of these Articles;
- g. Any obligation, or undertaking in these Articles that is expressed to be made, undertaken or given by the Company, Stovekraft India or any Promoter shall be deemed *mutatis mutandis* to be jointly and severally made,

undertaken and given by the Company, Stovekraft India and each Promoter, and each of the Company, Stovekraft India and the Promoters shall be jointly and severally responsible in respect of the same;

- h. The terms of these Articles shall also apply to Stovekraft India, *mutatis mutandis*, so that the reference to the term “Company” shall be deemed to include reference to Stovekraft India, and the reference to other defined terms in relation to the Company shall have the correlative meaning in relation to Stovekraft India;
- i. In these Articles wherever “Investors” are given any rights, each Investor shall have independent standalone rights (and not joint rights) and the Company, Stovekraft India as well as the Promoters shall be obligated to such Investor exercising such right(s);
- j. Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Agreement, failing which in the Act or any statutory modification thereof, and failing that any other relevant, applicable legislation. All references to statutory provisions shall be construed as meaning and including references to any statutory modification, consolidation or re-enactment (whether before or after the date of these Articles) for the time being in force and all statutory instruments or orders made pursuant to a statutory provision.
- k. Any reference to “writing” includes printing, typing, lithography and other means of reproducing words in permanent visible form.
- l. The term “Article” refers to the specified Article of these Articles. Any reference in these Articles to par or face value in relation to any Share or other Security shall mean the value expressed on the face of the certificate representing the Share or other Security, at the relevant point of time, irrespective of the actual price paid for that Share or other Security by its holder.
- m. All references in the Articles to the Agreement and Act shall be deemed to include any amendments or modifications to the Agreement and Act, as the case may be, from time to time.
- n. Terms defined elsewhere in these Articles shall, unless inconsistent with the context or meaning thereof, bear the same meaning as therein defined.

II. CAPITAL

- 5. The Authorised share capital of the Company shall be as mentioned in **clause 5** of the Memorandum of Association of the Company and the Company may from time to time, by ordinary resolution increase the share Capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- 6. Subject to the provisions of these Articles, the Shares shall be under the control and disposal of the Board who may allot or otherwise dispose of the same to such Persons including employees and on such terms as the Board may think fit and to give any Persons any Shares whether at par or at a premium and for such consideration as the Board may think fit.
 - i. Subject to the provisions of section 55, any preference shares may within the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may by special resolution determine.
 - ii. The Company subject to the provisions of section 39 in general meeting may upon recommendation of the Board resolve:-

that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distributions;
- 7. The Promoters and the Company will not require the Investors to pledge any of the Sequoia Securities or to guarantee or provide other support to any Third Party, including but not limited to the lenders of the Company;
- 8. Subject to the terms of these Articles, every Person to whom the Company has allotted Securities will be entitled to receive the Security certificates in respect of the Securities held within 30 (thirty) days of the allotment (or within such other period as the conditions of issue shall provide). Every Person who holds Securities through a Transfer of Securities shall receive Security certificates within 2 (two) months after the application for the registration of Transfer (or within such other period as the conditions of Transfer shall provide). Every certificate shall be under the seal of the Company, if any, and shall specify the Securities to which it relates and the amount paid up thereon.

9. The Equity Shares issued to the Investors pursuant to the terms of the Agreement and these Articles shall rank *pari passu* with other Equity Shares of the Company with respect to corporate actions in relation to Shares, including but not limited to voting rights, dividends, bonus and rights issuance.
10. **CCD and Class A Equity Shares:**
- 10.1 **Term**
- Unless converted in accordance with the terms of the Agreement, these Articles and applicable Laws, the term of the CCD shall be a maximum of 19 (nineteen) years from the Closing Date.
- 10.2 **Interest**
- (i) The holders of the CCD shall be entitled to receive interest at a coupon rate of 0.0000001% (point zero zero zero zero zero zero one percent) per annum. Further, until conversion of all CCD into Equity Shares, in the event the Board declares dividend, then such additional interest shall be payable on the outstanding CCD (which havenot been converted) which shall be equal to the dividend declared and calculated based on the number of Equity Shares to be issued to Sequoia on conversion of the outstanding CCD.
 - (ii) The interest payable on the CCD shall be cumulative and any interest which has accumulated but remaining unpaid till conversion of the CCD shall at the option of Sequoia (a) be paid by the Company within 15 (fifteen) days of the conversion of the CCD; or (b) be converted into such number of fully paid Equity Shares which shall be calculated by dividing the sum total of all unpaid interest payable to Sequoia by the Sequoia Conversion Price.
 - (iii) Upon conversion of the CCD into Equity Shares, Sequoia shall be entitled to participate in the dividend on the Equity Shares, on a *pari passu* basis with the holders of all other Equity Shares.
- 10.3 **Voting**
- (i) From the date of conversion of all the CCD, the voting percentage of all the shareholders holding Equity Shares in the Company shall be in proportion to their shareholding in the Company.
 - (ii) Until conversion of all the CCD into Equity Shares, the voting rights of Sequoia in relation to the Class A Equity Shares at every resolution placed before the shareholders of the Company at any General Meeting shall be equal to Sequoia Shareholding (subject to adjustment in accordance with Articles 108 to 116 (including both Articles). It is hereby clarified that other than the aforesaid differential voting rights, Class A Equity Shares shall rank *paripassu* with the Equity Shares, and shall have all rights attached with the Equity Shares, including the right to vote at all General Meetings. It is further clarified that each Equity Share (other than Class A Equity Shares) shall carry 1 (one) vote.
 - (iii) Without prejudice to the rights of Sequoia under these Articles, each of the Promoters and the Company acknowledge that Sequoia has agreed to subscribe to the Class A Equity Shares on the basis that Sequoia will be able to exercise differential voting rights on the Class A Equity Shares as provided under Article 11.3(ii). In the event Sequoia is unable to exercise differential voting rights on the Class A Equity Shares due to applicable Law or otherwise, the Promoters agree that they shall each vote all Shares now or hereafter owned by them, whether beneficially or otherwise, or as to which they have voting power, in accordance with the instructions of Sequoia at all meetings of the shareholders of the Company or provide proxies without instructions to Sequoia for the purposes of meetings of the shareholders of the Company, in respect of all the CCD held by it such that such number of Shares representing shareholding of Sequoia in the Company equal to Sequoia Shareholding (subject to adjustment in accordance with Articles 108 to 116 (including both Articles), are voted on in the manner required by Sequoia.
 - (iv) In pursuance of the provisions of Article 11.3(iii), the Promoters hereby irrevocably appoint Sequoia jointly and severally as proxy and attorney-in-fact for each of the Promoters and, for and on behalf of each Promoter, Sequoia is hereby authorised jointly and/or severally to vote or act by written consent in any manner as Sequoia may deem fit with respect to the Equity Shares held by the Promoters and do and perform all such acts, deeds, matters and things from time to time as may be necessary, desirable, or appropriate for or in connection with the powers conferred under this Article 11.3(iv).
- 10.4 **Conversion to Equity Shares**

- (i) The CCD shall be convertible into Equity Shares at the option of the holders of the CCD in accordance with Article 10.4(ii). Any CCD that have not been converted into Equity Shares shall compulsorily convert into Equity Shares in accordance with Article 10.4(iii), upon the earlier of:
 - (i) The filing of the RHP with the RoC in connection with the QIPO; and
 - (ii) The date which is 19 (nineteen) years from the Closing Date (the “**Maturity Date**”).

In each case, in accordance with these Articles.
- (ii) **Optional Conversion**
 - (i) The holders of the CCD shall have the right, at any time and from time to time after the Closing Date, to require the Company, by written notice (the “**Conversion Notice**”), to convert all or some of the CCD into Equity Shares. In case the conversion occurs prior to the expiry of the Maturity Date, then the conversion shall be completed within a period of 21 (twenty one) days from the date of the Conversion Notice. The CCD will initially be convertible into such number of Equity Shares which shall provide to Sequoia a shareholding in the Company equal to Sequoia Shareholding, and which shall be subject to adjustment in accordance with Articles 108 to 116 (including both Articles) (the “**Sequoia Conversion Factor**”), without being required to pay any amount for such conversion.
 - (ii) The Conversion Notice shall be dated and shall set forth:
 - (A) The number of CCD in respect of which the holders of the CCD are exercising their right to conversion in accordance with this Article 10.4; and
 - (B) The number of Equity Shares that the CCD shall convert into.
 - (iii) Upon receipt of the Conversion Notice, the Company shall effect the following:
 - (A) Convening of a meeting of the Board, in which meeting the Company shall approve the following:
 - (1) The conversion of such number of the CCD;
 - (2) The cancellation of the debenture certificates representing such number of the CCD; and
 - (3) The issuance and allotment of such number of Equity Shares,

in each case, as are mentioned in the Conversion Notice;
 - (B) Issuance of duly stamped share certificates to the holders of the CCD to evidence such holders of the CCD as the owners of the Equity Shares issued upon conversion of such number of the CCD as are mentioned in the Conversion Notice;
 - (C) Updating its register of members to reflect the holders of the CCD as the owners of the Equity Shares issued pursuant to the conversion of such number of the CCD as are mentioned in the Conversion Notice;
 - (D) Filing with the jurisdictional Registrar of Companies Form 2 of the Companies (Central Government’s) General Rules & Forms, 1956 in respect of allotment of the Equity Shares to the holders of the CCD pursuant to such holders of the CCD exercising their rights in accordance with this Article 10.4 and shall provide the holders of the CCD with certified true copies of Form 2 duly filed with the jurisdictional Registrar of Companies along with the receipt in respect of the Form 2; and
 - (E) The Company and the Promoters shall do all such acts and deeds as may be necessary to give effect to the provisions of this Article 10.4, including without limitation, convening a meeting of the Board to approve the splitting of the debenture certificates representing the CCD.
- (iii) **Automatic Conversion**
 - (i) The price at which the CCD shall convert into Equity Shares shall be the Sequoia Conversion Price.

- (ii) For the above purpose, the Company shall follow consistent accounting policies and in case of changes in accounting policies, the same shall be normalized.
- (iii) In the event that:
 - (A) The Company files a DRHP with the SEBI in respect of the QIPO or any subsequent IPO which, prior to such filing, has necessitated the conversion of the CCD into Equity Shares; and
 - (B) Within the Listing Date, the QIPO or an IPO (as applicable) does not complete such that the entire issued, paid-up and subscribed Share Capital is not admitted to trading on a Recognized Stock Exchange by the expiry of the Listing Date,

then the Company and the Promoters shall comply with the provisions of Articles 34 and 35 and shall undertake all necessary actions to ensure that the holders of the CCD are placed in the same position, and possess the same rights as set forth in this Article 10, they had the benefit of immediately prior to the occurrence of the event set forth in (A) above.

10.5 **Conversion to CCPS**

The holders of the CCD shall have the right, at any time and from time to time after the Closing Date, to require the Company, by written notice, to convert all or some of the CCD into compulsorily convertible preference shares (“CCPS”) in a manner prescribed by Sequoia. The CCD will initially be convertible into CCPS in accordance with the Sequoia Conversion Factor such that Sequoia has a shareholding equal to Sequoia Shareholding, which shall be subject to adjustment in accordance with Articles 108 to 116 (including both Articles), without being required to pay any amount for such conversion. The Company shall undertake and comply with the provisions under Article 10.4 (ii) (c) hereof as applicable to CCPS for such conversion. Upon conversion of CCD to CCPS, CCPS shall have same rights as those of CCD under the Definitive Agreements, all provisions under the Definitive Agreements applicable to CCD shall *mutatis mutandis* apply to CCPS, and all references to CCD under the Definitive Agreements shall be deemed to refer to CCPS. The stamp duty payable under applicable Law on the CCPS upon conversion of CCD shall be borne by Sequoia.

10.6 **Liquidation Preference**

Upon the occurrence of a Liquidation Event, the holders of the CCD shall receive the Liquidation Preference in accordance with the terms of Articles 146 to 152 (including both Articles) and in the order of precedence set forth below.

10.7 **Transferability**

The CCD shall be freely Transferable to any Person, and the holders of the CCD may assign all or any of the CCD and/or any rights attaching thereto under the Agreement and these Articles, without the prior consent of any Person.

10.8 **Precedence**

- (a) The order of precedence in distribution of Assets, dividends and interest to the holders of Securities shall be as follows:
 - (i) The Series B CCD along with any unpaid interest;
 - (ii) The CCD along with any unpaid interest; and
 - (iii) Class A Equity Shares *pari passu* with Equity Shares.

11. **Terms of the Series B CCD**

11.1 **Term**

Unless converted in accordance with the terms of the Agreement, the Series B Investment Agreement, these Articles and applicable Laws, the term of the Series B CCD shall be a maximum of 19 (nineteen) years from the date of allotment.

11.2 **Interest**

- (i) The holders of the Series B CCD shall be entitled to receive interest at a coupon rate of 0.0000001% (point zero zero zero zero zero one percent) per annum. Further, until conversion of all Series B CCD into Equity Shares, in the event the Board declares dividend, then such additional interest shall be payable on the outstanding Series

B CCD (which have not been converted) which shall be equal to the dividend declared and calculated based on the number of Equity Shares to be issued to Sequoia on conversion of the outstanding Series B CCD.

- (ii) The interest payable on the Series B CCD shall be cumulative and any interest which has accumulated but remaining unpaid till conversion of the Series B CCD shall at the option of Sequoia (a) be paid by the Company within 15 (fifteen) days of the conversion of the Series B CCD; or (b) be converted into such number of fully paid Equity Shares which shall be calculated by dividing the sum total of all unpaid interest payable to Sequoia by the Sequoia Series B Conversion Price.
- (iii) In the event that any interest which is due to Sequoia, pursuant to the terms hereof, cannot be paid out to Sequoia due to applicable Law, then Sequoia may convert Series B CCD into Equity Shares in accordance with these Articles and the accumulated interest which is unpaid on the Series B CCD so converted shall be paid out on the Equity Shares resulting from such conversion.
- (iv) Upon conversion of the Series B CCD into Equity Shares, Sequoia shall be entitled to participate in the dividend on the Equity Shares, on a *pari passu* basis with the holders of all other Equity Shares.

11.3 Voting

- (i) From the date of conversion of all the Series B CCD, the voting percentage of all the shareholders holding Equity Shares in the Company shall be in proportion to their shareholding in the Company.
- (ii) Until conversion of all the Series B CCD into Equity Shares, the aggregate voting rights of Sequoia in relation to the Class A Equity Shares at every resolution placed before the shareholders of the Company at any General Meeting shall be equal to Sequoia Shareholding (subject to adjustment in accordance with Article 108 to 116 (including both Articles)). It is hereby clarified that other than the aforesaid differential voting rights, Class A Equity Shares shall rank *pari passu* with the Equity Shares, and shall have all rights attached with the Equity Shares, including the right to vote at all General Meetings. It is further clarified that each Equity Share (other than Class A Equity Shares) shall carry one vote.
- (iii) Without prejudice to the rights of Sequoia under these Articles, each of the Promoters and the Company acknowledge that Sequoia has agreed to subscribe to the Series B CCD on the basis that Sequoia will be able to exercise differential voting rights on the Class A Equity Shares as provided under Article 11.3(ii). In the event Sequoia is unable to exercise differential voting rights on the Class A Equity Shares due to applicable Law or otherwise, the Promoters agree that they shall each vote all Shares now or hereafter owned by them, whether beneficially or otherwise, or as to which they have voting power, in accordance with the instructions of Sequoia at all meetings of the shareholders of the Company or provide proxies without instructions to Sequoia for the purposes of meetings of the shareholders of the Company, in respect of all the Series B CCD held by it such that such number of Shares representing shareholding of Sequoia in the Company equal to Sequoia Shareholding (subject to adjustment in accordance with Article 108 to 116 (including both Articles)), are voted on in the manner required by Sequoia.
- (iv) In pursuance of the provisions of Article 11.3(iii), the Promoters here by irrevocably appoint Sequoia jointly and severally as proxy and attorney-in- fact for each of the Promoters and, for and on behalf of each Promoter, Sequoia is hereby authorised jointly and/or severally to vote or act by written consent in any manner as Sequoia may deem fit with respect to the Equity Shares held by the Promoters and do and perform all such acts, deeds, matters and things from time to time as may be necessary, desirable, or appropriate for or in connection with the powers conferred under this Article 11.3(iv).

