



## Manomay Tex India Limited

Our Company was originally incorporated as Manomay Tex India Private Limited at Bhilwara, Rajasthan as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 13, 2009 bearing Corporate Identification Number U18101RJ2009PTC028647 issued by Registrar of Companies, Rajasthan. Subsequently, our Company was converted into Public Company pursuant to Shareholders resolution passed at the Extraordinary General Meeting of our Company held on January 02, 2017 and the name of our Company was changed to Manomay Tex India Limited and a fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated January 06, 2017 was issued by the Registrar of Companies, Jaipur, Rajasthan. The Corporate Identification Number of our Company is U18101RJ2009PLC028647. For details of Incorporation, Change of Name and Registered Office of our Company, please refer to the chapter titled "General Information" and "Our History and Certain Other Corporate Matters" beginning on page 73 and 188 respectively of this Red Herring Prospectus.

**Registered Office:** 32, Heera Panna Market, Pur Road, Bhilwara, Rajasthan, - 311001, India

**Tel. No.:** +91 1482 – 246983; **Fax No.:** Not Available; **E-mail:** [cs@manomaytexindia.com](mailto:cs@manomaytexindia.com) ; **Website:** [www.manomaytexindia.com](http://www.manomaytexindia.com)

**Contact Person:** Prateek Jain, Company Secretary and Compliance Officer

**PROMOTERS OF OUR COMPANY:** KAILASHCHANDRA LADDHA, KANTADEVI LADDHA, MAHESHCHANDRA LADDHA, PRAMILA LADDHA, YOGESH LADDHA, PALLAVI LADDHA, KAILASHCHANDRA HIRALAL LADDHA HUF AND MAHESHCHANDRA KAILASHCHANDRA LADDHA HUF

### THE ISSUE

INITIAL PUBLIC OFFER CONSISTING OF FRESH ISSUE OF 38,04,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING UP TO RS. [●] LAKHS (THE "ISSUE"), BY OUR COMPANY OF WHICH 1,96,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 36,08,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 29.99% AND 28.45% RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER [●], [●] EDITIONS OF THE HINDI NATIONAL NEWSPAPER [●] AND [●] EDITIONS OF THE REGIONAL NEWSPAPER EACH WITH WIDE CIRCULATION, AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO SME PLATFORM OF BSE LIMITED ("BSE SME", REFERRED TO AS THE "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

In case of any revisions in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and the terminals of the Syndicate Members (defined herein below).

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to the chapter titled "Issue Procedure" beginning on page 332 of this Red Herring Prospectus. A copy will be delivered for registration to the Registrar as required under Section 32 of the Companies Act, 2013.

THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME ("SEBI (ICDR) REGULATIONS"). FOR FURTHER DETAILS PLEASE REFER THE SECTION TITLED 'ISSUE INFORMATION' BEGINNING ON PAGE 322 OF THIS RED HERRING PROSPECTUS.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 each. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the BRLM as stated in "Basis for Issue Price" on page 130 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 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 this Issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue 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 Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 21 of this Red Herring Prospectus.

### COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue; that the information contained in this 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 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.

### LISTING

The Equity Shares of our Company issued through this Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time. Our Company has received an approval letter dated March 1, 2017 from BSE for using its name in the Issue document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, SME Platform of the BSE shall be the Designated Stock Exchange.

### BOOK RUNNING LEAD MANAGER

#### PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED

406-408, Keshava Premises, Behind Family Court,  
Bandra Kurla Complex,  
Bandra East, Mumbai - 400051

**Tel:** +91-22 61946724

**Fax:** +91-22 2659 8690

**Website:** [www.pantomathgroup.com](http://www.pantomathgroup.com)

**Email:** [ipo@pantomathgroup.com](mailto:ipo@pantomathgroup.com)

**Investor Grievance Id:** [ipo@pantomathgroup.com](mailto:ipo@pantomathgroup.com)

**Contact Person:** Kirti Kanoria

**SEBI Registration No:** INM000012110



### REGISTRAR TO THE ISSUE

#### BIGSHARE SERVICES PRIVATE LIMITED

E/2, Ansa Industrial Estate, Sakivihar Road,  
Sakinaka, Andheri (East)  
Mumbai - 400 072

**Tel:** +91 22 40430200

**Fax:** +91 22 28475207

**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

**Investor Grievance Id:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**Contact Person:** Babu Raphael

**SEBI Registration Number:** INR000001385



### BID/ISSUE PROGRAMME

**BID/ISSUE OPENS ON: WEDNESDAY, MARCH 15, 2017**

**BID/ISSUE CLOSING ON: MONDAY, MARCH 20, 2017**

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The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (“U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. Persons” (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

In this Red Herring Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

#### COMPANY RELATED TERMS

Term	Description
“Manomay Tex India Limited” or “Manomay”, “MTIL” or “the Company” ,or “our Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company”	Manomay Tex India Limited, a Public Limited Company incorporated under the Companies Act, 1956
“Statutory Auditor” / “Auditor”	The Statutory Auditor of our Company, being M/s. B. Maheshwari & Co., Chartered Accountants.
“you”, “your” or “yours”	Prospective investors in this Issue
AOA / Articles / Articles of Association	Articles of Association of Manomay Tex India Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013.
Bankers to the Company	Such banks which are disclosed as Bankers to the Company in the chapter titled “ <i>General Information</i> ” on page 73 of this Red Herring Prospectus.
Board of Directors/ the Board / our Board/ Director(s)	The Board of Directors of Manomay Tex India Limited, including all duly constituted Committee(s) thereof.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Prateek Jain
Equity Shareholders/ shareholders	Persons/ Entities holding Equity Shares of our Company
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each fully paid up unless otherwise specified in the context thereof
Group Companies	Such Companies as are included in the chapter titled ‘ <i>Our Group Companies</i> ’ beginning on page 215 of this Red Herring Prospectus
ISIN	International Securities Identification Number. In this case being INE784W01015
MOA / Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended from time to time.
Peer Reviewed Auditor	Independent Auditor having a valid Peer Review Certificate in our case being M/s Birani & Associates , Chartered Accountants
Promoter Group	Persons and entities constitute our promoter group in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations and as enlisted in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 208 of this Red Herring Prospectus.
Registered Office	The Registered office of our Company situated at 32, Heera Panna Market, Pur Road, Bhilwara, Rajasthan, - 311001, India

Term	Description
RoC / Registrar of Companies	The Registrar of Companies, Jaipur, Rajasthan at Corporate Bhawan G/6-7, Second Floor, Residency Area Civil Lines, Jaipur-302001, Rajasthan, India.

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
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.
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad and Jaipur.
ASBA Bidders	Any Bidder except Anchor Investor
ASBA form/ Bid Cum Application	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus.
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited and IndusInd Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 332 of this Red Herring Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period by a Bidder 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 in accordance with the Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of

Term	Description
	Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue
Bid Cum Application Collecting Intermediaries	<ol style="list-style-type: none"> <li>1. a SCSB with whom the bank account to be blocked, is maintained</li> <li>2. a syndicate member (or sub-syndicate member) If any</li> <li>3. a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)('broker') if any</li> <li>4. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li>5. a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> </ol>
Bid cum Application form	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus
Bid Lot	[●] Equity shares and in multiples of [●] Equity Shares thereafter
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Regional newspaper [●], each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Regional newspaper [●], each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective Resident Indian 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
Bidding/collecting Centre	Centres at which the Designated Intermediaries shall accept the Bid Cum Application Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker 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



Term	Description
	ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Managers or BRLM	The Book Running Lead Manager to the Issue namely Pantomath Capital Advisors Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application 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 website of BSE India.
BSE	BSE Limited
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
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, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. 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/Applicants such as their address, PAN, occupation and bank account details
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Date	The date on which the Collection Banks transfer funds from the public issue accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue may give delivery

Term	Description
	instructions for the transfer of the respective Offered Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid Cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange (www.bseindia.com) and updated from time to time
Designated Stock Exchange	SME Exchange of BSE Limited
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated February 13, 2017 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 Issue
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares offered herein on the basis of the terms thereof.
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear 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 Issue Price will be finalised and below which no Bids will be accepted
General Information Document	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 suitably modified and included in “Issue Procedure” beginning on page 332 of Red Herring Prospectus.
Issue Agreement	The agreement dated January 31, 2017 between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus
Issue Proceeds	Proceeds to be raised by our Company through this Issue being Rs. [●] lakhs, for further details please refer chapter title “Objects of the Issue” beginning on page 124 of this Red Herring Prospectus.
Issue/ Issue Size/ Initial Public Offer/ Initial Public Offering/ IPO	Public Issue of 38,04,000 Equity Shares of face value Rs. 10 each fully paid of [●] Limited for cash at a price of Rs. [●] per Equity Share (the “Issue Price”) (including a premium of Rs. [●] per Equity Share) aggregating up to Rs. [●] Lakhs.
Listing Agreement	The Equity Listing Agreement to be signed between our Company