11.4 Conversion to Equity Shares

- (i) The Series B CCD shall be convertible into Equity Shares at the option of the holders of the Series B CCD in accordance with Article 11.4(ii). Any Series B CCD that has not been converted into Equity Shares shall compulsorily convert into Equity Shares in accordance with Article 11.4(iii), upon the earlier of:
 - (a) The filing of the DRHP with the SEBI in connection with the QIPO; and
 - (b) The date which is 19 (nineteen) years from the date of allotment (the “**Series B Maturity Date**”).in each case, in accordance with these Articles.
- (ii) Optional Conversion

- (a) The holders of the Series B CCD shall have the right, at any time and from time to time after the relevant Series B Closing Dates, to require the Company, by written notice (the “**Series B Conversion Notice**”), to convert all or some of the Series B CCD into Equity Shares. In case the conversion occurs prior to the expiry of the Series B Maturity Date, then the conversion shall be completed within a period of 21 (twenty one) days from the date of the Series B Conversion Notice. The Series B CCD will initially be convertible into such number of Equity Shares which shall, in conjunction with the CCD, provide to Sequoia a shareholding in the Company equal to Sequoia Shareholding, and which shall be subject to adjustment in accordance with Articles 108 to 116 (including both Articles) (the “**Series B Conversion Factor**”), without being required to pay any amount for such conversion.
- (b) The Series B Conversion Notice shall be dated and shall set forth:
 - (A) The number of Series B CCD in respect of which the holders of the Series B CCD are exercising their right to conversion in accordance with this Article 11.4; and
 - (B) The number of Equity Shares that the Series B CCD shall convert into.
 - (C) Upon receipt of the Series B Conversion Notice, the Company shall effect the following:
 - a) Convening of a meeting of the Board, in which meeting the Company shall approve the following:
 - (i) The conversion of such number of the Series B CCD;
 - (ii) The cancellation of the debenture certificates representing such number of the Series B CCD; and
 - (iii) The issuance and allotment of such number of Equity Shares,
 in each case, as are mentioned in the Series B Conversion Notice;
 - b) Issuance of duly stamped share certificates to the holders of the Series B CCD to evidence such holders of the Series B CCD as the owners of Equity Shares issued upon conversion of such number of the Series B CCD as are mentioned in the Series B Conversion Notice;
 - c) Updating its register of members to reflect the holders of the Series B CCD as the owners of the Equity Shares issued pursuant to the conversion of such number of the Series B CCD as are mentioned in the Series B CCD Conversion Notice;
 - d) Filing with the jurisdictional Registrar of Companies Form 2 of the Companies (Central Government’s) General Rules & Forms, 1956 in respect of allotment of the Equity Shares to the holders of the Series B CCD pursuant to such holders of the Series B CCD exercising their rights in accordance with this Article 11.4 and shall provide the holders of the Series B CCD with certified true copies of Form 2 duly filed with the jurisdictional Registrar of Companies along with the receipt in respect of Form 2; and
 - e) The Company and the Promoters shall do all such acts and deeds as may be necessary to give effect to the provisions of this Article 11.4, including without limitation, convening a meeting of the Board to approve the splitting of the debenture certificates representing the Series B CCD.
- (iii) Automatic Conversion
 - (a) The Company shall forthwith convert all the Series B CCD into Equity Shares, based on the Series B Conversion Factor, if at any time after the First Series B Closing Date, the Company proposes to file a DRHP for issue of Shares to the public if the Investors have consented to the QIPO under Articles 24 to 33 (including both Articles). The Series B CCD shall convert into Equity Shares immediately prior to filing of the DRHP with the SEBI.
 - (b) The Company shall appoint a reputable merchant banker acceptable to the Investors in connection with the QIPO, or any subsequent IPO, who shall determine the valuation of the Company prior to filing of the DRHP, based on valuation principles agreed amongst the Parties (the “**Initial IPO Valuation**”).

- (c) The price at which the Series B CCD shall convert into Equity Shares shall be the Sequoia Series B Conversion Price.
- (d) For the above purpose, the Company shall follow consistent accounting policies and in case of changes in accounting policies, the same shall be normalized.
- (e) In the event that:
 - (A) The Company files a DRHP with the SEBI in respect of the QIPO or any subsequent IPO which, prior to such filing, has necessitated the conversion of the Series B CCD into Equity Shares; and
 - (B) Within the Listing Date, the QIPO or an IPO (as applicable) does not complete such that the entire issued, paid-up and subscribed Share Capital is not admitted to trading on a Recognized Stock Exchange by the expiry of the Listing Date,

then the Company and the Promoters shall comply with the provisions of Article 34 and 35 and shall undertake all necessary actions to ensure that the holders of the Series B CCD are placed in the same position, and possess the same rights as set forth in this Article 11, they had the benefit of immediately prior to the occurrence of the event set forth in (A) above.

11.5 **Conversion to CCPS**

The holders of the Series B CCD shall have the right, at any time and from time to time after the relevant allotment date, to require the Company, by written notice, to convert all or some of the Series B CCD into compulsorily convertible preference shares (“CCPS”) in a manner prescribed by Sequoia. The Series B CCD will initially be convertible into CCPS in accordance with the Series B Conversion Factor such that Sequoia has a shareholding equal to Sequoia Shareholding, which shall be subject to adjustment in accordance with Articles 108 to 116 (including both Articles), without being required to pay any amount for such conversion. The Company shall undertake and comply with the provisions under Article 11.4(ii)(c) hereof as applicable to CCPS for such conversion. Upon conversion of Series B CCD to CCPS, CCPS shall have same rights as those of Series B CCD under the Definitive Agreements, all provisions under the Definitive Agreements applicable to Series B CCD shall *mutatis mutandis* apply to CCPS, and all references to Series B CCD under the Definitive agreements shall be deemed to refer to CCPS. The stamp duty payable under applicable Law on the CCPS upon conversion of Series B CCD shall be borne by Sequoia

11.6 **Liquidation Preference**

Upon the occurrence of a Liquidation Event, the holders of the Series B CCD shall receive the Liquidation Preference in accordance with the terms of Articles 146 to 152 and in the order of precedence set forth below.

11.7 **Transferability**

The Series B CCD shall be freely Transferable to any Person, and the holders of the Series B CCD may assign all or any of the Series B CCD and/or any rights attaching thereto under the Agreement and these Articles, without the prior consent of any Person.

11.8 **Precedence**

- (i) Notwithstanding the provisions of Article 10, the order of precedence in distribution of Assets, dividends and interest to the holders of Securities shall be as follows:
 - (a) The Series B CCD along with any unpaid interest;
 - (b) The CCD along with any unpaid interest; and
 - (c) Class A Equity Shares *pari passu* with Equity Shares.

III. TRANSFER OF SHARES

- 12. The Company shall maintain a register, which shall contain the particulars of every allotment, Transfer or transmission of Shares. Subject to the provisions of these Articles, all Persons whose names are entered in this register shall be considered as shareholders of the Company. Shares shall be transferred only in accordance with the terms of these Articles

13. The Company shall also not sell its holdings in Pigeon Appliance Private Limited for so long as the Investors hold any Securities in the Company.

14. **Promoters' Non-Disposal Undertaking**

Notwithstanding anything to the contrary contained in these Articles, the Shares now or hereafter owned by each Promoter shall not be Transferable to any Person, except with the prior written consent of Sequoia, for so long as Sequoia holds any Securities in the Company.

15. **Investors' Right of First Refusal and Right of First Offer**

(i) Investors' Right of First Refusal on Transfers by the Promoters

- (a) Subject to the restrictions on Transfer of the Shares held by the Promoters in Article 15, if, at any time, any of the Promoters receive a firm offer from a bona fide Third Party offeror or group of offerors (an **"Offeror"**) to Transfer any of the Shares held by the Promoters (the **"Offered Securities"**), the Promoters shall provide a written notice (the **"Investor Offer Notice"**) to Sequoia (**"ROFR Party"**), of the proposed Transfer of the Offered Securities. The Investor Offer Notice shall include the price per Share offered by the Offeror (the **"Offered Price"**), the identity of the Offeror, payment mechanism and all other terms and conditions of sale.
- (b) Upon receiving the Investor Offer Notice, the ROFR Party may, either by itself or through its respective nominee(s), offer to acquire all or any of the Offered Securities at the Offered Price by providing a written notice to the Promoters (each an **"Acceptance Notice"**) within 30 (thirty) Business Days from the date of receipt of the Offered Notice by the Investors (the **"Acceptance Notice Period"**).
- (c) Within 7 (seven) days after the expiration of the Acceptance Notice Period, the Promoters shall give written notice to the ROFR Party specifying the number of Offered Securities to be purchased by the ROFR Party exercising its right of first refusal (the **"ROFR Confirmation Notice"**). The ROFR Confirmation Notice shall also specify the number of Offered Securities not purchased by the ROFR Party, if any, hereunder (the **"Remainder Securities"**).
- (d) The purchase price for the Offered Securities to be purchased by the ROFR Party exercising its right of first refusal under these Articles shall be the Offered Price, and shall be payable in the manner set forth in Article 15(i) (g). If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by a Valuer in good faith, which determination shall be binding upon the ROFR Party and the Promoters, absent fraud or error.
- (e) Subject to compliance with applicable Laws, the ROFR Party exercising its rights of first refusal under this Article 15(i) shall effect the purchase of all or any portion of the Offered Securities, including the payment of the Offered Price, within 10 (ten) days from the date of delivery of the Acceptance Notice to the Promoters, or within 10 (ten) days after the delivery of the ROFR Confirmation Notice (the **"Right of First Refusal Closing"**), as the case may be. Payment of the Offered Price shall be made, at the option of the ROFR Party exercising its right of first refusal under this Article 15(i), by wire transfer or such other method as may be acceptable to the Parties. At such Right of First Refusal Closing, the Promoters shall deliver to the ROFR Party exercising its right of first refusal under this Article 15(i), 1 (one) or more certificates, properly endorsed for Transfer, representing such Offered Securities so purchased. The aforementioned time period for the Transfer of the Offered Securities to the ROFR Parties shall also be extended by such period as may be required to obtain any required Governmental Approvals for such Transfer. If such Transfer to the ROFR Party does not occur within the aforesaid time period, the Offered Securities, along with the rest of the Shares held by the Promoters, shall again be subject to the restrictions on Transfer contained in this Article 15(i).
- (f) Subject to Article 16(i), if Sequoia does not offer to purchase the Offered Securities pursuant to Article 15(i)(b), the Promoters shall be free to Transfer all (but not less than all) of the Offered Securities to the Offeror named in the Investor Offer Notice on terms and conditions not more favourable to such Offeror than those stated in the Investor Offer Notice and at a price not less than the Offered Price within a period of 30 (thirty) Business Days after the expiration of the Acceptance Notice Period. The Promoters shall furnish to Sequoia adequate documentation evidencing the completion of the sale of the Offered Securities to the transferee at the price, and on other terms and conditions, no more favourable than those mentioned in the Investor Offer Notice mentioned therein within 15 (fifteen) days of such Transfer to the Offeror. If such Transfer does not occur within 30 (thirty) Business Days after the expiration of the Acceptance Notice Period, the Offered Securities shall again be subject to Article 15(i).

- (g) The Promoters may Transfer the Offered Securities to the Offeror only if such Transfer does not result in a breach of the provisions of Article 14 and Articles 83 to 87 (including both Articles) (Reserved Matters).

(ii) *Investor's Right of First Offer on Transfers by the other Investor*

- (a) If at any time, any of the Investors (each, a "Selling Investor") proposes to Transfer any of the Securities held by it to any Person other than an Affiliate (the "Investor Offered Securities"), the Selling Investor shall provide a written notice (the "Selling Investor Offer Notice") to the other Investor (the "Investor ROFO Party"), of the proposed Transfer of the Investor Offered Securities.
- (b) Upon receiving the Selling Investor Offer Notice, the Investor ROFO Party may, either by itself or through its respective nominee(s), offer to acquire all or any of the Investor Offered Securities by providing a written notice to the Selling Investor (an "Investor Acceptance Notice") within 30 (thirty) days from the date of receipt of the Selling Investor Offer Notice by the Investor ROFO Party (the "Investor Acceptance Notice Period"). The Investor Acceptance Notice shall set out the number of Investor Offered Securities and the price and other terms at which the Investor ROFO Party is willing to purchase such Investor Offered Securities from the Selling Investor (the "Investor Offer Terms").
- (c) Within 30 (thirty) days after the expiration of the Investor Acceptance Notice Period, the Selling Investor may elect to sell such number of Investor Offered Securities as are mentioned in the Investor Acceptance Notice on the Investor Offer Terms by sending the Investor ROFO Party a written notice signifying the Selling Investor's acceptance of the Investor Offer Terms (the "Investor ROFO Confirmation Notice"). The Investor ROFO Confirmation Notice shall also specify the number of Investor Offered Securities not sold by the Selling Investor, if any, hereunder (the "Remainder Investor Securities").
- (d) To the extent that there remain any Remainder Investor Securities, then such Remainder Investor Securities shall not be subject to the right of first offer.
- (e) The purchase price for the Investor Offered Securities to be purchased by the Investor ROFO Party exercising its right of first offer under these Articles shall be payable in the manner set forth in Article 15(ii)(f).
- (f) Subject to compliance with applicable Laws, the Investor ROFO Party exercising its right of first offer under this Article 15(ii) shall effect the purchase of all or any portion of the Investor Offered Securities, including the payment of the price stated in the Investor Acceptance Notice, within 10 (ten) days after the delivery of the Investor ROFO Confirmation Notice (the "Investor Right of First Offer Closing"). Payment of the price stated in the Investor Acceptance Notice shall be made, at the option of the Investor ROFO Party, by wire transfer or such other method as may be acceptable to the Investors. At such Investor Right of First Offer Closing, the Selling Investor shall deliver to the Investor ROFO Party, 1 (one) or more certificates, properly endorsed for Transfer, representing such Investor Offered Securities so purchased. The aforementioned time period for the Transfer of the Investor Offered Securities to the Investor ROFO Party shall also be extended by such period as may be required to obtain any required Governmental Approvals for such Transfer. If such Transfer to the Investor ROFO Party does not occur within the aforesaid time period, the Investor Offered Securities shall again be subject to the restrictions on Transfer contained in this Article 15(ii).
- (g) If the Investor ROFO Party does not offer to purchase the Investor Offered Securities pursuant to Article 15(ii)(b), the Selling Investor shall be free to Transfer the Investor Offered Securities to the to any Third Party buyer(s) at a price not less than the price offered by the Investor ROFO Party within a period of 30 (thirty) days after the expiration of the Investor Acceptance Notice Period. If such Transfer does not occur within 30 (thirty) days after the expiration of the Investor Acceptance Notice Period, the Investor Offered Securities shall again be subject to Article 15(ii).

16. *Investors' Tag Along/Co-Sale Rights*

(i) *Transfers by the Promoters*

- (a) Upon receiving the Investor Offer Notice under Article 15(i), the ROFR Party, instead of providing the Acceptance Notice, shall have the right, by giving the Promoters written notice (the "**Tag Along Notice**") within 30 (thirty) Business Days of receipt of the Investor Offer Notice (the "**Tag Along Period**"), to Transfer such number of Sequoia Securities held by the ROFR Party in proportion to its shareholding in the Fully Diluted Share Capital as on the date of the Investor Offer Notice (the "**Tag**

Along Securities”), along with the Offered Securities on the same terms and conditions as set out in the Investor Offer Notice (the **“Tag Along Right”**). The details of the Tag Along Securities shall be specified in the Tag Along Notice. In the event that the ROFR Party does not exercise its Tag Along Right, such Tag Along Right shall lapse and the Promoters shall be free to Transfer all (but not less than all) of the Offered Securities to the Offeror mentioned in the Investor Offer Notice in accordance with the provisions of Article 15(i)(h) above.

- (b) In the event that the ROFR Party exercises its Tag Along Right, the sale of Offered Securities by the Promoters to the Offeror shall be subject to the Offeror also simultaneously acquiring the Tag Along Securities offered by the ROFR Party on terms no less favourable than those offered by the Offeror to the Promoters. If, however, the Offeror is unwilling to acquire all the Offered Securities and the Tag Along Securities, the Promoters shall cancel the proposed Transfer of Offered Securities and shall send a written notice to the Offeror (with a copy to the ROFR Party) intimating the Offeror of such cancellation and stating that Offeror may allocate the maximum number of Securities which such proposed Offeror is willing to purchase among the Offered Securities and the Tag Along Securities, pro rata in the ratio of the shareholding of the Promoters and Sequoia in the Fully Diluted Share Capital, and complete such Transfer.
- (c) Subject to compliance with applicable Laws, the sale of the Tag Along Securities and the Offered Securities shall occur within 30 (thirty) days of the delivery of the Tag Along Notice (the **“Tag Along Closing”**). If the ROFR Party has exercised the Tag Along Right in accordance with Article 16(i) (a), then such ROFR Party shall deliver to the Promoters at or before the Tag Along Closing, 1 (one) or more certificates, properly endorsed for Transfer, representing the number of Tag Along Securities to which such ROFR Party is entitled to sell pursuant to this Article 16 (i) (c). At the Tag Along Closing, the Promoters shall cause such certificates or other instruments to be Transferred and delivered to the Offeror pursuant to the terms and conditions specified in the Tag Along Notice, and the Promoters shall remit, or shall cause to be remitted, to such ROFR Party, at the Tag Along Closing, that portion of the proceeds of the Transfer to which such ROFR Party is entitled pursuant to such ROFR Party's participation in such Transfer by way of wire Transfer or such other method as may be acceptable to the Parties.
- (d) If the Offered Securities consist of more than 1 (one) series, class or type of Security, the Promoters shall Transfer hereunder each such series, class or type; provided however, that if, as to the Tag Along Right, the ROFR Party does not hold any of such series, class or type, the Offeror shall have to acquire whatever series, class or type of Security held by such ROFR Party, at the Tag Along Closing.
- (e) In the event of the Promoters Transferring any Shares held by them to a Third Party in violation of the provisions of these Articles (a **“Prohibited Transfer”**), then Sequoia shall deliver a written notice to the Promoters requiring them to purchase from Sequoia, and the Promoters shall purchase from Sequoia, the Tag Along Securities at the same price, and at the same terms, at which the Promoters Transferred their Shares to a Third Party. The Promoters shall also reimburse Sequoia for any and all fees and expenses, including legal fees and expenses, incurred pursuant to the exercise of Sequoia's rights under this Article 16(i)(e). In the event of a Prohibited Transfer, the Promoters shall purchase the Tag Along Securities within 14 (fourteen) days from the date of the notice provided by Sequoia exercising its right under this Article 16(i)(e).