Term	Description
	and the SME Platform of BSE Limited
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Maker Reservation Portion	The Reserved Portion of 1,96,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] for the Market Maker in this Issue.
Market Making Agreement	Market Making Agreement dated January 31, 2017 between our Company, Book Running Lead Manager and Market Maker.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 36,08,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] by our Company
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, see "Objects of the Issue" on page 124 of this Red Herring Prospectus
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non Institutional Bidders	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have apply for Equity Shares for an amount of more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Other Investors	Investors other than Retail Individual Investors. These include individual bidders/applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated

Term	Description
	in the jurisdiction in which it exists and operates, as the context requires
Price Band	<p>Price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price) including revisions thereof.</p> <p>The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/ Issue Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and [●] edition of the Regional newspaper [●], each with wide circulation</p>
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information
QIB Portion	The portion of the Issue being 50% of the Net Issue consisting of 18,04,000 Equity Shares which shall be Allotted to QIBs subject to valid Bids being received at or above the Issue Price
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	<p>The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be issued and the size of the issue.</p> <p>The red herring prospectus will be registered with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date</p>
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLM and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Registrar Agreement	The agreement dated January 31, 2017, entered by our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Reserved Category / Categories	Categories of persons eligible for making application under



Term	Description
	reservation portion.
Retail Individual Investors / RIIs	Individual applicants (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to Rs. 2,00,000 in this Issue.
Revision Form	The Form used by Applicants to modify the quantity of Equity Shares in any of their Application Forms or any Previous Revision Form(s)
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
Self Certified Syndicate Bank or SCSB	A Bank which is registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA including blocking of bank account, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility">http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility</a>
SME Exchange	SME Platform of BSE Limited, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations
SME Platform of BSE	The SME Platform of BSE for listing of Equity Shares offered under Chapter XB of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011
Specified Locations	Collection centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The Agreement dated February 21, 2017 entered into between the Underwriter and our Company.
Working Days	(i) Till Application / Issue closing date: All days other than a Saturday, Sunday or a Public holiday; (ii) Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

#### TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
ARMs	Additional Revenue Measures
ASEAN	The Association of Southeast Asian Nations
ASPIRE	A scheme for Promoting Innovation and Rural Entrepreneurs
ATUFS	Amended Technology Up-gradation Fund Scheme
BBB	Better Business Bureaus

Term	Description
BSE	BSE Limited
BSE SENSEX	Sensex is an index; market indicator of the position of stock that is listed in the BSE (Bombay Stock Exchange)
BTRA	The Bombay Textile Research Association
CAGR	Compound Annual Growth Rate
CAP	Corrective Action Plan
CCCT	China Chamber of Commerce for Import and Export of Textiles
CEO	Chief Executive Officer
CGTMSE	Credit Guarantee Trust Fund for Micro and Small Enterprises
CLCSS	Credit Linked Capital Subsidy Scheme
CMAI	The Clothing Manufacturers' Association of India
CoE	Centres of Excellence
CPI	Consumer Price Index
Credit Suisse	Credit Suisse Business Analytics India
CSO	Central Statistics Office
DPP	Defence Procurement Policy
EMDEs	Emerging Market and Developing Economies
EMEs	Emerging Market Economies
FDI	Foreign Direct Investment
FOB	Freight on Board
FPI	Foreign Portfolio Investment
FY	Financial Year
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
IBEF	India Brand Equity Foundation
IIP	Index of Industrial Production
IMF	International Monetary Fund
IP	Industrial Production
JV	Joint Venture
MAI	Market Access Initiative
MAT	Minimum Alternative Tax
MDA	Market Development Assistance
M-o-M	Month-On-Month
MoU	Memorandum of Understanding
MSECDP	Micro and Small Enterprises- Cluster Development Programme
MSMEs	Micro, Small and Medium Enterprises
MUDRA	Micro Units Development & Refinance Agency Ltd.
MYEA	Mid-Year Economic Analysis
NER	North East Region
NITI	The National Institution for Transforming India
NITRA	Northern India Textile Research Association
NMP	National Manufacturing Policy
OIL	Oil India Limited
ONGC	Oil and Natural Gas Corporation

Term	Description
PC	Pay Commission
PMEGP	Prime Minister's Employment Generation Programme
PMMY	Pradhan Mantri MUDRA Yojana
PPP	Purchasing Power Parity
PPP	Public-Private Partnership
RIL	Reliance Industries Ltd
RIRI	Rational Investor Ratings Index
RRTUFS	The Revised Restructured Technology Up gradation Fund Scheme
SASMIRA	The Synthetic & Art Silk Mills' Research Association
SFURTI	Scheme of Fund for Regeneration of Traditional Industries
SITP	Scheme for Integrated Textile Parks
SITRA	The South India Textile Research Association
SMEs	Small And Medium Enterprises
TADF	Technology Acquisition and Development Fund
TUFS	Technology Up-gradation Fund Scheme
UAM	Udyog Aadhaar Memorandum
UAN	Udyog Aadhaar Number
UNIDO	United Nations Industrial Development Organisation
US Fed	United States Federal Reserve
US\$/ US dollar	United States Dollar, the official currency of United States of America
US/ U.S./ USA	United States of America
WEO	World Economic Outlook
WIL	Welspun India Ltd
WPI	Wholesale Price Index

#### CONVENTIONAL AND GENERAL TERMS/ABBREVIATIONS

Term	Description
A.Y./AY	Assessment Year
A/C	Account
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
AoA	Articles of Association
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors	FPIs who are registered as - Category I foreign portfolio investors under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as - Category II foreign portfolio investors under the SEBI FPI Regulations
Category III Foreign	FPIs who are registered as - Category III foreign portfolio investors

Term	Description
Portfolio Investors	under the SEBI FPI Regulations
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Cm	centimetre
CMD	Chairman and Managing Director
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the notified sections
CS	Company Secretary
CST	Central Sales Tax
Depositories	NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited); Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion
DP	Depository Participant
DP ID	Depository Participant's Identity
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPFA	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
F.Y./FY	Financial Year
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FII(s)	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
FIPB	The Foreign Investment Promotion Board, Ministry of Finance,



Term	Description
	Government of India
FIs	Financial Institutions
FPI(s)	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992
Ft	Foot
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
FV	Face Value
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GoI/ Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
I. T. Act	The Income Tax Act, 1961, as amended.
ICAI	Institute of Chartered Accountants of India
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations/Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
INR	Indian National Rupee
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT Authorities	Income Tax Authorities
IT Rules	The Income Tax Rules, 1962, as amended from time to time
Key Managerial Personnel / KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 192 of this Red Herring Prospectus
KVA	Kilovolt-ampere
Listing Regulations / SEBI Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
LM	Lead Manager
Ltd.	Limited
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mn	Million
MoA	Memorandum of Association

Term	Description
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NBFC	Non Banking Finance Company
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NI Act	Negotiable Instruments Act, 1881
NI Act	Negotiable Instruments Act, 1881
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident (External) Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Pvt.	Private
Pvt.	Private
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC	Registrar of Companies
RoNW	Return on Net Worth
Rs. / INR	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995

Term	Description
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations / Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Sec	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	SME Platform of BSE Limited
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TNW	Total Net Worth
TRS	Transaction Registration Slip
U.S. GAAP	Generally accepted accounting principles in the United States of America
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
US/ U.S. / USA/United States	United States of America
USD / US\$ / \$	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from
WDV	Written Down Value
WTD	Whole-time Director
YoY	Year over year

*Notwithstanding the following: -*

- i. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 385 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- ii. In the section titled “*Financial Statements*” beginning on page 220 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- iii. In the section titled “*Risk Factors*” beginning on page 21 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- iv. In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page 133 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
- v. In the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 270 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter.



## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

### FINANCIAL DATA

Unless stated otherwise, the financial data included in this Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 220 this Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on April 1<sup>st</sup> of each year and ends on March 31<sup>st</sup> of the next year. All references to a particular fiscal year are to the 12 month period ended March 31<sup>st</sup> of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 220 of this Red Herring Prospectus.

### CURRENCY OF PRESENTATION

In this Red Herring Prospectus, references to “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million’ and ‘billion / bn./ Billions’ means ‘one hundred crores’.

## INDUSTRY AND MARKET DATA

Unless stated otherwise, Industry and Market data and various forecasts used throughout this Red Herring Prospectus have been obtained from publically available information, Industry Sources and Government Publications.

Industry Sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified by the Book Running Lead Manager or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "*Risk Factors*" beginning on page 21 of this Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

Further, the extent to which the industry and market data presented in this 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 we conduct our business, and methodologies and assumptions may vary widely among different industry sources.





### FORWARD LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our 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 and property valuations to differ materially from those contemplated by the relevant forward looking statement.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to the following:-

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the Industry which we operate;
- Factors affecting the Industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- Changes in government policies and regulatory actions that apply to or affect our business.