17. **Miscellaneous**

- (i) The Sequoia Securities shall be freely Transferable at all times along with the rights attached to the Sequoia Securities. Sequoia shall have the right to freely Transfer all or any of the Sequoia Securities held by it to any Person, subject to such Person executing a Deed of Adherence, unless otherwise agreed between Sequoia and the Company.
- (ii) The rights of Sequoia under Articles 15 to 18 (including both Articles) may be assigned to its Affiliates and/or representatives and/or nominees without the prior consent of any other Party by the Affiliate and/or representative and/or nominee of Sequoia executing a Deed of Adherence, unless otherwise agreed between Sequoia and the Company.
- (iii) Subject to Article 14, any Transfer of Shares held by any Promoter shall be made only with the prior written consent of Sequoia and shall be subject to the transferee of the Shares executing a Deed of Adherence. In the event of a Transfer of Shares held a Promoter to his/her Affiliate, and such Affiliate ceases to be an Affiliate of such Promoter, then such Promoter who has Transferred Shares held by him/her to his/her Affiliate shall cause such Affiliate to forthwith Transfer such Shares to such Promoter and such Promoter shall continue to be bound by the terms of these Articles and the Agreement in respect of such Shares.

- (iv) The term “Shares”, when used in Articles 14 to 17 (including both Articles), shall be deemed to include any Shares, Securities or convertible instruments issued by the Company.
- (v) The Company shall not register any Transfer of Securities in violation of the provisions of these Articles, and shall not recognize as a shareholder or owner of Securities, nor accord any rights (whether relating to payment of dividend or voting) to the purported Transferee of any Securities in violation of the provisions of these Articles. Any Transfer of Securities in violation of the provisions of these Articles shall be void, shall not be binding on the Company and the Company shall not permit any such Transfer in its books.
- (vi) The Company and the Promoters undertake to all such acts and deeds as may be necessary to give effect to the provisions of Articles 14 to 17 (including both Articles), including without limitation, effecting the conversion of some or all of the Sequoia Securities in accordance with the terms of these Articles and the Agreement.
- (vii) A copy of all notices required to be given under Articles 14 to 17 (including both Articles) shall be delivered concurrently to the Company.
- (viii) For any Transfer of Sequoia Securities by Sequoia in accordance with these Articles, the Company and Promoters shall provide all standard representations and warranties as Sequoia may require of them.

IV. TRANSMISSION OF SHARES

- 18. Subject to the provisions of these Articles, on the death of a shareholder of the Company, the survivor or survivors where such shareholder was a joint holder, and his legal representatives where he was a sole holder, shall be the only Persons recognized by the Company as having any title to his interest in the Shares. Nothing in this Article 18 shall release the estate of a deceased joint holder from any liability in respect of any Share, which had been jointly held by him with other Persons.
- 19. Any Person becoming entitled to Shares in consequence of the death or insolvency of a shareholder of the Company may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect either:
 - (i) to be registered himself as holder of the Shares; or
 - (ii) to make such Transfer of the Shares as the deceased or insolvent shareholder of the Company could have made.

The Board shall in either case, subject to the right of the Investors under Articles 83 to 87 (including both Articles), have the same right to decline or suspend registration as it would have had, if the deceased or insolvent shareholder of the Company had Transferred the Shares before his death or insolvency

- 20. If the Person so becoming entitled to Shares elects to be registered as a holder of the Shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- 21. If such an aforesaid Person elects to Transfer the Shares, he shall testify his election by executing a Transfer of the Shares subject to the provisions of these Articles, including Articles 14 to 17 (including both Articles).
- 22. All the limitation, restrictions and provisions of these Articles, including under Articles 14 to 17 (including both Articles), relating to the right and restrictions in relation to Transfer of Shares shall be applicable to any such notice or Transfer as aforesaid as if the death or insolvency of the shareholder of the Company had not occurred and the notice or Transfer were a Transfer made by that shareholder of the Company.
- 23. A Person becoming entitled to a Shares by reason of the death or insolvency of a shareholder of the Company shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Shares, except that he shall not, prior to being registered as a shareholder in respect of the Shares, be entitled in respect of it to exercise any right conferred on shareholders in relation to meetings of the Company.

Provided that, the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to Transfer the Shares, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Shares, until the requirements of the notice have been complied with.

V. QUALIFIED INITIAL PUBLIC OFFERING

- 24. The Company shall, and the Promoters undertake that the Company shall, conduct the QIPO and the Equity Shares of the Company shall be listed on a Recognized Stock Exchange, on such date and period as may be agreed to in writing by

Sequoia. The exact timing of the QIPO shall be determined by the Board, subject to the rights of Sequoia under Articles 83 to 87 (including both Articles), having due regard to the prevailing market conditions at the time of the QIPO. The QIPO shall be based on the advice of an independent reputable merchant banker that is acceptable to Sequoia, appointed in connection with the QIPO. Notwithstanding anything to the contrary contained in the foregoing provisions of this Article 24, Sequoia shall have the right to provide a notice to the Company requiring it to take necessary steps to undertake the QIPO of the Sequoia Securities, or depository receipts reflecting the listing of the Sequoia Securities, on a Recognized Stock Exchange (the “**Demand Notice**”) and Sequoia shall have the right, at its option, to require the Company within a period of 60 (sixty) days from the date of the Demand Notice to initiate the process of undertaking the QIPO.

25. The QIPO may be either through a new issue of Equity Shares or by way of an offer for sale of the Equity Shares held by the shareholders of the Company, or a combination of both.
26. In the event that the QIPO undertaken by the Company under these Articles 24 to 32 (including both Articles) is through an offer for sale, or a combination of a new issue and an offer for sale, of Equity Shares, the Parties undertake to exercise their respective voting rights (at the Board and shareholder levels) and the shareholders of the Company shall offer their respective shareholdings in the Company, on a pro rata basis; provided that subject to applicable Laws, Sequoia shall have the right to offer such proportion of its shareholding in the Company above its pro rata share as Sequoia deems fit. The Promoters and the Company hereby confirm and undertake to do the following:
 - (i) Ensure that the total offer of Shares to the public shall constitute not less than such percentage (as prescribed under the prevalent rules and Laws) of the total post issue paid-up Share Capital to comply with the listing requirements of the Recognized Stock Exchange and the SEBI;
 - (ii) Provide all material information and ensure compliance with all applicable provisions under the guidelines, the listing agreement of the Recognized Stock Exchange and other regulations existing at the time of the QIPO and subsequent listing of the Equity Shares of the Company for trading on a Recognized Stock Exchange;
 - (iii) The Recognized Stock Exchange(s) on which the Shares offered by Sequoia shall be listed, the timing, pricing, appointment of the lead manager, the underwriter and the appointment of a reputable investment bank as book runner for the offering shall be agreed by Sequoia; and
 - (iv) In the event of a QIPO in which Sequoia offers its Shares, and subject to Sequoia providing the Company with requisite authority, the Company shall indemnify and hold harmless Sequoia for including its Shares in such secondary offering, from and against Losses caused by any untrue statement of a material fact contained in any statement or prospectus relating to such secondary offering, or caused by any omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such Losses are caused by any such untrue statement or omission based upon information relating to Sequoia or any information furnished in writing to the Company by or on behalf of Sequoia expressly for use therein.
27. In the event that the Company undertakes the QIPO under these Articles 24 to 32 (including both Articles), the Promoters undertake to provide such number of Shares as may be required in addition to the Shares held by Sequoia to fulfill the mandatory minimum offer size requirement for achieving the QIPO and listing under applicable Laws. The Company shall obtain such Consents and Governmental Approvals as may be necessary to complete the QIPO if the QIPO is to be undertaken under these Articles 24 to 32 (including both Articles).
28. If Sequoia decides to offer up to 100% (one hundred per cent) of the Shares held by it at the relevant time as part of the QIPO, subject to applicable Laws and the rules and regulations of the Recognized Stock Exchange(s) on which the Shares are listed pursuant to the QIPO, the Promoters shall either not offer any Shares for sale or offer for sale such further number of Shares as may be required by applicable Laws to be offered to the public as a condition for obtaining listing on any Recognized Stock Exchange. The Promoters shall not withhold approval and shall do all acts and deeds as may be required to effectuate the QIPO and to allow Sequoia to exercise its right to offer up to 100% (one hundred per cent) of the Shares held by Sequoia.
29. The Promoters shall not unreasonably withhold approval and shall do all acts and deeds required to effectuate the QIPO and to allow Sequoia to exercise its right to offer its Shares, including without limitation, preparing and signing the relevant offer documents, conducting road shows, entering into such documents, providing all necessary information and documents necessary for preparing the offer document, obtaining such regulatory or other approvals and doing such further acts or deeds as may be necessary or are customary in transactions of such nature, or do all acts necessary to facilitate Sequoia's right to offer its Shares.
30. Subject to applicable Laws, Sequoia shall be entitled to Transfer up to all of the Shares held by it subsequent to the occurrence of the QIPO and consequent listing of the Securities.

31. Subject to applicable Laws, Sequoia shall not be considered as a “**promoter**” of the Company or the issue, and the Sequoia Securities shall not be subject to any statutory lock-in restrictions as shares held by a “promoter” with respect to the QIPO. In the event that any Securities are to be made subject to any lock-in in connection with any QIPO, then the Promoters shall offer their Shares towards such lock-in.
32. All costs and expenses in relation to the QIPO (other than the listing fee which shall be solely borne by the Company) shall be shared between the Company and the Selling Shareholders in accordance with applicable laws. It is clarified that, in the event the IPO is not successfully completed and/or withdrawn and/or abandoned, all such cost and expenses shall be borne solely by the Company.
33. Upon receipt of favourable orders in relation to certain tax proceedings regarding benefits under the Income Tax Act, 1961 applicable to Stovekraft India, which are pending in different courts in India, the Company and the Promoters shall ensure that, within three months, Stovekraft India shall initiate due process for conversion and registration of Stovekraft India into a private limited company with share capital and it shall be a subsidiary of the Company (“**Subsidiary**”) in accordance with applicable Law, with the Company holding such number of equity shares of the Subsidiary representing 75% (seventy five per cent) of the share capital of the Subsidiary. It is clarified that upon conversion and registration of Stovekraft India as the Subsidiary, all rights, obligations and other provisions of the Definitive Agreements applicable to Stovekraft India shall continue to be applicable to the Subsidiary, all references to ‘Stovekraft India’ in the Definitive Agreements shall be deemed to refer to the Subsidiary and all references to other defined terms in relation to Stovekraft India shall have the correlative meaning in relation to the Subsidiary. Without limiting the generality and scope of the aforesaid provisions of this clause 10.10, it is further agreed between the Parties that upon conversion and registration of Stovekraft India as the Subsidiary:
- (i) Sequoia shall have a right, at its sole option, to nominate 1 (one) director on the board of directors of the Subsidiary, who shall be appointed as the director by the Subsidiary as required by Sequoia;
 - (ii) The terms of this Agreement shall be incorporated in the charter documents of the Subsidiary in the form and substance satisfactory to Sequoia;
 - (iii) The provisions of Articles 83 to 87 (Reserved Matters) shall be applicable mutatis mutandis to the Subsidiary.

VI. REINSTATEMENT OF RIGHTS

34. In the event that:
- (i) A DRHP is filed with the SEBI in respect of any proposed IPO which, prior to such filing, has necessitated the alteration of the class of any of the Sequoia Securities and/or the rights attaching to any of the Sequoia Securities (such alterations being, collectively, the “**Conforming of Rights**”); and
 - (ii) on or prior to March 31, 2019 (“**Listing Date**”), the QIPO or an IPO (as the case may be) does not complete such that the entire issued, paid-up and subscribed Share Capital is not admitted to trading on a Recognized Stock Exchange by the expiry of the Listing Date,

The Company and the Promoters shall undertake all necessary actions as may be required by Sequoia to ensure that Sequoia is placed in the same position, and possesses the same preferential and other rights, they had the benefit of, immediately prior to the date of execution of the Amendment Agreement if the QIPO and/or IPO does not complete on or before the Listing Date.

35. Notwithstanding anything provided in these Articles, the Company and Promoters undertake and covenant to Sequoia that they shall, within 10 (ten) days of the Listing Date (if the QIPO or a subsequent IPO has not closed by that date) or, if earlier, the date on which the QIPO or a subsequent IPO process is cancelled, discontinued or postponed, take all such actions and do all such things as may be requested by Sequoia and/or otherwise required. The Promoters and the Company undertake to enter into any contractual arrangements and support all such decisions and actions, by exercising their respective voting and other rights, to ensure all the necessary, required or requested resolutions of the Board and shareholders of the Company, to effect the actions contemplated above, which steps shall include without limitation:
- (i) Re-conversion of the Company into a private limited company;
 - (ii) Buyback of Equity Shares held by Sequoia and issue of preference shares of the Company to Sequoia, such preference shares having all rights that were attached to the Sequoia Securities immediately prior to the Conforming of Rights;

- (iii) Modification and reclassification of the Sequoia Securities into Shares of a different class which rank in preference to the remainder of the issued, paid-up and subscribed Share Capital at and from that point in time (the “**Class B Equity Shares**”). The Parties agree that the Class B Equity Shares shall, subject to applicable Laws, have all rights that were attached to the Sequoia Securities immediately prior to the Conforming of Rights;
- (iv) Entry into any contractual arrangements necessary or, in the opinion of Sequoia, desirable, for the purposes of ensuring that the rights attaching to the Class B Equity Shares are the same as those that attached to Sequoia Securities immediately prior to the Conforming of Rights; and
- (v) The alteration of these Articles to include all of the rights attaching to the Class B Equity Shares that were attached to Sequoia Securities immediately prior to the Conforming of Rights.

VII. SHAREHOLDERS MEETINGS

- 36. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The General Meetings shall be held in accordance with the Secretarial Standards as made applicable and governed by the Act and Articles of the Company.
- 37. The Company shall hold at least 1 (one) General Meeting in any given calendar year.
- 38. The prior written notice of 21 (Twenty One) Business Days for a General Meeting shall be given to all shareholders of the Company;

Provided that any General Meeting may be held upon shorter notice in accordance with the provisions of the Act and subject to the prior written approval of the Investors. All notices shall be accompanied by an agenda setting out the particular business proposed to be transacted at such meeting.

- 39. The quorum for a General Meeting shall be the presence, in person, of such number of shareholders as required under the Act, which shall include the presence of the authorized representatives of each of the Investors;

Provided that no decision or determination shall be made and no action shall be taken by or with respect to the Company in respect of any of the Reserved Matters unless approved in accordance with the provisions of Articles 83 to 87 (including both Articles).

- 40. The Company may transact any business by means of a Poll, subject to the provisions of Act and Rules framed there under.
- 41. The Annual General Meeting shall be held in each calendar year within 6 (six) months following the end of the previous Financial Year of the Company. The Board shall provide the audited Financial Statements of the previous Financial Year to all shareholders of the Company at least 30 (thirty) days before the Annual General Meeting is to be held to approve and adopt the audited Financial Statements.
- 42. No Business shall be transacted at the general meeting unless the authorized representative of the Investors is present. If within 30 (thirty) minutes of the scheduled time, the authorised representative is not present, the meeting shall stand adjourned to the same location and time on the 15th (fifteenth) day following the date on which the meeting was scheduled to be held. The Company shall issue notices for such adjourned meeting to all the shareholders of the Company. In the event that the authorized representatives of the Investors are not present at an adjourned General Meeting, such adjourned meeting shall further stand adjourned to the same location and time on the 15th (fifteenth) day following the date on which the first adjourned meeting was scheduled to be held. The Company shall issue notices for such second adjourned meeting to all the shareholders of the Company. In the event that the quorum as set forth above is not achieved at such second adjourned meeting, the shareholders (or their authorized representatives) present shall, subject to their constituting a valid quorum under the Act, constitute a valid quorum at such adjourned meeting even though the authorized representatives of the Investors are not present, save and except for the purposes of decisions on the Reserved Matters.
- 43. The chairman, if any, of the Board shall preside as chairman at every General Meeting.
- 44. If there is no such chairman or if he is not present at a General Meeting within 15 (fifteen) minutes of the scheduled time or is unwilling to act as chairman of the General Meeting, the shareholders, including the authorised representatives of the Investors, present shall elect 1 (one) of their members as a chairman of the General Meeting.

VIII. VOTES OF MEMBERS

- 45. Subject to any rights or restrictions for the time being attached to any class or classes of shares:-
 - a) On a show of hands, every member present in person shall have one vote;

- b) On a poll, the voting rights of members shall be in proportion to the respective share in the total voting power that each such shareholder is entitled to and shall not be in proportion to the shareholding of the shareholders in the total paid up Equity Share capital of the Company; and
- c) If the Company decides to conduct the voting through Electronic mode then the voting shall be conducted in accordance with the provisions of the act and the secretarial standards.

- 46. An Instrument appointing a proxy shall be in the form as prescribed in the Act or the rules made thereunder.
- 47. If a proxy proposes to vote at a meeting, the instrument of appointment of the proxy must be deposited with the Company not less than 48 (forty eight) hours before the time for holding the General Meeting or an adjourned General Meeting at which the Person named in the instrument proposes to vote.
- 46A. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

IX. BOARD OF DIRECTORS

- 48. Subject to applicable Laws, the Assets, Business and affairs of the Company and Stovekraft India shall be managed exclusively by and under the direction of the Board. The Board may exercise all such powers of the Company and do all such lawful acts and things as are permitted under applicable Laws, the Memorandum, these Articles and the Partnership Deed. The Board of Directors shall consist of not less than three (3) and not more than fifteen (15) Directors including all kinds of Directors.

First Directors of the Company shall be:

- 1. Mr. Rajendra J Gandhi
- 2. Mr. Satishchandra Karanth

- 49. The number of Directors shall not be changed except by an amendment to these Articles approved by the Board, including the affirmative vote of the Investor Director.
- 50. On and from the Closing Date:
 - (i) Sequoia shall be entitled to nominate 1 (one) Director on the Board of the Company (the “**Sequoia Director**” or the “**Investor Director**”);
 - (ii) The Promoters shall be jointly entitled to nominate 2 (two) Directors (each, a “**Promoter Director**”);
 - (iii) The remaining Directors shall be independent Directors, and shall be chosen by the mutual consent of the Promoters and the Investors (the “**Independent Director**”). The appointment of the Independent Directors shall require the prior written consent of the Promoters and the Investors. At all times that a duly appointed Independent Director attends a Board meeting (whether physically, or by any other means of passing resolutions by the Board as permitted under applicable Law, including video conferencing or passing resolutions by circulation), the Chairman of the Board (who shall be a Promoter Director) shall have a casting vote.
- 51. Without prejudice to the rights of the Investors to nominate Investor Director on the Board, each of the Investors shall also have the right to appoint an observer (each, an “**Investor Observer**”) to attend all meetings of the Board and any Committee thereof.
- 52. The Board shall mutually agree to appoint a Director present at a meeting of the Board to be the chairman of such meeting of the Board (provided such chairman is a Promoter Director). Each Director shall have 1 (one) vote and the chairman of the meeting shall have a casting vote.
- 53. The Investor Director shall be a non-executive Director and shall not be liable to retire by rotation. The Sequoia Director shall be removed only with the consent of Sequoia. The Investors shall have the right to nominate another Person in place of the Investor Director.

54. Each Party shall be entitled to nominate an alternate Director for each of the Directors it is entitled to nominate, and such alternate Directors shall serve in the absence of the original Directors. Any such appointment as alternate Director shall take place as the first item of business at the Board meeting following receipt by the Company of such nomination and subject to the approval of the Board. Upon his/her appointment as such alternate Director, an alternate Director shall be entitled to constitute the quorum, vote, issue consent and sign written resolutions on behalf of the Director for whom he/she is an alternate.
55. The Investors shall be entitled to remove the Investor Director nominated by them, including any alternate Director nominated by them, by notice to the Investor Director and the Company. Any vacancy occurring with respect to the position of an Investor Director, by reason of death, disqualification, resignation, removal or the inability to act, shall be filled only by another nominee specified by Sequoia (as applicable).
56. The Promoters shall be entitled to remove the Promoter Directors nominated by them, including any alternate Director nominated by them, by notice to such Director and the Company. Any vacancy occurring with respect to the position of a Promoter Director, by reason of death, disqualification, resignation, removal or the inability to act, shall be filled only by another nominee specified by the Promoters.
57. The Promoters shall disclose the details of each and every material transaction between the Company, Stovekraft India and any Related Party to the Board for its consideration and approval, prior to the Company or Stovekraft India entering into any such transaction. All transactions between the Company, Stovekraft India and any Related Party shall be entered into only with the prior written consent of the Investors and carried out on fair market terms no less favourable to the Company than would be obtained in an Arm's Length negotiation with a Person unaffiliated with the Company or Stovekraft India (as the case may be).
58. The Promoters, Stovekraft India and the Company expressly agree and undertake that:
- (i) The Investor Directors shall not be liable for any default or failure of the Company in complying with the provisions of any applicable laws, provided that nothing in this clause shall apply to the liability of the Directors under applicable law, including in relation to mis-statement or omission in the offer documents proposed to be filed in relation to the QIPO or the IPO, as the case may be.
 - (ii) The Investor Director shall not be identified as an 'officer in default' of the Company or Stovekraft India, or occupiers of any premises used by the Company or Stovekraft India or employers under applicable Laws. Further, the Promoters, Stovekraft India and the Company undertake to ensure that Directors other than the Investor Director, or other suitable Persons, are nominated as officers in default, occupiers or employers, as the case may be, in order to ensure that the Investor Director do not incur any liability.
 - (iii) The Investor Director shall be covered under a directors' and officers' insurance policy for such amount as may be acceptable to the Investors and from a 'AAA' rated insurance company, for any liability, cost or expense (including legal expenses) accruing, incurred, suffered, and/or borne by the Investor Director in connection with the Business.
 - (iv) The Company shall indemnify the Investor Director up to the extent permissible under applicable Laws. The Investor Director shall be indemnified, out of the Assets and capital of the Company and of Stovekraft India, against any liability incurred by the Investor Director in defending any proceedings, whether civil or criminal, against the Company or Stovekraft India, to the maximum extent permissible under Applicable Law.
59. The Investor Director shall have the right to be part of any Committee that may be constituted by the Board. In the event that Sequoia exercise(s) its right to nominate Investor Director to any Committee constituted by the Board, such Committee shall have at least 1 (one) nominee Director of the Investors.
60. The Investor Director shall not be required to hold any qualification Shares.
61. The Investor Director shall be entitled to all the rights and privileges provided to Directors, including the sitting fees and expenses payable to the Directors. However, if any other fees, commission, monies or remuneration in any form is payable to such Investor Director, the same shall accrue to the Investors and the same shall accordingly be paid by the Company directly to the Investors. Any expenditure incurred by the Investor in connection with the appointment of the Investor Director and the Investor Observer, shall be borne by the Company.
62. It is hereby clarified that the provisions of these Articles 50 to 69 (including both Articles) shall be applicable *mutatis mutandis* to Stovekraft India. The Business of Stovekraft India shall be exclusively managed by the Board and all decisions and matters pertaining to Stovekraft India or otherwise shall be taken up and approved by the Board in accordance with the terms of the Agreement and these Articles.

63. With effect from the Listing Date, for so long as Sequoia holds more than or equal to 5% (five per cent) of the post-Offer equity Share Capital of the Company on a Fully Diluted Basis and subject to shareholders' approval in the first EGM held post listing of the Equity Shares pursuant to such initial public offering, Sequoia will have the right to nominate one Director on the Board of the Company.
64. Subject to the prior written consent of the Investors, the Act and rules framed there under, each Director may receive out of the funds of the Company by way of sitting fees for his services a sum not exceeding the sum prescribed under the Act for every meeting of the Board or a Committee thereof attended by him.
65. Subject to the provisions of the Act and prior written consent of the Investors, if any Director, being willing and being called upon to perform extra services for the purposes of the Company, the Company may remunerate such Director by such fixed sum or percentage of profits or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration provided above. The Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the provisions of Section 188 of the Act and subject to prior written consent of the Investors.
66. All transactions between the Company, Stovekraft India, their Affiliates and the Promoters or any other transactions with any Related Party shall be disclosed to the Investors in writing prior to entering into such transactions and shall be entered into
 - (i) on market terms,
 - (ii) on terms that are equivalent to those that would be obtained in an Arm's Length arrangement,
 - (iii) in compliance with the provisions of the Act, and
 - (iv) only with the prior written consent of the Investors. All such transactions with the Related Party shall be approved by a majority of the Board excluding such Directors who may have any interest in the matter under consideration.
67. Subject to the provisions of these Articles, including Articles 83 to 87 (including both Articles) (Reserved Matters), the Board shall have powers to do all acts, matters and things deemed necessary, proper or expedient for carrying on the Business of the Company, and to make and sign all such contracts and to draw and accept on behalf of the Company all such bills of exchange, hundies, cheques, drafts and other government papers and instruments that shall be necessary, proper or expedient, for the authority and direction of the Company except such of them as by the Act or by these Articles are expressly directed to be exercised by shareholders in the General Meeting.

X. MANAGING DIRECTOR OR WHOLE TIME DIRECTOR

68. All appointments, remuneration and other terms of appointment of whole time Directors or managing directors shall be subject to the written consent of Investors in accordance with Articles 83 to 87 (including both Articles) (Reserved Matters) and applicable law.

XI. MEETINGS OF THE BOARD

69. The Board shall hold regular meetings at the registered office of the Company or at such other place as is acceptable to the Investors at least once in every 3 (three) months, and at least 4 (four) such meetings shall be held in every calendar year. The Meetings of the Board shall be held in accordance with the Secretarial Standards made applicable, Within 15 (fifteen) days from the start of every calendar year, the Company shall circulate to the Board a predetermined schedule of meetings of the Board for such calendar year. Subject to Article 73 and unless otherwise agreed to in writing by the Investor Director, the notice for the regular monthly Board meetings shall be sent to the Directors at least 10 (ten) Business Days prior to the meeting together with the agenda, and the relevant documents for the same, unless all Directors agree to meet at a shorter notice. All notices for all meetings of the Board and Committees shall be in writing, and shall be sent to each of the Directors (with a copy to the Investors) in the manner specified in these Articles 68 to 79 (including both Articles). No meeting of the Board or of a Committee shall be convened at shorter notice without the prior written consent of the Investor Director.
70. The quorum for any meeting of the Board shall be the presence, in person, of such number of Directors as required under the Act, subject to the presence of the Sequoia Director (unless waived in writing by Sequoia) and at least one Promoter Director (unless waived in writing by either of the Promoters).
71. In the event that the quorum as set forth above is not achieved at any Board or Committee meeting within 30 (thirty) minutes of the scheduled time, then such meeting shall stand adjourned to the same day, location and time on the 7th (seventh) day following the date on which the meeting was scheduled to be held (the "**First Adjourned Meeting**"). The

Company shall issue a notice of 5 (five) days for such First Adjourned Meeting to all the Directors. In the event the quorum as set forth in Article 69 is not achieved at such First Adjourned Meeting, such meeting shall further stand adjourned to the same day, location and time on the 7th (seventh) day following the date on which the First Adjourned Meeting was scheduled to be held (the “**Second Adjourned Meeting**”). The Company shall issue a notice of 5 (five) days for such Second Adjourned Meeting to all the Directors. The notice to all the Directors shall be given by facsimile or e-mail. In the event that the quorum as set forth in Article 69 is not achieved at such Second Adjourned Meeting, the Directors present shall, subject to their constituting a valid quorum under the Act, constitute a valid quorum at such Second Adjourned Meeting despite the Investor Director not being present, save and except for the purposes of decisions on the Reserved Matters. Notwithstanding anything in these Articles, no discussions and resolutions on the Reserved Matters shall be taken up at the Board and/or Committee and/or by written circulation without the prior written consent of the Investors.

72. Subject to the provisions of Articles 80 to 84 (including both Articles) and these Articles 68 to 79 (including both Articles), a decision shall be said to have been made and/or a resolution passed at a meeting of the Board only if passed at a validly constituted meeting, and such decisions are approved of by, and the resolution is approved of by, a majority of the Directors, which unless otherwise mandated by applicable Laws, shall mean approval by a majority of the Directors present and voting at such meeting of the Board.
73. Subject to applicable Laws, Directors or members of any Committee may participate in meetings of the Board or Committees through video-conference or telephonic conference.
74. A written resolution circulated to all the Directors or members of Committees, whether in India or overseas, and signed by a majority of them as approved shall (subject to compliance with the relevant requirements of the Act) be as valid and effective as a resolution duly passed at a meeting of the Board or of any Committee, as the case may be, called and held in accordance with these Articles and the Agreement (provided that such written resolution has been circulated in draft form, together with the relevant papers, if any to all the Directors); provided however, that such circular resolution shall be valid and effective only if it has received the consent of the Investor Director.
75. For the avoidance of doubt, it is expressly clarified hereby that with respect to resolutions relating to any Reserved Matter, the process prescribed under Articles 83 to 87 (including both Articles) shall prevail over the provisions of these Articles 68 to 79 (including both Articles).
76. The Company shall reimburse expenses of the Investor Director for costs incurred in attending meetings of the Board and other meetings or events attended on behalf of the Company.
77. The provisions of these Articles 68 to 79 (including both Articles) shall apply *mutatis mutandis* to the meetings of the Committees constituted by the Board.
78. Each Promoter undertakes to take such actions as may be necessary (including exercising their votes at General Meetings, meeting of the Board or any Committees thereof), to give effect to the provisions of, and to comply with their obligations under, these Articles, including these Articles 69 to 79 (including both Articles).
79. The Investor Director shall have the right to call for an update meeting at any time, in order to update the Investors on all the discussions undertaken and decisions made in relation to the Reserved Matters in meetings of the Board, or of Committees or in shareholders meetings.
80. It is hereby clarified that the provisions of these Articles 71 to 82 (including both Articles) shall be applicable *mutatis mutandis* to matters pertaining to Stovekraft India.

XII. RESERVED MATTERS

81. Notwithstanding any other provision of these Articles, no obligation of the Company or of Stovekraft India shall be entered into, no decision shall be made and no action shall be taken by or with respect to the Company or Stovekraft India, whether in General Meetings or meetings of the Board or Committees thereof or by any or both the Partners or otherwise, in relation to any of the matters set forth below (collectively, the “**Reserved Matters**”) without following the procedure set forth in Articles 83 to 87 (including both Articles). References to the “Company” in Articles 83 to 87 (including both Articles) shall include references to Stovekraft India and all references to other defined terms in relation to the Company shall have the correlative meaning in relation to Stovekraft India).
 - (i) Any changes to the Share Capital, including the issuance, redemption, conversion or buy-back, Transfer or Encumbrance of any Shares or debt/equity-linked securities or other convertible instruments, share-splits, issuance of bonuses, restructuring and reduction of capital, any reclassification or creation of new class or series, change in the preferences, privileges or rights of Securities or determining the timing, pricing and place or

- exchange of any IPO and appointment of the merchant bankers in relation thereto, or any offering of equity/equity-linked securities including in an initial public offering;
- (ii) Any changes to the capital of Stovekraft India or the partnership interest or profit/loss sharing ratio of the Partners;
 - (iii) All matters in relation to any change in the constitution of Stovekraft India, including inclusion of a partner, death, resignation, cessation or retirement of the Partners, any payments to be made in lieu of such appointment, resignation, death or retirement and appointment of a valuer;
 - (iv) Any issuance or redemption of debentures;
 - (v) Any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, any of the shareholders of the Company or Partners of Stovekraft India;
 - (vi) Any Transfer of Securities or partnership interest of Stovekraft India or creation of Encumbrance on Securities or partnership interest of Stovekraft India or further issuance of capital (including without limitation, Shares, non-voting Shares, warrants and options) of the Company (other than Securities held by Sequoia) or Stovekraft India;
 - (vii) Any increase, alteration or reclassification of the authorized Share Capital;
 - (viii) Any issuance of duplicate share certificates;
 - (ix) Any splitting of any share certificates;
 - (x) The dematerialization of any Securities;
 - (xi) Any declaration of dividends and/or other distributions on the Securities, whether by cash or otherwise;
 - (xii) Any distribution or sharing of profits/losses of Stovekraft India to the Partners or any compensation or any payments to the Partners, whether by cash or otherwise, including date of distribution and amount to be distributed, making any adjustments for losses incurred by Stovekraft India, any payments made by the Partners on account of any losses incurred by Stovekraft India;
 - (xiii) Writing off of any unrecoverable amounts in case of Stovekraft India;
 - (xiv) Decisions regarding opening and closing of bank accounts on behalf of Stovekraft India;
 - (xv) Any withdrawal of moneys from any of the bank accounts of any Partner on behalf of Stovekraft India, including capital accounts and current accounts;
 - (xvi) Purchase of any goods or articles or entering into any Contract exceeding the value of Rs. 10,000,000 (Rupees Ten Million only) on behalf of Stovekraft India;
 - (xvii) Mergers, acquisitions, reorganization, restructuring, reconstruction, Change in Control, amalgamations, consolidations, spin-offs, purchase and sale of Assets (including license and Transfer of Intellectual Property owned by the Company and/or Stovekraft India), bankruptcy, voluntary liquidation, winding up, composition with creditors, other similar or related actions, either by or of the Company or Stovekraft India;
 - (xviii) The acquisition or sale of securities, bonds, debentures or partnership interests or any other form of investments by the Company or Stovekraft India in any Person;
 - (xix) Any debt, borrowings, guarantees or creation of any form of security interests or Encumbrance on the Assets of the Company and/or Stovekraft India and prepayment/repayment of the same;
 - (xx) Formation of any subsidiary or entering into any joint venture or similar arrangement by the Company and/or Stovekraft India, or any expansion, diversification or acquisition of other businesses/companies etc. involving investment;
 - (xxi) Any arrangements, agreements, commitments, undertakings, Contracts or transactions by the Company and/or Stovekraft India, or any Director, with any Affiliates, shareholders of the Company or Stovekraft India or any Related Party (including any amendments or termination thereto);
 - (xxii) Amendments to the Charter Documents of the Company and/or Stovekraft India, including these Articles;