For a further discussion of factors that could cause our actual results to differ, refer to section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 21 and 270 respectively of this Red Herring Prospectus. 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 future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date of this Red Herring Prospectus. Neither we, our Directors, Book Running Lead Manager, Underwriter 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 SEBI requirements, the BRLM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

## SECTION II – RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this issue including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

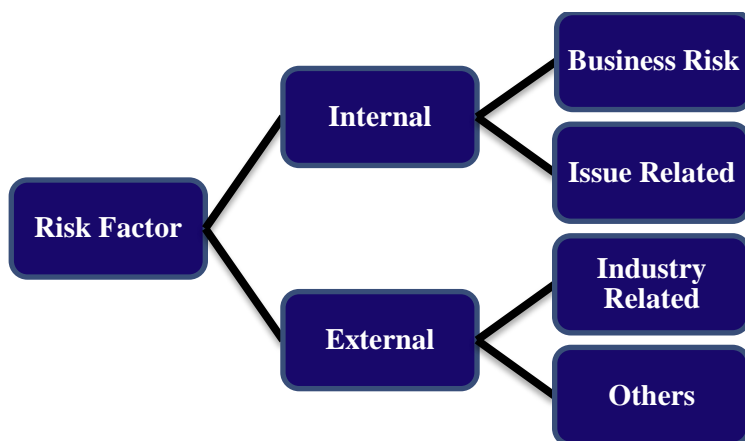
*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 161, “Our Industry” beginning on page 136 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 270 of this Red Herring Prospectus as well as other financial information contained herein.*

*The following factors have been considered for determining the materiality of Risk Factors:*

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively;*
- *Some events may not be material at present but may have material impact in future.*

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 3 of this Red Herring Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

*The risk factors are classified as under for the sake of better clarity and increased understanding:*



## INTERNAL RISK FACTORS

### Business Specific / Company specific Risk

1. *Our Company, its Director and Group Companies are currently involved in certain tax related proceedings which are pending at various stages with relevant authorities. Further, our Company has filed an appeal with Commissioner of Income Tax (Appeals) against an Assessment Order dated December 30, 2016 for AY 2014-15. Any adverse decision in such proceedings may render us liable to liabilities and penalties and may adversely affect our business and results of operations.*

Our Company, Director and Group Companies are involved in certain tax related proceedings. Notices have been issued to our Company, Director and Group Companies under Income Tax Act, 1961 and are pending with authorities at various jurisdictions; any adverse decisions in such proceedings may adversely affect our business. Our Company has filed an appeal with Commissioner of Income Tax (Appeals) against an Assessment Order dated December 30, 2016 for AY 2014-15; challenging unjustified addition of Share Capital & Share Premium, disallowance of Provident Fund and imposition of penalty under Section 271(1) C. The matter is currently pending for hearing. Any adverse decision in said matter, may impact financials of our Company.

Also, we cannot assure that we, our promoters, our directors or group companies may not face legal proceedings in future; any adverse decision in such legal proceedings may impact our business. For further details in relation to legal proceedings involving our Company, Promoters, Directors and Group Companies, please refer the chapter titled “Outstanding Litigations and Material Developments” on page 290 of this Red Herring Prospectus.

Except as mentioned below, there are no legal proceedings by or against our Company, Directors, Promoters or Group Companies. A classification of legal proceedings is mentioned below:

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labour Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	Aggregate amount involved (Rs. In Lakhs)
<b>Company</b>							
By the Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	1	Nil	Nil	Nil	Not Ascertainable
<b>Promoters</b>							
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Group Companies</b>							
By Group Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against Group Companies	Nil	Nil	3	Nil	Nil	Nil	Not Ascertainable
<b>Directors other than promoters</b>							
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	1	Nil	Nil	Nil	0.00174

2. *We require a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of Manomay Tex India Limited from Manomay Tex India Private Limited pursuant to name change of our company and any failure or delay in obtaining such approvals or renewal of the same in a timely manner may adversely affect our operations.*

We require a number of approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we may need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. We were a private limited company in the name of - "Manomay Tex India Private Limited". After complying with the relevant provisions and procedures of Companies Act, 2013, the Company was converted into a public limited Company followed by a change of name of the company to "Manomay Tex India Limited". We shall be taking necessary steps for transferring the approvals in the new name of our Company. In case we fail to transfer/ obtain the same in name of the Company, the same may adversely affect our business operations.