- (xxiii) Changes in the constitution of the Board or the manner of their appointment;
- (xxiv) Delegation of authority or any of the powers of the Board to any Person or Committee;
- (xxv) The formulation, adoption and modification of any Business Plan (subject only to the affirmative vote/written consent of Sequoia) or annual budget of the Company and Stovekraft India;
- (xxvi) Any utilization of the Investment Amount (subject only to the affirmative vote/written consent of Sequoia);
- (xxvii) Appointment of or change in the statutory or internal auditors of the Company and Stovekraft India;
- (xxviii) Appointment, removal or determining and modifying the remuneration, terms of appointment and compensation of Directors (including managing director of the Company), Key Employees and any other Senior Officers of the Company and Stovekraft India;
- (xxix) Finalization of accounts, formulation or any change in the accounting methods or policies of the Company or Stovekraft India or any change in Tax elections, or Tax accounting or seeking any new Tax deduction/exemptions;
- (xxx) A change in the scope, nature and/or activities of the Business or Business Plan, including any change in the strategic direction, commencement of any new line of business, any new project or venture relating to the Business and/or entry into any new areas of business;
- (xxxi) Entry into, amendment or termination of any agreement or commitment that imposes or is likely to impose on the Company or on Stovekraft India:
 - (a) Obligations to pay an amount of Rs. 10,000,000 (Rupees Ten Million only) or more in a single transaction or in a series of transactions in any Financial Year;
 - (b) Any liability in excess of Rs. 10,000,000 (Rupees Ten Million only); or
 - (c) Any obligation or liability, which is not capable of being quantified in monetary terms;
- (xxxii) Commencement of bankruptcy, liquidation, winding up, dissolution, composition with creditors, sale of Assets, other similar or related actions, either by or of the Company or Stovekraft India;
- (xxxiii) Capital expenditures or acquisitions of Assets in excess of the approved capital expenditure limit in the Business Plan in any Financial Year; and notwithstanding the foregoing, any capital expenditures or acquisitions of Assets above Rs. 2,00,00,000/- (Rupees Two Crores only) in any single instance or in the aggregate;
- (xxxiv) Termination of any existing joint ventures, collaborations, partnerships or alliances;
- (xxxv) Commencement of any new line of business;
- (xxxvi) The Transfer, assignment, modification, termination of any Contract material to the Business;
- (xxxvii) Entry into any exclusive strategic alliances, exclusive marketing agreements or arrangements;
- (xxxviii) Changes in the constitution of the Board or the authorized number of Directors on the Board or the manner of their appointment;
- (xxxix) Approval, and issuance there under, of any employee stock option scheme, management stock option scheme or similar incentive/profit sharing compensation arrangement;
- (xl) The grant of any Stock Options under the Stock Option Plan, or any Equity Shares to any Person pursuant to any Stock Option holder exercising any vested Stock Options under the Stock Option Plan;
- (xli) A material change to the Company or Stovekraft India;
- (xlii) Any change in the registered office of the Company or office of Stovekraft India;
- (xliii) The purchase or lease of any real estate or property for use by the Company or Stovekraft India;
- (xliv) Any amendment to the Agreement;

- (xlv) The appointment of the arbitrators/legal counsel of the Company or of Stovekraft India or initiation or settlement of any legal proceedings other than as may be required under the Agreement and any settlement of disputes under the Partnership Deed;
- (xlvi) Any change in the Financial Year for preparation of audited accounts;
- (xlvii) Any Liquidation Event;
- (xlviii) Any change in the constitution of Stovekraft India;
- (xlix) All matters stated in this Article 83 in relation to Stovekraft India;
- (l) Any agreement or commitment to give effect to any of the foregoing.

It is clarified that any monetary limits stated in this Article 83, unless specified otherwise, are indicated on an aggregate basis, and such limits shall apply to both a single transaction and a series of transactions carried out by the Company or Stovekraft India (as the case may be) in a particular Financial Year.

82. In the event that any matter, decision, action or resolution relating to a Reserved Matter is proposed to be considered or passed:

- (i) In a meeting of the Board or any Committee, the Company shall inform the Investor Director at least 15 (fifteen) Business Days (or such shorter period as may be consented to by the Investors or the Investor Director in writing) prior to such meeting of the Board;
- (ii) By written circulation, the Company shall inform the Investor Director at least 15 (fifteen) Business Days (or such shorter period as may be consented to by the Investors or the Investor Director in writing) before such circulation;
- (iii) In a General Meeting or in any other case, the Company shall inform the Investors at least 15 (fifteen) Business Days (or such shorter period as may be consented to by the Investors or the Investor Director in writing) prior to such General Meeting; and
- (iv) Any other matter, as may be consented to by the Investors in writing.

83. The Reserved Matters shall be considered approved, if they have been approved:

- (i) If at a meeting of the Board or any Committee, or if passed by circulation, by the affirmative vote of the Investor Director;
- (ii) If at any General Meeting, by a vote to be cast by the authorized representative of each of the Investors in such General Meeting; and
- (iii) In any other case, by the prior written consent of each of the Investors.

84. The Company, the Promoters and Stovekraft India undertake with respect to Reserved Matters:

- (i) To provide each Investor with a draft agenda and/or draft resolution in relation to all matters proposed to be passed at a meeting of the Board and/or General Meeting and/or by circulation at least 15 (fifteen) Business Days prior to such meeting of the Board and/or General Meeting being held or being circulated, as the case may be;
- (ii) That a draft agenda and/or draft resolution shall comprise only specific matters which the Company proposes to consider in any meeting of the Board and/or General Meeting and/or pass by circulation;
- (iii) That no matter shall be included in an agenda in relation to any meeting of the Board and/or General Meeting proposed to be held by the Company and/or circulated, unless such matter has been consented to in writing by each Investor; and
- (iv) That no matter other than the matters set forth in an agenda approved by each Investor shall be passed at any meeting of the Board and/or General Meeting and/or by circular resolution.

85. It is hereby clarified that exercise of rights under Articles 83 to 87 (including both Articles) by an Investor is without prejudice to any right of the Investor under these Articles and the Definitive Agreements and shall not preclude such Investor from exercising any of its rights provided under the Definitive Agreements.

XIII. THIRD PARTY SALE

85. In the event that (a) the QIPO is not completed in accordance with Articles 24 to 33 (including both Articles), then with effect from the Exit Trigger Date, or, (b) at any time after the Closing Date in the event that Sequoia is exercising the Third Party Sale upon occurrence of an Event of Default, as the case may be, then Sequoia shall have the right at any time to either:
- (i) Cause the Promoters to appoint a merchant banker of international standing and repute, acceptable to Sequoia; or
 - (ii) Require the Promoters,
- in each case, to identify a bona fide Third Party purchaser or group of purchasers with a firm offer in writing (a **“Purchaser”**) in respect of some or all of the Sequoia Securities held by Sequoia at a price per Sequoia Security equivalent to the applicable Benchmark Price plus the Sequoia Series B Liquidation Preference Amount (a **“Third Party Sale”**).
86. Sequoia shall, at its sole option, deliver a written notice to the Promoters at any time from the earlier of (i) Exit Trigger Date, or (ii) the Listing Date, or (iii) upon occurrence of an Event of Default under Article 123, setting out its intention to require the Promoters to undertake a Third Party Sale (the **“Third Party Sale Notice”**). The Third Party Sale Notice shall include the price per Sequoia Security offered by Sequoia, the number of Sequoia Securities proposed to be Transferred, payment mechanism and all other terms and conditions of sale (the **“Third Party Sale Terms”**).
87. Upon delivery of the Third Party Sale Notice, the Promoters shall notify their acceptance in writing to Sequoia to undertake the Third Party Sale within 30 (thirty) days from the date of the Third Party Sale Notice and the merchant banker or the Promoters (as applicable) shall identify a Purchaser for Sequoia Securities at the Third Party Sale Terms within a period of 90 (ninety) days from the date of issuance of acceptance notice by the Promoters. In the event that the Promoters fail to notify their acceptance in writing to Sequoia to undertake the Third Party Sale within 30 (thirty) days from the date of the Third Party Sale Notice, or the merchant banker or the Promoters (as applicable) fail(s) to identify a Purchaser within the aforementioned period of 90 (ninety) days, or the Purchaser fails to purchase all the Sequoia Securities within 45 (forty five) days from the date of identification of the Purchaser, or Sequoia at its option does not offer all the Sequoia Securities in the Third Party Sale Notice, Sequoia shall, without prejudice to its rights provided elsewhere in these Articles, have the right to:
- (i) Exercise the Put Option in accordance with Articles 100 to 103 (including both Articles); and/or
 - (ii) Exercise the Buy-Back Option in accordance with Articles 94 to 99 (including both Articles); and/or
 - (iii) Exercise its rights under Article 91 (IPO).
88. The Company and the Promoters shall render all assistance necessary to expeditiously complete the Transfer of such number of Sequoia Securities as are mentioned in the Third Party Sale Notice within 45 (forty five) days from the date of identification of a Purchaser, including without limitation, obtaining all Consents and Government Approvals, and providing representations, warranties, covenants and indemnities customary to such transactions.
89. All costs and expenses which are to be incurred by Sequoia in relation to the Third Party Sale shall be borne by the Promoters and the Company. Sequoia shall not be required to provide any representations, warranties, guarantees or indemnities, or be subject to any restrictive covenants pursuant to or be required to bear any costs and expenses incurred in relation to a Third Party Sale.
90. In the event of a Third Party Sale, Sequoia shall be entitled to exercise its rights under Article 123(v) (Event of Default – Drag Along Rights) and require the Promoters to Transfer their Shares to the Purchaser identified in accordance with these Articles 85 to 93 (including both Articles) at the price of the Third Party Sale.
91. Without prejudice to the rights of Sequoia under these Articles, including Articles 85 to 93 (including both Articles), Sequoia shall have the right to require the Company to conduct an IPO and consequent listing of the Sequoia Securities on a Recognized Stock Exchange through an offer for sale of the Shares, including any or all of the Sequoia Securities, at a price determined by an independent reputable merchant banker, acceptable to Sequoia and appointed by the Board, which price shall not be less than 2 (two) times the Sequoia Conversion Price plus the Sequoia Series B Liquidation Preference Amount. The Promoters undertake to provide such number of Shares held by them as may be required by Sequoia, or as may be required to fulfill the mandatory minimum offer size requirement under applicable Laws for achieving the IPO and listing on a Recognized Stock Exchange. The provisions of Articles 24 to 33 (including both Articles) shall apply to such IPO and the term “QIPO”, wherever appearing in the aforesaid provisions, shall be deemed to refer to “IPO”.

92. It is hereby clarified that exercise of affirmative vote right by Sequoia under Articles 83 to 87 (including both Articles) (Reserved Matters) to veto any of the events specified under Articles 24 to 33 (including both Articles) (QIPO), 94 to 99 (including both Articles) (Buy-Back), 100 to 103 (including both Articles) (Put Option), 123 (Event of Default) or under these Articles 85 to 93 (including both Articles) shall not preclude Sequoia from requiring the Company to undertake such event at any time in future or exercise any other rights under the Definitive Agreements.
93. Notwithstanding anything contained in the Definitive Agreements, within a period of 5 (five) years from the Closing Date, the Company and the Promoters shall complete any or all or a combination of the Third Party Sale (under Articles 85 to 93 (including both Articles)), QIPO (under Articles 24 to 33 (including both Articles)), IPO (under Article 91)), Buy-Back Option (under Articles 94 to 99 (including both Articles)) or Put Option (under Articles 100 to 103 (including both Articles)), as required by Sequoia at its sole discretion and option which shall provide Sequoia a complete liquidity for all the Sequoia Securities held by it at the relevant time in accordance with the provisions hereof and receipt by Sequoia of all amounts payable to Sequoia for all Sequoia Securities in accordance with the terms hereof.

XIV. BUY-BACK

94. Subject to any legal restrictions on the buy-back of Shares by the Company, Sequoia shall have the right to require the Company to buy-back some or all outstanding Sequoia Securities (excluding Series B CCD and Series B Sale Shares) held by it (the **“Buy-Back Option”**):
- (i) At any time after the Exit Trigger Date; or
 - (ii) At any time after the Closing Date, in the event that Sequoia is exercising the Buy-Back Option upon the occurrence of an Event of Default under Article 123 (jointly, (i) and (ii), the **“Buy-Back Election Date”**), and in accordance with the provisions of the Act, and the Private Limited Company and Unlisted Public Limited Company (Buy-Back of Securities) Rules, 1999 (the **“Buy-Back Regulations”**) and such other applicable Laws as may be applicable to buy-back of shares; provided however, that Sequoia may, if necessitated by Law, first require the Company and the Promoters to convert all or any number of the CCD held by it into Equity Shares, in each case, prior to effectuating the buy-back.
95. The Company shall notify their acceptance in writing to Sequoia to undertake the buy-back under these Articles 94 to 99 (including both Articles) within 30 (thirty) days from the date of the Buy-Back Notice (as hereinafter defined) and take all actions and do all things required under applicable Law to undertake the buy-back under these Articles 94 to 99 (including both Articles), including but not limited to passing resolutions by the Board and the shareholders of the Company approving the buy-back, within a period of 90 (ninety) days from the date of issuance of acceptance notice by the Company; provided that the Company shall make best efforts to seek and obtain all applicable Governmental Approvals within such 90 (ninety) day period. Sequoia shall, by a notice in writing (the **“Buy-Back Notice”**), be required to notify the Company of its decision to exercise the Buy-Back Option. The Buy-Back Option shall be exercised in accordance with, and subject to, applicable Laws. In the event that all the Sequoia Securities (excluding Series B CCD and Series B Sale Shares) cannot be bought back by the Company solely due to operation of Law (including the requirements of Section 36 of the Act and the Buy-Back Regulations), and if on the date of the Buy-Back Notice, the number of Sequoia Securities (excluding Series B CCD and Series B Sale Shares) that may then be legally bought back by the Company is less than the number of Sequoia Securities (excluding Series B CCD and Series B Sale Shares) to be bought back (the difference being **“Outstanding Investor Securities”**), then, subject to exercise of rights by Sequoia under Article 99 below, such Outstanding Investor Securities shall be carried forward and, at the option of Sequoia, be bought back as soon as the Company has legally available funds for, or otherwise becomes legally capable of completing, such buy-back.
96. The buy-back price for each Sequoia Security (excluding Series B CCD and Series B Sale Shares) shall be equivalent to the applicable Benchmark Price (the **“Buy-Back Price”**). The Buy-Back Price shall be proportionally or appropriately adjusted (as required) for:
- (i) Any distribution of securities by way of return of capital;
 - (ii) Any bonus issue by the Company;
 - (iii) Any stock split, consolidation or other similar action in respect of the Share Capital; and
 - (iv) Any other reorganization, recapitalization, reclassification, or similar event in respect of the Share Capital.
97. Subject to applicable Laws, the Company shall effect a buy-back in response to the Buy-Back Option exercised by Sequoia on the date mentioned in the Buy-Back Notice by paying the Buy-Back Price in cash in exchange for each of the Sequoia Securities(excluding Series B CCD and Series B Sale Shares)then outstanding to be bought back.

98. The Promoters hereby renounce their rights to participate in any buy-back of Shares affected by Sequoia in exercise of its rights under these Articles 94 to 99 (including both Articles) in favour of Sequoia.
99. In the event that the Company fails to notify their acceptance in writing to Sequoia to undertake the buy-back under these Articles 94 to 99 (including both Articles) within 30 (thirty) days from the date of the Buy-Back Notice or fails to take all actions and do all things required under applicable Law to undertake the buy-back under these Articles 94 to 99 (including both Articles) within the aforementioned period of 90 (ninety) days from the date of issuance of acceptance notice by the Company under Article 95 (including due to restrictions under applicable Law) or Sequoia at its option does not offer all the Sequoia Securities (excluding Series B CCD and Series B Sale Shares) in the Buy-Back Notice, Sequoia shall, without prejudice to its rights provided elsewhere in these Articles, have the right to:
- (i) Exercise the Put Option in accordance with Articles 100 to 103 (including both Articles); and/or
 - (ii) Exercise the Third Party Sale in accordance with Articles 85 to 93 (including both Articles); and/or
 - (iii) Exercise its rights under Article 91 (IPO).

XV. PUT OPTION

100. Put Option

- (i) Without prejudice to the rights of Sequoia elsewhere in these Articles, the Promoters irrevocably and unconditionally grant Sequoia the right to sell, and to require any Promoter to purchase, or procure to purchase, up to all of the Sequoia Securities (excluding Series B CCD and Series B Sale Shares) from Sequoia (the “**Put Option**”):
 - (a) At any time after the Exit Trigger Date; or
 - (b) At any time after the Closing Date, in the event that Sequoia is exercising the Put Option upon the occurrence of an Event of Default (under Article 123).
- (ii) The Sequoia Securities (excluding Series B CCD and Series B Sale Shares) shall be sold with all rights attaching to any of them; provided however, that any dividend or other distribution declared but not paid in respect of any period which has expired prior to date of completion of the sale of Sequoia Securities (excluding Series B CCD and Series B Sale Shares) by Sequoia pursuant to exercising the Put Option shall be payable to Sequoia.
- (iii) Subject to Article 101, the Put Option may be exercised by Sequoia for as long as Sequoia holds Sequoia Securities (excluding Series B CCD and Series B Sale Shares) and for as many times as it shall, in its sole discretion, determine.

101. Put Option Mechanism

- (i) The Put Option may be exercised as many times as Sequoia shall, in its sole discretion, determine, but shall only be exercised on any Business Day on or following the occurrence of any or all of the events set forth in Article 100.
- (ii) Sequoia shall notify the Promoters in writing (the “**Put Notice**”) of its decision to require them to forthwith purchase up to all of Sequoia Securities (excluding Series B CCD and Series B Sale Shares). The Put Notice shall specify the terms and conditions of sale of Sequoia Securities (excluding Series B CCD and Series B Sale Shares) and the number of Sequoia Securities (excluding Series B CCD and Series B Sale Shares) to be purchased by the Promoters.
- (iii) The issuance of the Put Notice by Sequoia shall constitute a valid and binding agreement between Sequoia and the Promoters for the purchase by the Promoters of such number of Sequoia Securities (excluding Series B CCD and Series B Sale Shares) as are mentioned in the Put Notice.
- (iv) The Promoters shall notify their acceptance in writing to Sequoia to undertake the Put Option within 30 (thirty) days from the receipt of the Put Notice and take all actions and do all things required under applicable Law to undertake purchase of such number of Sequoia Securities (excluding Series B CCD and Series B Sale Shares) as are mentioned in the Put Notice for consideration in cash within 90 (ninety) days from the issuance of acceptance notice by the Promoters.
- (v) On the date of purchase of such number of Sequoia Securities as are mentioned in the Put Notice, the Promoters shall remit to Sequoia, by way of wire transfer or such other method as may be acceptable to Sequoia and the

Promoters, an amount equivalent to the product obtained by multiplying (a) the price per Sequoia Security, and (b) the number of Sequoia Securities, in each case, as set forth in the Put Notice.

102. Put Option Price

In the event that Sequoia exercises the Put Option upon the occurrence of any of the events set forth in Article 100, the price at which the Promoters shall purchase Sequoia Securities (excluding Series B CCD and Series B Sale Shares) shall be a price per Sequoia Security (excluding Series B CCD and Series B Sale Shares) equivalent to the applicable Benchmark Price.

103. In the event that the Promoters fail to notify their acceptance to undertake the Put Option in writing to Sequoia within 30 (thirty) days from the receipt of the Put Notice, or fail to take all actions and do all things required under applicable Law to complete the Put Option within the aforementioned period of 90 (ninety) days from the date of issuance of acceptance notice by the Promoters under Article 101 (including due to restrictions under applicable Law) or Sequoia at its option does not offer all the Sequoia Securities (excluding Series B CCD and Series B Sale Shares) in the Put Notice, Sequoia shall, without prejudice to its rights provided elsewhere in these Articles, have the right to:

- (i) Exercise the Buy-Back Option in accordance with Articles 94 to 99 (including both Articles); and/or
- (ii) Exercise the Third Party Sale in accordance with Articles 85 to 93 (including both Articles); and/or
- (iii) Exercise its rights under Article 91 (IPO).

XVI. ADDITIONAL CAPITAL

104. In the event that the Company proposes to issue any Additional Securities (as hereinafter defined) to any Person in excess of the Fully Diluted Share Capital, then the Company shall, prior to issuing such Additional Securities, first offer to issue the Additional Securities to Sequoia, pro rata to its then shareholding in the Fully Diluted Share Capital, on the same terms and conditions on which any Additional Securities are offered to any other Person, which terms and conditions shall be set out in a written notice with respect to such further issue (the terms of such offer to Sequoia, the “Offer Terms”, and the notice, the “Offer Notice”). The term “Additional Securities”, for the purposes of these Articles 104 to 107 (including both Articles), shall mean any Securities which the Company proposes to issue from time to time, excluding (i) the Stock Options proposed to be issued pursuant to the Stock Option Plan, (ii) any Shares issued pursuant to the conversion of the CCD and Series B CCD in accordance with these Articles.

105. Upon such offer being made, Sequoia shall have the right to accept the Offer Terms within a period of 30 (thirty) Business Days from the date of the Offer Notice. If Sequoia agrees to subscribe to the Additional Securities pro rata to its then shareholding in the Fully Diluted Share Capital within the time period mentioned in the immediately preceding sentence of this Article 105, the Company shall complete the issue and allotment of the Offer Shares within a period of 14 (fourteen) days from the date Sequoia signifies its willingness to subscribe to the Additional Securities.

106. In the event that Sequoia does not respond to the Offer Notice from the Company within the prescribed time period or decline to subscribe to any Additional Securities, then the Company shall be free to issue and allot the Additional Securities not subscribed to by the Investors to any Person at price no less than, and on terms and conditions no more favourable than, those offered to the Investors. The Company shall issue and allot the Additional Securities to such a Person as aforesaid, within a period of 120 (one hundred twenty) days, if (i) the Investors decline the offer to subscribe to any Additional Securities or (ii) if the Investors do not respond to the Offer Notice within the aforesaid period of 30 (thirty) Business Days.

107. Sequoia shall be entitled to nominate any of its Affiliates to subscribe to, acquire and/or hold the Additional Securities which it is entitled to subscribe to, acquire and/or hold, pursuant to these Articles 104 to 107 (including both Articles); provided always, that prior to any such Affiliate subscribing to, acquiring and/or holding such Additional Securities, the Affiliate shall have executed a Deed of Adherence, unless otherwise agreed between Sequoia and the Company.

XVII. ANTI-DILUTION

108. Notwithstanding anything contained elsewhere in these Articles, the Sequoia Conversion Price shall be proportionately and appropriately adjusted (as required) for:

- (i) Any bonus issue of Securities by the Company;
- (ii) Any stock split, consolidation or other similar action in respect of the Share Capital;
- (iii) Any other reorganization, recapitalization, reclassification or similar event in respect of the Share Capital; and

- (iv) Any issuance of Shares arising from the exercise of any stock options issued pursuant to a stock option plan, not being the Stock Option Plan, constituted by the Company for issuance of Stock Options,

in each case, to ensure that the shareholding of Sequoia in the Fully Diluted Share Capital is maintained (as equal to Sequoia Shareholding) at the same level as existing prior to the occurrence of any of the aforementioned events.

109. In the event the Company proposes to issue any additional Securities to any Person (each such Person, an “Offeree”) at the price per Share or convertible instrument (as determined in accordance with Article 113 below) paid by the Offeree (“Lower Price”) which is less than the Sequoia Conversion Price and/or Sequoia Series B Conversion Price, as the case may be, the Company shall, and the Promoters undertake that the Company shall, forthwith take all necessary steps to issue additional CCD or Series B CCD (as the case may be) to Sequoia, in accordance with Articles 111 and 112, respectively, so as to ensure that the shareholding of Sequoia in the Fully Diluted Share Capital is maintained at the same levels as existing immediately prior to the issue of additional Securities to the Offeree.

Provided nothing in this Article shall apply to any issuance of any Equity Shares pursuant to the Company’s IPO or QIPO as the case may be.

110. Notwithstanding any other provision of these Articles, the Company shall not issue any Securities to any Person at a price less than the Sequoia Conversion Price, without the prior written consent of Sequoia.

111. In the event that the Company issues Securities to the Offeree at the Lower Price, which Lower Price is less than the Sequoia Conversion Price, then:

- (i) If the CCD have not been converted into Equity Shares at the time when the Equity Shares or instruments convertible into Equity Shares are issued to the Offeree, the CCD shall convert into such number of Equity Shares that the effective price for the conversion of the CCD into Equity Shares is the Lower Price;
- (ii) If some and not all of the CCD have been converted into Equity Shares at the time when the Equity Shares or instruments convertible into Equity Shares are issued to the Offeree, the CCD which have not been converted shall convert into such number of Equity Shares that the total number of Equity Shares held by Sequoia is that number which Sequoia would have been entitled to, had the effective price for conversion of all the CCD into Equity Shares been the Lower Price;
- (iii) If the CCD have been converted prior to the issue of the Equity Shares or instruments convertible into Equity Shares to the Offeree, Sequoia shall be entitled to be issued such number of additional Shares that the total number of Shares held by Sequoia is that number which Sequoia would have been entitled to if the Sequoia Conversion Price was the Lower Price. The Company and the Promoters shall undertake all necessary actions to ensure that Sequoia is issued additional Shares as aforesaid at no cost to Sequoia, including without limitation, by the Company making a bonus issue of Shares solely to Sequoia. The Company and the Promoters undertake to take all such actions and do all such things as may be requested by Sequoia, including without limitation, entering into any contractual arrangements and supporting all such decisions and actions, by exercising their respective voting and other rights, to ensure all the necessary, required or requested resolutions of the Board and shareholders of the Company, to effect the actions contemplated in this Article 111(iii).

112. In addition to the requirements prescribed upon the Company under Article 113 above (as applicable), in the event that such Lower Price is also less than Sequoia Series B Conversion Price, then, in addition to obligations of the Company in relation to Sequoia as described under Article 113 above, then:

- (i) If the Series B CCD have not been converted into Equity Shares at the time when the Equity Shares or instruments convertible into Equity Shares are issued to the Offeree, the Series B CCD shall convert into such number of Equity Shares that the effective price for the conversion of the Series B CCD into Equity Shares is the Lower Price;
- (ii) If some and not all of the Series B CCD have been converted into Equity Shares at the time when the Equity Shares or instruments convertible into Equity Shares are issued to the Offeree, the Series B CCD which have not been converted shall convert into such number of Equity Shares that the total number of Equity Shares held by Sequoia pursuant to conversion of Series B CCD is that number which Sequoia would have been entitled to, had the effective price for conversion of all the Series B CCD into Equity Shares been the Lower Price;
- (iii) If the Series B CCD have been converted prior to the issue of the Equity Shares or instruments convertible into Equity Shares to the Offeree, Sequoia shall be entitled to be issued such number of additional Shares that the total number of Shares held by Sequoia pursuant to conversion of Series B CCD is that number which Sequoia would have been entitled to if the Sequoia Series B Conversion Price was the Lower Price. The Company and the

Promoters shall undertake all necessary actions to ensure that Sequoia is issued additional Shares as aforesaid at no cost to Sequoia, including without limitation, by the Company making a bonus issue of Shares solely to Sequoia. The Company and the Promoters shall take all such actions and do all such things as may be requested by Sequoia, including without limitation, entering into any contractual arrangements and supporting all such decisions and actions, by exercising their respective voting and other rights, to ensure all the necessary, required or requested resolutions of the Board and shareholders of the Company, to effect the actions contemplated in this Article 112(iii).

113. For the purposes of Article 111 and Article 112:

- (i) The price per Equity Share paid by an Offeree to whom Equity Shares have been issued shall be obtained by dividing the aggregate amount paid by such Offeree towards subscription to all the Equity Shares by the total number of Equity Shares issued to the Offeree.
- (ii) The price per Equity Share paid by an Offeree to whom any convertible instrument has been allotted shall be obtained by dividing the aggregate price paid by such Offeree for all the convertible instruments (including the amount payable at the time of conversion of such convertible instrument) by the maximum number of Equity Shares that the convertible instrument is entitled to convert into, in accordance with its terms.
- (iii) All money amounts shall, for the purposes of all of the foregoing calculations, be expressed in Indian Rupees.

114. The Company shall obtain in a timely manner all applicable Governmental Approvals from any regulatory authorities for giving effect to the provisions of these Articles 108 to 116 (including both Articles).

115. Notwithstanding anything contained in the Definitive Agreements, in the event of any issuance and allotment of Equity Shares to State Bank of India or any other lender pursuant to the terms of the Contract between such lender and the Company, irrespective of the price or conversion ratio of such issuance, the Company and the Promoters shall undertake all necessary actions to maintain the shareholding of Sequoia in the Company equal to Sequoia Shareholding at no cost to Sequoia in a manner as set forth under sub-Articles (i), (ii) or (iii) of Article 111 above.

116. In the event Sequoia is required to make any payments under applicable Law for acquiring any additional Shares or adjustments to Sequoia Conversion Factor/Sequoia Conversion Price or the Series B Conversion Factor/Sequoia Series B Conversion Price pursuant to these Articles 108 to 116 (including both Articles), any such payments shall be deemed to be losses incurred by Sequoia and the Promoters shall indemnify Sequoia for such losses.

XVIII. BOOKS OF ACCOUNTS, INFORMATION AND INSPECTION RIGHTS

117. The Board of Directors shall cause proper books of accounts to be maintained under Section 128 of the Act.

118. For so long as the Investors hold any Securities, the Company and Stovekraft India shall prepare monthly management reports and annual operating plans. The Company and Stovekraft India shall furnish to each of the Investors the following information in respect of the Company and Stovekraft India (as the case may be) to the satisfaction of the Investors:

- (i) Audited annual Financial Statements within 90 (ninety) days after the end of each Financial Year (including without limitation, operating statements, income statements, an analysis of the operating, management and financial health accompanied by notes);
- (ii) Unaudited monthly Financial Statements within 30 (thirty) days from the end of each month (including without limitation, operating statements, income statements and an analysis of the operating, management and financial health accompanied by notes);
- (iii) An annual budget within 30 (thirty) days of the end of each Financial Year for the following Financial Year;
- (iv) Business Plan (including quarterly budget containing an income statement, a statement of cash flow, a balance sheet, detailed breakdown of working capital along with the detailed statement on use of proceeds for utilization of the Investment Amount acceptable to Sequoia) and headcount, no later than 30 (thirty) days prior to the commencement of every Financial Year for the following Financial Year;
- (v) In respect of Sequoia, a statement of utilization of the Investment Amount by the Company and the Promoters within 7 (seven) days after the end of every 3 (three) months;
- (vi) Any material information, including resignation of any of the Key Employees, within a maximum period of 3 (three) days;

- (vii) A monthly reporting package provided to the Board, which shall include all the necessary information required by any Director and shall include monthly management accounts, updated cash flow forecasts and operational reports of the Company or Stovekraft India or of any Affiliate; and
 - (viii) Other information reasonably requested by the Investors or the Investor Director.
119. The Investors shall also be entitled to inspection and visitation rights of the Company, Stovekraft India and of any of their Affiliates, which shall be applicable until such time that the Investors hold any Investor Securities. The Company and Stovekraft India shall give full access to the Investors and their authorized representatives (including lawyers, accountants, auditors and other professional advisors) to visit and inspect all properties, Assets, corporate, financial and other records, reports, books, Contracts and commitments of the Company and Stovekraft India and to discuss the Business, action plans, budgets and finances with the Directors and executive Officers of the Company and Stovekraft India upon reasonable notice.
120. All the Financial Statements delivered by the Company and Stovekraft India shall be prepared under the Indian GAAP. All management reports shall include a comparison of financial results with the corresponding quarterly and annual budgets.
121. It is hereby clarified that the provisions of these Articles 117 to 122 (including both Articles) shall apply to Stovekraft India and any other Person Controlled by the Company and/or the Promoters, and the Investors shall be entitled to the information and inspection rights set forth herein.
122. In addition to the above, the Investors shall be provided with reasonable access to all records of the Company, its Group Entities and other subsidiaries and partnerships in which the Company holds 51% (fifty one percent) interest. The Company and Stovekraft India shall also provide any other information, which the Investors may specially ask for regarding the Company/Group Entities and/or the Project. The Company shall allow a chartered accountant, company secretary or any other authorised nominee/representative of the Investors to inspect all the records, including books of accounts, minutes books and the Company's/Group Entities' premises, as may be required by the Investors from time to time.