Further, we are yet to apply for approvals such as Registration Certificate under Contract Labour (Regulation and Abolition) Act, 1970, Registration under Rajasthan Shops and Establishment Act, 1958 for the Registered Office, Professional Tax Enrollment Certificate (PTEC) and Professional Tax Registration Certificate (PTRC) under the Rajasthan Tax on Professions, Trades, Callings and Employment Act, 2000. The logo of the Company is yet to be registered under Trademark Act, 1999 and we are in the process of registering the same with the Trademark Authorities. Consequently, we do not enjoy the statutory protections accorded to registered trademarks in India for the logo of our company.

Any failure to apply for and obtain the required approvals, licenses, registrations or permits in a timely manner, or any suspension or revocation of any of the approvals, licenses, registrations and permits would result in a delay in the our business operations which could otherwise adversely affect our financial condition, results of operations and prospects of the Company. We cannot assure you that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition to same, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business and results of operations.

For further details, please refer the Chapter “Government and other Statutory Approvals” on page 297 of this Red Herring Prospectus.

**3. *Our top 5 customers contributed more than 60% and top 10 customers contributed more than 75% of our gross revenues for the year ended March 31, 2016. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

Our top 5 customers contributed more than 60% and top 10 customers contributed more than 75% of our gross revenues for the year ended March 31, 2016. Any decline in our quality standards, growing competition and any change in the demand for our products by these customers may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

However, the composition and revenue generated from these customers might change as we continue to add new customers in normal course of business. Our Company and our management have been able to maintain and strengthen these business relationships over a period of time. We believe that we may not foresee substantial challenges in maintaining our business relationship with them or finding new customers.

**4. *The Promoter Group and Group Companies of our Company do not include Suresh Chandra Laddha and/or any entity (ies) in which he may have an interest.***

The Promoter Group and Group Companies of our Company do not include Sureshchandra Laddha, brother of our Promoter Kailashchandra Laddha, and accordingly any entity (ies) in which Sureshchandra Laddha severally or jointly may have an interest is (are) not included as part of Promoter Group / Group Companies of our Company. Sureshchandra Laddha was the initial subscriber to the Memorandum of Association of Manomay Tex India Limited and was also the first director of the Company. However, due to family dispute, the said brothers and their family constituents are in the process of family separation, consequent to which Sureshchandra Laddha resigned from the directorship of the Company on February 22, 2013. Pending family settlement, as on date of the Red Herring prospectus, Suresh Chandra Laddha along with his constituents of immediate relatives hold 1.80% Equity Share Capital of the Company, which has been considered as non-Promoter shareholding and disclosed as such in this Red Herring Prospectus. A declaration dated February 11, 2017 has been provided by Kailashchandra Laddha affirming the above position and stating his unwillingness to include Sureshchandra Laddha and any entities in which he may severally or jointly have an interest, in

the promoter group and group companies. Therefore, the disclosures made in this Red Herring Prospectus are limited to the extent of information that has been provided by our promoters in relation to promoter group entities and group companies. For more details please refer the chapter titled “Our Promoter and Promoter Group” and “Group Companies” beginning on page 208 and 215 respectively of this Red Herring Prospectus.

**5. *We are highly dependent on third parties for supply of our raw materials. Further we also job work few processes by third parties involved in our manufacturing cycle. Any hindrance from such parties with respect to supplies or quality of products, may affect our production process, resulting into loss of revenues.***

We procure our primary raw materials i.e. cotton yarns and synthetic yarn from third party suppliers. Further we also use third party job work facilities for few processes such as dyeing, sizing and finishing of our products at our Ichalkaranji unit and if required for weaving process at Bhilwara unit. Our quality of fabric highly depends upon the quality of raw material i.e. yarn we procure and the process through which it under goes. Any goods received by us which do not comply with the quality specifications or standards prevalent in the business or market segment, may result in customer dissatisfaction, which may have an adverse effect on our sales and profitability. Also in case of job work carried by third parties for us, any inconsistency in standard, or any deterioration in quality of services, supplied by them may hamper our reputation and thereby business operations. Further any refusal from suppliers to adhere to the delivery schedules or to supply in the necessary quantities may adversely affect our ability to deliver orders on time and as a result we may lose customers.

In case our Company receives significant higher demand or if there is a need to replace an existing job worker, there can be no assurance that additional supplies of raw material or job work facilities will be available and that too on the desired terms in order to enable us to fulfil our orders on time. Though we believe that Bhilwara being a textile hub there shall be no difficulties in finding new suppliers if required, there can be no assurance that our existing or potential suppliers, job workers will continue to provide us with the necessary quantity of raw material and services, at the desired level of quality and within the scheduled timelines.