XIX. EVENTS OF DEFAULT

123. The occurrence of each of the following events shall be considered an **“Event of Default”**:
- (i) Any Promoter or the Company or Stovekraft India or any Partner of Stovekraft India does not pay on the due date any amount payable by any of them under the Definitive Agreements in the manner required there under;
 - (ii) If the Company and/or any Promoter and/or Stovekraft India is in breach or fails to observe or comply with any term of these Articles, representation, warranty covenant, undertaking or obligation contained in the Definitive Agreements, which breach or failure, if capable of cure or remedy, has not been cured or remedied within 14 (fourteen) days of the receipt of written notice of such breach or failure from the Investors;
 - (iii) Breach or termination by the Company and/or Stovekraft India and/or any Promoter of any Contract material to these Articles or to the Business;
 - (iv) The Company and/or Stovekraft India and/or any Partner of Stovekraft India and/or any Promoter and/or any Director being prosecuted for fraud or violation of any applicable Laws and/or the initiation of disciplinary action by any Governmental Authority;
 - (v) Initiation of any Liquidation Event or similar proceedings in respect of the Company and/or Stovekraft India and/or the Promoters, whether voluntary or otherwise;
 - (vi) The appointment of a receiver, liquidator or administrator in respect of the Assets of the Promoters or of the Company or of Stovekraft India by a court of competent jurisdiction in any proceeding for insolvency, winding up or bankruptcy or similar proceeding initiated by a Third Party or attachment or distraint of the Assets of the Company or of Stovekraft India, or any part thereof or commencement of certificate proceedings under applicable Law for recovery of any dues from the Company or Stovekraft India;
 - (vii) Nationalization, compulsory acquisition, expropriation or seizure all or any substantial part of the Business or Assets of the Company or of Stovekraft India or of the Promoters by any Governmental Authority or other authority (whether de jure or de facto);
 - (viii) The commencement of any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings, requisition or disputes are commenced or threatened in relation to the Definitive Agreements or the transactions contemplated in the Definitive Agreements or against any of the Company or

- Stovekraft India or any Partner of Stovekraft India or the Promoters, including any charge sheet being filed or conviction in any manner pursuant to criminal action taken under applicable Laws;
- (ix) Revocation of any Governmental Approval necessary to conduct the Business;
 - (x) Any Change in Control without the consent of the Investors;
 - (xi) Any Financial Indebtedness of the Company or of Stovekraft India or any Partner of Stovekraft India or of any Promoter is not paid when due nor within any originally applicable grace period or within such time as extended by the lender;
 - (xii) Any Financial Indebtedness of the Company or of Stovekraft India or of any Partner of Stovekraft India (which Partner owns more than 1 (one) percent of the capital of Stovekraft India) or of any Promoter is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of any actual or potential default, event of default, credit review or any similar event (howsoever described);
 - (xiii) Any commitment for any Financial Indebtedness of the Company or of Stovekraft India or of any Partner of Stovekraft India (which Partner owns more than 1 (one) percent of the capital of Stovekraft India), or of any Promoter is cancelled or suspended by a creditor of the Company or Stovekraft India or the Promoter as a result of any actual or potential default, event of default, credit review or any similar event (howsoever described);
 - (xiv) Any creditor of the Company or of Stovekraft India or of any Promoter becomes entitled to declare any Financial Indebtedness of any of the Company or Stovekraft India or any Promoter due and payable prior to its specified maturity as a result of any actual or potential default, event of default, credit review or any similar event (howsoever described);
 - (xv) It becomes unlawful for the Promoters or the Company or Stovekraft India to perform any of their respective obligations under any of the Definitive Agreements or any Definitive Agreement is not effective in accordance with its terms or is alleged to be ineffective by any party thereof or the Promoters or the Company or Stovekraft India repudiates or evidences an intention to repudiate any Definitive Agreement;
 - (xvi) Any event or circumstance which, in the opinion of the Investors, has or is reasonably likely to have a Material Adverse Change;
 - (xvii) Failure by the Company to issue and allot any of the CCD, Series B CCD and Class - A Equity Shares on the Closing Date or First Series B Closing Date or Second Series - B Closing, as the case may be;
 - (xviii) Any failure by the Company to convert any of the CCD or the Series B CCD in accordance with the terms of the Definitive Agreements; and
 - (xix) Breach or termination of any Definitive Agreement other than as agreed to by the Investors.

124. Upon the occurrence of an Event of Default, each of the Investors may immediately, by a written notice (the “**Default Notice**”), require the Company and/or Stovekraft India and/or the Promoters to remedy the Event of Default within 14 (fourteen) days of the Default Notice or such time as extended by Sequoia at its sole option (the “**Cure Period**”). If the Event of Default remains unremedied after the expiry of the Cure Period, the Investors may, at their sole discretion and option, exercise any or all of, or a combination of, the following remedies, notwithstanding the other rights of the Investors under these Articles:

(i) *Buy-Back*

The Investors shall have the right to exercise the Buy-Back Option in accordance with Articles 94 to 99 (including both Articles) and require the Company to buyback the Sequoia Securities (excluding Series B CCD and Series B Sale Shares) at a price such that each of the Investors receives a price per Security equivalent to the applicable Benchmark Price.

(ii) *Investors’ Put Option*

The Investors shall have the right to exercise the Put Option and cause the Promoters to purchase up to all of the Sequoia Securities (excluding Series B CCD and Series B Sale Shares) in accordance with Articles 100 to 103 (including both Articles) at a price such that each of the Investors receives a price per Security equivalent to the applicable Benchmark Price.

(iii) *Transfer of Securities*

Sequoia shall have the right to freely Transfer up to all of the Sequoia Securities.

(iv) *Termination of the Definitive Agreements*

(a) The Investors shall have the right to terminate the Definitive Agreements.

(b) On listing of the Equity Shares of the Company on a Recognized Stock Exchange pursuant to the IPO on or before the Listing Date, the Agreement, Amendment Series A Agreement and Series B Investment Agreement shall stand automatically terminated without any further act or deed required on the part of any Party. Notwithstanding the above, the termination of the Definitive Agreements under this Article shall be without prejudice to (a) the accrued rights and obligation of the Parties under the Definitive Agreements prior to the listing of the Equity Shares of the Company on a Recognized Stock Exchange pursuant to the IPO on or before the Listing Date including the rights of any Party in respect of a breach of the Amendment Agreement prior to such termination, and nothing herein shall relieve any Party from its obligations under such provisions or from liability pursuant to the Definitive Agreements prior to its termination. Until the listing of the Equity Shares on a Recognized Stock Exchange pursuant to the IPO on or before the Listing Date, unless specifically agreed and amended by the parties in writing, the Definitive Agreements shall continue in full force and effect.

(c) The provisions of section I (*Interpretation*), section XXI (*Confidentiality and Non-Disclosure*) shall survive the termination of the Definitive Agreements.

(v) *Drag Along Rights*

(a) Without prejudice to the other rights of the Investors under these Articles, upon the occurrence of an Event of Default, Sequoia shall be entitled to sell the Sequoia Securities held by it to any bona fide purchaser or group of purchasers which may, for the avoidance of doubt, include a shareholder of the Company (a “**Potential Buyer**”) identified by them.

(b) In the event any proposed sale of Sequoia Securities by Sequoia, the Investors shall agree to send a written notice to the Promoters requiring each of them to Transfer any number of the Shares held by them, to the Potential Buyer along with such Securities held by the Investors (the “**Drag Along Notice**”). The Drag Along Notice shall set out the identity of the Potential Buyer, the consideration payable per Security, a summary of the material terms of such proposed Transfer and the number of Shares held by each Promoter that are required to be Transferred by each of them to the Potential Buyer. Upon receipt of a Drag Along Notice, the Promoters shall, within 30 (thirty) days from the date of the Drag Along Notice:

- (A) Sell such number of Shares held by each Promoter as specified in the Drag Along Notice, free of any Encumbrance, on the same terms and conditions as the Investors (including payment of their pro rata share of all costs associated with such transaction); and
- (B) Otherwise take all necessary action to cause the consummation of such transaction.
- (C) Any and all proceeds from the sale of the Sequoia Securities and the Shares held by the Promoters to a Potential Buyer in accordance with the provisions of this Article 123(v) shall be paid to the Investors or their respective nominees till such time that the Investors receive the applicable Benchmark Price. To the extent permitted by Law, such proceeds shall be paid directly by the Potential Buyer to the Investors or their respective nominees. If the Law does not permit such amount to be paid directly by the Potential Buyer to the Investors or their respective nominees, the Investors shall, in order to give effect to the provisions of this Article 123(v)(c) and subject to applicable Laws, have the right to require the Promoters to deposit all amounts received by them from the sale of the Shares held by them pursuant to the issuance of a Drag Along Notice in an escrow account opened with an escrow agent appointed with the written consent of the Investors in terms of an escrow agreement, the details of which shall be finalized prior to the appointment of the escrow agent. The escrow agent appointed pursuant to this Article 123(v)(c) shall pay the Investors such amount from the monies deposited with it that the Investors receive the applicable Benchmark Price. The escrow agent shall release any monies remaining in the escrow account to the Promoters only upon the Investors receiving the applicable Benchmark Price.

(vi) *Third Party Sale*

The Investors shall have the right to exercise the Third Party Sale and cause the Promoters to identify or appoint a merchant banker to identify a Purchaser to purchase up to all of the Sequoia Securities held by Sequoia in accordance with Articles 85 to 93 (including both Articles) at a price such that each of the Investors receives a price per Security equivalent to the applicable Benchmark Price.

(vii) *IPO*

The Investors shall have the right to require the Company to undertake an IPO in accordance with Article 91.

XX. CONFIDENTIALITY AND NON-DISCLOSURE

125. The Company, Stovekraft India, each of the Promoters shall keep all information and other materials passing between it and the other Parties and/or the Company and/or Stovekraft India and/or the Promoters and/or the Investors in relation to the transactions contemplated by the Definitive Agreements and also in relation to the Company and/or Stovekraft India and/or the Promoters and/or the Investors (the “**Information**”) confidential and shall not, without the prior written consent of the other Party, divulge the Information to any other Person or use the Information other than for carrying out the purposes of these Articles except:

- (i) To the extent that such Information is in the public domain other than by breach of these Articles;
- (ii) To the extent that such Information is required or requested to be disclosed by any applicable Laws or any applicable regulatory requirements or by any regulatory body to whose jurisdiction the relevant Party is subject or with whose instructions it is customary to comply under notice to the other Party(ies);
- (iii) In so far as it is disclosed to the employees, directors or professional advisers of any Party, provided that such Party shall inform such Persons of the confidential nature of such Information;
- (iv) To the extent that any of such Information is later acquired by a Party from a source not obligated to any other Party hereto, or its Affiliates, to keep such Information confidential;
- (v) To the extent that any of such Information was previously known or already in the lawful possession of a Party, prior to disclosure by any other Party hereto;
- (vi) To the extent that any information, materially similar to the Information, shall have been independently developed by a Party without reference to any Information furnished by any other Party hereto; and
- (vii) At the time of permitted Investor Transfers in accordance with these Articles.

126. In the event that for any reason the Agreement shall lapse and the transactions contemplated thereby shall not be implemented, the Promoters and/or the Company and/or Stovekraft India shall, on written demand of any of the Investors, immediately return the Information in relation to any of the Investors, together with any copies in its possession.
127. No formal or informal public announcement or press release which makes reference to any of the Investors or the terms and conditions of these Articles or any of the matters referred to herein shall be made or issued by or on behalf of the Company and/or Stovekraft India without the Investors' consent. If the Company and/or Stovekraft India and/or the Promoters are obliged to make or issue any announcement or press release required by Law or by any stock exchange or Governmental Authority, they shall give the Investors every reasonable opportunity to comment on any announcement or release before it is made or issued.

XXI. BORROWING POWERS

128. Subject to these Articles, including Articles 83 to 87 (including both Articles), and the provisions of Sections 73 and 179 of the Act and directions issued by the Reserve Bank of India or any other regulatory body, the Board shall have the power from time to time and at their discretion to borrow, raise or secure the payment of any sum of money for the purpose of the Company in such manner and upon such terms and conditions as they think fit and in particular by issue of debentures or bonds of the Company or by mortgage or charge upon all or any of the properties of the Company both present and future including its uncalled capital for the time being.

XXII. OPERATION OF BANK ACCOUNTS

129. Subject to the provisions of these Articles, including Articles 83 to 87 (including both Articles), the Board shall have the power to open bank accounts, to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorize any other Person or Persons to exercise such powers.

XXIII. DIVIDENDS AND RESERVES

130. Subject to the provisions of these Articles, including Articles 83 to 87 (including both Articles), except for interim dividends, the Company in annual General Meeting may declare a dividend to be paid to the shareholders of the Company subject to the provisions of the Act. Notice of any dividend that may have been declared shall be given by letter to each shareholder of the Company.
131. Subject to Section 123 of the Act and subject to the provisions of these Articles, including Articles 83 to 87 (including both Articles), there may be from time to time payments to the shareholders of the Company of such dividends, interim or otherwise, as may appear to the Board to be justified from the profits of the Company.
132. Any dividend remaining unclaimed shall be dealt with in accordance with the provisions of Section 124 of the Act.

XXIV. FINANCIAL STATEMENTS

133. The Directors shall lay before each Annual General Meeting, audited Financial Statements for the Financial Year of the Company in accordance with the provisions of the Act and these Articles.

XXV. AUDIT

134. The first auditors of the Company shall be appointed by the Board within 1(one) month after its incorporation who shall hold the office till the conclusion of first Annual General Meeting.
135. Subject to the provision of these Articles, including Articles 83 to 87 (including both Articles), at each Annual General Meeting of the Company, the Company shall appoint statutory auditors ("Auditor") to hold office as per the provisions of section 139 of the Companies Act 2013. The Auditor shall be a reputed firm of chartered accountants acceptable to the Investors and appointed after prior consent being taken from the Investors.
136. The Board may fill up any casual vacancy in the office of the Auditor, with the approval of the Investors in accordance with the provisions of Articles 83 to 87 (including both Articles).
137. The remuneration of the Auditor is to be fixed by the Company in the Annual General Meeting, with the approval of the Investors in accordance with the provisions of these Articles, including Articles 83 to 87 (including both Articles).

XXVI. CAPITALISATION OF PROFITS

138. Subject to the provisions of these Articles, including Articles 83 to 87 (including both Articles), the Company in General Meeting may upon recommendation of the Board resolve:
- (i) That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution; and
 - (ii) That such sum be accordingly set free for distribution in the manner specified below in Article 139 among the shareholders of the Company, who would have been entitled thereon, if distributed by way of dividend and in the same proportion.
139. Subject to the provisions of these Articles, including Articles 83 to 87 (including both Articles), the sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained below in Article 140 either in or towards:
- (i) Paying up any amounts for the time being unpaid on any Shares held by such shareholders of the Company respectively;
 - (ii) Paying up in full, unissued Shares or debentures of the Company to be allotted and distributed, credited as fully paid up, to and amongst such shareholders of the Company in the proportions aforesaid; or
 - (iii) Partly in the way specified in sub-article (i) and partly in that specified in sub-article (ii).
140. Subject to the provisions of these Articles, including Articles 83 to 87 (including both Articles), any share premium account and any capital redemption reserve fund may, for the purpose of this Article 140, only be applied in the payment of unissued Shares to be issued to the shareholders of the Company as fully paid bonus Shares.
141. Subject to the provisions of these Articles, including Articles 83 to 87 (including both Articles), the Board shall give effect to the resolution passed by the Company in pursuance of these Articles.
142. Subject to the provisions of these Articles, including Articles 83 to 87 (including both Articles), whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (i) make all appropriation and application of the undivided profits resolved to be capitalized thereby, and allotment and issue of fully paid Shares or debentures if any; and
 - (ii) generally do all acts and things required to give effect thereto.
143. Subject to the provisions of these Articles, Articles 83 to 87 (including both Articles), the Board shall have full power:
- (i) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of Shares or debentures becoming distributable in fractions; and
 - (ii) to authorise any Person to enter, on behalf of all the shareholders of the Company entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment made on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized of the amounts or any part of the amounts remaining unpaid on their existing shares.
144. Subject to the provisions of these Articles, including Articles 83 to 87 (including both Articles), any agreement made under such authority shall be effective and binding on all such shareholders of the Company.
145. Provided that no resolutions or decisions pursuant to these Articles 138 to 145 (including both Articles) shall be passed without the prior consent in writing of the Investors in accordance with the provisions of these Articles, including Articles 83 to 87 (including both Articles).

XXVII. LIQUIDATION PREFERENCE

146. Upon the occurrence of a Liquidation Event, Sequoia, with respect to the Sequoia Securities held by it, shall be entitled to receive from the Company, in preference to all other shareholders of the Company and before any distribution is made upon any Shares or otherwise to any shareholder of the Company, the higher of (i) an amount equal to 2 (two) times the Investment Amount plus the Sequoia Series B Liquidation Preference Amount; or (ii) the proportionate share of such distributions, along with all unpaid dividends/interest of Sequoia, whether accrued or declared or not (the "**Sequoia Liquidation Preference Amount**").

147. In the event that the Liquidation Event is an event under which the Investors are not entitled to receive the proceeds of such Liquidation Event by virtue of being shareholders of the Company, the Company shall, at the Investors' option, and the Promoters shall ensure that the Company shall:
- (i) Convert the CCD in accordance with Article 12, and immediately subsequent to such conversion, buy-back the Shares issued pursuant to such conversion in accordance with Articles 94 to 99 (including both Articles) and applicable Laws; and/or
 - (ii) Structure the Liquidation Event itself in such a manner as required by the Investors such that each of the Investors shall be entitled to receive consideration for their respective holding equivalent to Sequoia Liquidation Preference Amount and Sequoia Series B Liquidation Preference Amount from the counter party;
- in each case, at such price per Share that the Investors receive an amount equal to the Sequoia Liquidation Preference Amount. For the avoidance of any doubt, it is expressly clarified hereby that the provisions of Articles 94 to 99 (including both Articles) shall apply only in respect of the procedure for effecting the buy-back of the Sequoia Securities and shall not apply to the price at which the Sequoia Securities shall be bought back.
148. In the event that the Liquidation Event is an event under which the Investors are not entitled to receive the proceeds of such Liquidation Event by virtue of being shareholders of the Company (such as an asset sale or a slump sale by the Company), the Company shall, at Sequoia's option (whereupon the Promoters shall ensure that the Company shall) structure the Liquidation Event in such a manner as required by the Investor such that Sequoia shall be entitled to receive consideration for their holding with respect to Series B CCD and Series B Sale Shares equivalent to Sequoia Series B Liquidation Preference Amount.
149. Upon satisfaction of the Investors' rights under Articles 146, the Investors shall be entitled to participate in the surplus Assets available with the Company, *paripassu* with the other shareholders of the Company in proportion to their respective shareholding in the Fully Diluted Share Capital as existing immediately prior to the occurrence of a Liquidation Event.
150. In the event that the Company has insufficient Assets to permit payment of the Liquidation Preference in full to the Investors, then all available funds of the Company would be distributed to the Investors in proportion to Sequoia Liquidation Preference Amount and Sequoia Series B Liquidation Preference Amount, respectively.