**6. *Our cost of production is exposed to fluctuations in the prices of raw material i.e. cotton and synthetic yarn.***

We are exposed to fluctuations in the prices of cotton & synthetic yarns, grey cloth and other required raw materials and may be unable to control factors affecting the price at which we procure such materials, particularly as we typically do not enter into any supply agreements with our suppliers and our major requirement is met in the spot market. We may at times also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Particularly, we face the risk of our products becoming unaffordable for a segment of the demography, if we pass on the increase in the cost of production to our customers through a corresponding increase in the price of our products in order to maintain our historical margins. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations.

**7. *Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

Our industry being labour intensive is highly dependent on labour force for carrying out its manufacturing operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however there can be no assurance that we will not





experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

Further due to increased competition for skilled employees in India over the last few years, we may need to increase our levels of employee compensation rapidly to remain competitive in attracting the best possible talent which may result in increased costs and affect our profitability.

**8. *Our results of operations may be materially adversely affected by our failure to anticipate and respond to changes in fashion trends and consumer preferences in a timely manner.***

Our results of operations depend upon the continued demand by customers for our products and design. We believe that our success depends in large part upon our ability to anticipate, gauge and respond in a timely manner to changing fashion trends and customer's demands and preferences and upon the appeal of our products. Due to increasing market share of denim industry, presently we manufacture only denim fabric at our Bhilwara manufacturing unit which forms major part of our revenue. Though we have been receiving good response from the market which can be reflected with the increase in our turnover year on year and with our turnover crossing Rs. 200 crores in FY 2015-16, in case there is any slow down in the denim industry or if the denim products go off-trend, our revenue from operations could be adversely affect. Any decline in demand for our products, or a failure to anticipate market trends could, among other things, lead to lower sales, excess inventories and higher markdowns, each of which could have a material adverse effect on our reputation, results of operations and financial condition.

**9. *Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.***

Our business is working capital intensive. A significant portion of our working capital is utilized towards trade receivables and inventories. Summary of our working capital position is given below:-

*Amount (Rs. in lakhs)*

Particulars	For the period ended	For the year ended March 31,				
	September 30, 2016	2016	2015	2014	2013	2012
<b>A. Current Assets</b>						
a. Inventories	1,618.56	1,280.75	690.68	681.62	538.97	218.26
b. Trade Receivables	3,056.40	2,403.92	1,074.44	1,278.26	486.34	301.42
c. Cash and Bank Balances	450.96	397.39	266.33	55.00	20.25	8.18
d. Short Term Loans & Advances	312.74	294.67	258.05	39.55	94.99	22.65
e. Other Current Assets	4.16	4.16	16.12	-	-	-

Particulars	For the period ended	For the year ended March 31,				
	September 30, 2016	2016	2015	2014	2013	2012
<b>B. Current Liabilities</b>						
a. Trade Payables	2,866.04	1,907.69	1,038.81	897.37	796.00	273.25
b. Other Current Liabilities	104.47	131.00	58.38	61.27	4.03	10.51
c. Short Term Provisions	11.17	8.38	18.04	37.55	4.71	0.01
<b>Working Capital (A-B)</b>	<b>2,461.13</b>	<b>2,333.81</b>	<b>1,190.40</b>	<b>1,058.25</b>	<b>335.81</b>	<b>266.75</b>
<b>Inventories as % of total current assets</b>	<b>29.74</b>	<b>29.23</b>	<b>29.96</b>	<b>33.18</b>	<b>47.26</b>	<b>39.65</b>
<b>Trade receivables as % of total current assets</b>	<b>56.15</b>	<b>54.87</b>	<b>46.60</b>	<b>62.22</b>	<b>42.64</b>	<b>54.75</b>

We usually supply products on credit to our clients. Our working capital requirement may increase if our credit period is increased or raw material prices are increased etc. All these factors may result in increase in the quantum of current assets particularly inventories and trade receivables.

In the event, we are required to repay any working capital facilities upon receipt of a demand from any lender; we may be unable to satisfy our working capital requirements. Further, our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled “*Objects of the Issue*” beginning on page 124 of this Red Herring Prospectus.

#### **10. Ours is a high volume-low margin business**

Ours is a high volume low margin business. Our inability to regularly grow our turnover and effectively execute our key business processes could lead to lower profitability and hence adversely affect our operating results, debt service capabilities and financial conditions. Due to the nature of the products we sell, we may not be able to charge higher margins on our products. Hence, our business model is heavily reliant on our ability to effectively grow our turnover and manage our key processes including but not limited to procurement of raw material/ traded goods, timely sales / order execution and continuous cost control of non core activities.