151. Upon the occurrence of any Liquidation Event, in the event that the rights of the Investors provided in Articles 146 to 152 above (including both Articles) have not been given effect to by the Company, or are not permissible to be given effect to or enforced, or the payments of part of Sequoia Liquidation Preference Amount and Sequoia Series B Liquidation Preference Amount have been made under Article 152, the Investors shall have the right to require the Promoters to and the Promoters shall deposit all amounts received by them (pursuant to a Liquidation Event) in their capacity as shareholders in an escrow account opened with an escrow agent appointed with the written consent of the Investors in terms of an escrow agreement, the details of which shall be finalized prior to the appointment of the escrow agent. The escrow agent shall settle all amounts due and payable to the Investors (pursuant to a Liquidation Event) and shall thereupon release any moneys payable to the Promoters only after all amounts receivable by the Investors are paid off in full. The Company and the Promoters shall ensure that all Government Approvals are obtained in this regard.
152. It is clarified that for the purpose of these Articles 146 to 152 (including both Articles), the Third Party Sale under Articles 85 to 93 (including both Articles), QIPO under Articles 24 to 33 (including both Articles), IPO under Article 91, Buy-Back Option under Articles 94 to 99 (including both Articles) and Put Option under Articles 100 to 103 (including both Articles) do not constitute Liquidation Events.

XXVIII. SEAL

153. The Board shall provide for the safe custody of the seal of the Company, if any. Subject to the provisions of these Articles, the seal of the Company shall not be affixed to any instrument, except by the authority of a resolution of the Board and except in the presence of at least 1 (one) Director and such other Person as the Board may appoint for the purpose and such Director and such other Person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

XXIX. SECRECY

154. Every manager, Auditor, trustee, members of Committees, Officer, servant, agent, accountant, or other Person employed in the business of the Company shall, if so required by the Board before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company, the Investors, its customers and the state of accounts with Persons and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by any General Meeting or by any Laws of India and except so far as may be necessary in order to comply with any of the provisions in these Articles and the provisions of the Act.

XXX. NON-COMPETE UNDERTAKING

155. During the period commencing on the date hereof and for as long as the Investors hold any Securities:
- (i) The Promoters, collectively or individually, whether directly or indirectly, through their Relatives or their nominees, shall not engage in any activities that could be in competition, directly or indirectly, to the Business and shall devote their full time to the Business;
 - (ii) The Promoters or any Affiliates of any Promoter shall not, either on their own account or for any corporation, limited liability company, partnership or other entity or Person, solicit any Key Employee to leave his or her employment induce or attempt to induce any such Key Employees to terminate or breach his or her employment agreement with the Company or Stovekraft India, or itself, directly or indirectly, hire or engage in any other manner, any Key Employees; and
 - (iii) Neither any Promoter, Stovekraft India nor the Company, or any of their respective Affiliates shall, directly or indirectly, solicit, cause in any part or knowingly encourage any of the then existing clients of the Company or of Stovekraft India engaged in the Business to cease doing the Business in whole or in part with the Company or Stovekraft India, or solicit, cause in any part or knowingly encourage any then existing clients of the Company or of Stovekraft India to do business with any other Person other than the Company or Stovekraft India or itself, directly or indirectly, deal with such clients.
156. The Promoters shall not be connected as a shareholder holding 5% (five per cent) or more of the shareholding, or as a director, officer or employee, partner, lender, guarantor or advisor of or consultant to, or in any executive capacity with, any corporation, limited liability company, partnership or other entity or Person that, directly or indirectly:
- (i) Engages in the Business; or
 - (ii) Competes in the Business with the Company and/or Stovekraft India.

157. The Promoters shall ensure that any activity performed by either of them does not result in dilution of management time spent by them on the activities of the Company or Stovekraft India.
158. Each Promoter acknowledges that:
- (i) The duration and scope of the undertakings are reasonable under the circumstances in which they have been given;
 - (ii) Such undertakings are material for the willingness of the Investors to invest in the Company, and the Promoters, being shareholders of the Company, stand to benefit from the investment by the Investors; and
 - (iii) Each of them has various other skill sets which, if deployed, would not result in a breach of their respective undertakings hereunder.
159. Each Promoter expressly waives any right to assert inadequacy of consideration as a defense to enforcement of the covenants set forth in these Articles 155 to 159 (including both Articles). The Parties agree that in the event that any provision of these Articles 155 to 159 (including both Articles) shall be determined by any court of competent jurisdiction to be unenforceable by reason of it being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by Law.

XXXI. INDEMNITY

160. Every Officer, the Directors, Auditors, managing director(s), secretary and other Officers for the time being of the Company and trustees for the time being in relation to any of the affairs of the Company, their heirs, executors and administrators respectively shall be indemnified out of the assets of the Company from and against all suits, proceedings, costs charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted to be done in or about the execution of their duties in their respective Offices or trust except those done through their willful neglect or default. Any such Officer or trustee shall not be answerable for acts, omission, neglect or defaults of any other Officer or trustee.

XXXII. INVESTORS NOT TO BE CONSIDERED PROMOTERS

161. The Parties agree that the Investors are mere financial investors in the Company and are not responsible for the day-to-day affairs of the Company. Subject to the provisions of the applicable Laws, the Company shall make best endeavors and take all reasonable actions to ensure that the Investors shall not be considered/classified to be “promoters” of the Company or any Person acting in concert of the “promoters” of the Company for any reason whatsoever and any Equity Shares acquired by the Investors are not subject to any restriction (including that of lock-in or other restriction) which are applicable to promoters under any applicable Laws. Subject to applicable Laws, the Company undertakes that it shall not name any of the Investors as promoters in any prospectus or other document relating to the issuance of Securities.

XXXIII. CONFLICT WITH THE CHARTER DOCUMENTS

162. These Articles, the Memorandum and the Partnership Deed shall at all times incorporate the terms of the Agreement to the extent permitted under applicable Law. If there is any ambiguity, inconsistency or conflict between the provisions of these Articles, the Memorandum, the Partnership Deed and the Agreement, the Parties promptly shall take all such actions and steps as are necessary to amend these Articles, the Memorandum and the Partnership Deed to eliminate such inconsistency or conflicting provision or term from these Articles, the Memorandum, the Partnership Deed and to replace it with a provision or term that is consistent with the provisions of the Agreement. In the meantime, while any such amendments to these Articles, the Memorandum and the Partnership Deed are pending, no party hereto shall seek to enforce the provision of these Articles, the Memorandum and the Partnership Deed that is being amended so as to avoid inconsistency with the provisions hereof.

XXXIV. VALUATION AS PER RBI GUIDELINES

163. For the purpose of these Articles and the Agreement, the valuation of the Securities of the Company required to be determined under applicable Law in accordance with the guidelines prescribed by the RBI shall always be conducted by a Valuer, whose costs shall be borne by the Company, and the value of the Securities so determined shall always be subject to the prior written consent of Sequoia.

XXXV. NO OBJECTION

164. The Company, Stovekraft India and the Promoters irrevocably confirm and agree that Sequoia, its Affiliates and/or any other entity forming part of the Sequoia Capital group shall be free to make any investment in, or enter into a collaboration

with, any other company or Person, including any Person carrying on any business in the same, similar or allied field as the Business or the business being carried on by any of the Promoters or the respective Affiliates of the Company, Stovekraft India and the Promoters, or any business carried by any of the Company, Stovekraft India and the Promoters or their respective Affiliates on a future date. The investment as aforesaid by Sequoia, its Affiliates and/or any other entity forming part of the Sequoia Capital group will not in any way prejudice any interest of the Company, Stovekraft India or the Promoters or their respective shareholders or stakeholders. For the avoidance of doubt it is hereby clarified that this no objection shall be valid for an indefinite term, notwithstanding that Sequoia or its Affiliates cease to hold any Security of the Company.

XXXVI. COMPLIANCE WITH LAW

165. Where Sequoia is purchasing the Securities pursuant to these Articles and the Agreement, it shall have the option of purchasing the Securities through an Affiliate of Sequoia, in the event that Sequoia is prevented from purchasing the Securities due to any Law or other stipulation of any Governmental Authority, including the RBI.
166. Where Sequoia is purchasing Securities pursuant to these Articles and the Agreement and if the RBI or any other Governmental Authority with jurisdiction over the subject matter determines that the price determined in accordance with the prevailing regulatory guidelines is higher than the price at which Sequoia is purchasing the Securities as determined in accordance with the relevant provision of these Articles and the Agreement, and stipulates that the price to be paid by Sequoia for acquiring such Securities should be the price determined in accordance with the prevailing regulatory guidelines, Sequoia may elect to:
- (i) Cause one of its nominees being a Person resident in India and being an Affiliate of Sequoia to purchase the said Securities at the price as determined in accordance with the relevant provision of these Articles and the Agreement; or
 - (ii) Purchase the said Securities at the price determined in accordance with the prevailing regulatory guidelines in accordance with the requirements of the RBI; or
 - (iii) Choose not to purchase the said Securities.
167. Notwithstanding anything to the contrary contained in these Articles and the Agreement, in the event that Sequoia proposes to sell Securities pursuant to these Articles and the Agreement and if the RBI or any other Governmental Authority with jurisdiction over the subject matter determines that the price determined in accordance with the prevailing regulatory guidelines is lower than the price at which Sequoia proposes to sell the Securities as determined in accordance with the relevant provision of these Articles and the Agreement, and stipulates that the price to be paid by the purchaser of such Securities for acquiring such Securities from Sequoia should be the price determined in accordance with the prevailing regulatory guidelines, Sequoia may elect to:
- (i) If permitted by Law, cause its Securities to be sold to its nominee, being a person resident in India and being an Affiliate of Sequoia, at such price determined in accordance with the prevailing regulatory guidelines and cause such nominee to sell its Securities to the purchaser at the price determined in accordance with the relevant provision of these Articles and the Agreement; or
 - (ii) If permitted by the concerned regulatory authority, to sell the said Securities at the price determined in accordance with the relevant provision of these Articles and the Agreement with a covenant that not more than the price as determined in accordance with the prevailing regulatory guidelines be remitted outside India and the balance amounts shall be utilized in any manner as may be decided by Sequoia; or
 - (iii) Choose not to sell the said Securities and sell the Securities to any other purchaser at the price determined in accordance with the relevant provisions of these Articles and the Agreement; or
 - (iv) Sell the said Securities at such price determined in accordance with the applicable Law.

XXXVII. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

168. Subject to the provisions of the Act-
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer

169. A provisions of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer

XXXVIII. DOCUMENTS IN ELECTRONIC FORM

170. Subject to the provision of the Act or any other applicable law, the company may maintain any documents, record, registers, minutes, books of accounts etc in the electronic form in such a manner as and format as may be prescribed.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus which will be delivered to the RoC for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated September 27, 2018 between our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated September 27, 2018 between our Company, the Selling Shareholders and the Registrar to the Offer.
3. Escrow Agreement dated [●] between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s) and the Refund Bank(s).
4. Share Escrow Agreement dated [●] between the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] amongst the BRLMs, the Syndicate Members, our Company and the Selling Shareholders.
6. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters.
7. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated June 28, 1999 issued by the RoC to our Company, in the name of Stove Kraft Private Limited.
3. Fresh certificate of incorporation dated August 13, 2018 issued by RoC at the time of conversion from a private limited company into a public limited company.
4. Resolutions of the Board of Directors dated September 21, 2018, authorising the Offer and other related matters.
5. Shareholders' resolution dated September 23, 2018, in relation to this Offer and other related matters.
6. Resolutions of the board of directors of SCI and SCI-GIH each dated September 21, 2018 authorising the Offer for Sale and consent letters of Rajendra Gandhi and Sunita Rajendra Gandhi each dated September 20, 2018.
7. Copies of the annual reports of our Company for the last five Fiscals.
8. F&S consent letter dated September 12, 2018, along with the industry report titled 'Kitchen Appliances Market in India' dated August 1, 2018.
9. The examination report of the Statutory Auditor, on our Company's Restated Financial Statements, included in this Draft Red Herring Prospectus along with the Restated Financial Statements.
10. Written consent of the Directors, the BRLMs, the Syndicate Members, Domestic Legal Counsel to our Company, Legal Counsel to the BRLMs as to Indian Law, Special International Legal Counsel to the BRLMs, Registrar to the Offer, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s), Monitoring Agency, Bankers to our Company, Chief Financial Officer, Company Secretary and Compliance Officer as referred to in their specific capacities.

11. Consent letters dated September 24, 2018, received from G Shyam Sunder & Associates and Parashar & Co., Chartered Engineers to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013.
12. Written consent of the Auditors, Deloitte Haskins & Sells, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013.
13. The statement of special tax benefits dated September 26, 2018 from the Statutory Auditor.
14. Slump sale agreement dated March 31, 2016 entered into between our Company and M/S Saya Industries.
15. Investment Agreement dated February 2, 2010 entered into between our Company, our Promoters, Atul Jindal, Stovekraft India, SME Growth Fund and SCI, as amended by amendment agreement dated March 18, 2010 entered into between our Company, our Promoters, Atul Jindal, Stovekraft India, SME Growth Fund and SCI.
16. Series B Investment Agreement dated September 13, 2013, between our Company, our Promoters, Stovekraft India, SCI and SCI-GIH.
17. Amendment Agreement dated September 27, 2018 entered into between Company, our Promoters, Stovekraft India and Sequoia
18. Energy Purchase Agreement dated April 28, 2016 entered into between our Company and Vyshali Energy Private Limited.
19. Subscription and Shareholders' Agreement dated April 28, 2016 entered into between our Company, Greenko Wind Projects Private Limited and Vyshali Energy Private limited.
20. Share Purchase Agreement dated April 28, 2016 entered into between our Company, Greenko Wind Projects Private Limited and Vyshali Energy Private Limited.
21. License Agreement dated September 1, 2016 entered into between our Company and The Black + Decker Corporation.
22. Personal guarantee issued by our Promoters and others in favour of the South Indian Bank Limited dated September October 30, 2017;
23. Personal guarantee issued by our Promoters in favour of the Tata Capital Financial Services Limited dated August 31, 2018;
24. Personal guarantee issued by our Promoters in favour of State Bank of India dated March 23, 2013;
25. Personal guarantee issued by our Promoters in favour of Standard Chartered Bank dated May 9, 2008;
26. Tripartite agreement dated May 9, 2018, between our Company, NSDL and the Registrar to the Offer;
27. Tripartite agreement dated May 30, 2018, between our Company, CDSL and the Registrar to the Offer;
28. Appointment letter dated April 1, 2018 for the appointment of our Managing Director, Rajendra Gandhi;
29. Appointment letter dated April 1, 2018 for the appointment of our Executive Director, Neha Gandhi;
30. In principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.
31. Due diligence certificate dated September 27, 2018, addressed to SEBI from the BRLMs.
32. SEBI observation letter dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, the rules/guidelines/regulations issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, SCRR, the SEBI Act or rules or regulations made there under or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Rajendra Gandhi
(Managing Director)

Bharat Singh
(Nominee Director)

Neha Gandhi
(Executive Director)

Rajiv Mehta Nitinbhai
(Independent Director)

Lakshmikant Gupta
(Independent Director)

Shubha Rao Mayya
(Independent Director)

SIGNED BY CHIEF FINANCIAL OFFICER

Shashidhar Srirangpatna Krishnamurthy

Place: Bengaluru

Date: September 27, 2018

DECLARATION BY THE INVESTOR SELLING SHAREHOLDER

We, Sequoia Capital India Growth Investment Holdings I, hereby confirm that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as one of the Selling Shareholders and its respective Offered Shares, are true and correct. Sequoia Capital India Growth Investment Holdings I assumes no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder in this Draft Red Herring Prospectus.

Signed for and on behalf of **SEQUOIA CAPITAL INDIA GROWTH INVESTMENT HOLDINGS I**

Name: Aslam Koomar

Designation: Director

Date: September 27, 2018

Place: Mauritius

DECLARATION BY THE INVESTOR SELLING SHAREHOLDER

We, SCI Growth Investments II, hereby confirm that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as one of the Selling Shareholders and its respective Offered Shares, are true and correct. SCI Growth Investments II assumes no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder in this Draft Red Herring Prospectus.

Signed by and on behalf of **SCI GROWTH INVESTMENTS II**

Name: Sarwan Kumar Ramphul

Director

Date: September 27, 2018

Place: Mauritius

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby confirms and certifies that all statements, disclosures and undertakings made by such Selling Shareholder in this Draft Red Herring Prospectus about or in relation to himself in connection with the Offer for Sale, and the Equity Shares being offered by him pursuant to the Offer for Sale are true and correct.

SIGNED BY THE SELLING SHAREHOLDER

RAJENDRA GANDHI

Name: RAJENDRA GANDHI

Date: September 27, 2018

Place: Bengaluru

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby confirms and certifies that all statements, disclosures and undertakings made by such Selling Shareholder in this Draft Red Herring Prospectus about or in relation to herself in connection with the Offer for Sale, and the Equity Shares being offered by her pursuant to the Offer for Sale are true and correct.

SIGNED BY THE SELLING SHAREHOLDER

SUNITA RAJENDRA GANDHI

Name: SUNITA RAJENDRA GANDHI

Date: September 27, 2018

Place: Bengaluru