For the period ended September 30, 2016 and for the financial year 2015-16, 2014-15, 2013-14; our total revenue was Rs. 14,500.87 lakhs, Rs. 21,819.00 lakhs, Rs. 16,614.93 lakhs and Rs. 10,174.63 lakhs respectively. Our profit before tax Margin and profit after tax margin was lower than or around 1% for each period.

The table below gives details of our operating margins and net profit margin based on restated financials

Particulars	September 30, 2016	2015-16	2014-15	2013-14
Total Income (Rs in lakhs)	14,500.87	21,819.00	16,614.93	10,174.63
EBITDA Margins (%)	5.21	4.32	3.18	4.93
PBT Margins (%)	1.17	0.94	0.53	0.33
PAT Margins (%)	1.14	0.61	0.14	(0.75)

As part of our growth strategy, we aim to improve our functional efficiency and expand our business operations. Our growth strategy is subject to and involves 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, or complete them within the timelines. Further, we operate in a dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands.

For further details regarding the discussions and explanations for our past results, please refer to the chapter titled “*Management’s Discussions and Analysis of Financial Condition and Results of Operations*” beginning on page 270 of this Red Herring Prospectus.

***11. We face competition in our business from organized and unorganized players, which may adversely affect our business operations and financial condition.***

The textile industry is highly and increasingly competitive and unorganised, and our results of operations and financial condition are sensitive to, and may be materially adversely affected by competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins, lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations.

The textile segment which we cater to is fragmented and continues to be dominated by unorganised suppliers. Further we are mainly situated at Bhilwara, which is considered as the textile hub of the nation, having huge textile business in an unorganised sector especially on small and medium scale. Textile industry also has many large conglomerates giving further competition to players like us. We compete primarily on the basis of quality, customer satisfaction and marketing. We believe that in order to compete effectively, we must continue to maintain our reputation, be flexible and prompt in responding to rapidly changing market demands and customer preferences, and offer customer a wide variety of fabrics at competitive prices. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

***12. Currently we have an aggregate outstanding export obligation of Rs. 2323.94 Lacs, which needs to be fulfilled. Failure to meet export obligation would entail payment of the amount of proportionate duty saved together with interest.***

Currently, we have an outstanding export obligation of Rs. 2323.94 lacs which needs to be fulfilled. This amount pertains to various procured capital assets imported at concessional rate of import duty under EGCP scheme. For further information of details of the licenses and outstanding export obligations please refer chapter titled “*Our Business*” beginning on page 161 of this Red Herring Prospectus. Any failure to meet such export obligation would entail payment of the amount of proportionate duty saved together with interest.

***13. The shortage or non-availability of power facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.***

Our manufacturing processes requires substantial amount of power facilities. The quantum and nature of power requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involve significant capital expenditure and per unit cost of electricity produced is very high in view of increasing oil prices and other constraints. We are mainly dependent on State Government for meeting our electricity requirements. Any disruption / non availability of power shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

***14. Our Company has made non compliances and lapsed/made delay in certain filings under various Statutory Acts applicable to it in the past years.***

Our Company has in past contravened provisions of section 73 of the Companies Act, 2013. Further, our Company has also lapsed/ made delay in certain filings under various Statutory Acts applicable to it

in the past years. Due to these delays in filings, our Company had on several occasions paid the requisite late fees. Although they have not been furnished with any notices by the RoC/any other statutory authority with respect to this non-compliance, such non-compliance may in the future render us liable to statutory penalties and could have serious consequences on our operations. While this could be attributed to technical lapses and human errors, our Company has now appointed a whole time Company Secretary to set up a system to ensure that requisite filings are done within the applicable timelines.

***15. We do not generally enter into agreements with our third party job workers or raw material suppliers. Any disruption in supplies from them may adversely affect our production process.***

We have no formal agreement entered into with our third party job workers or raw material suppliers. Though we maintain good relations with them, there can be no assurance that we shall be able to continue such relations with any or all of them. Any disruption in supplies from these parties may require us to find additional suppliers. There can be no assurance that we shall be able to find additional suppliers in time or transact business with them on favorable terms and conditions or the quality of products supplied by these suppliers will be at par with those of our existing suppliers. Further we cannot assure you that our third party job workers will continue to be associated with us on reasonable terms, or at all. Since such third party job workers are not contractually bound to deal with us exclusively, we may face the risk of losing their services to our competitors. Any disruption from our third party job workers or suppliers due to inexistence of contracts may adversely affect our production process and consequently our results of operations.

***16. We do not have any offshore office or business place to look after our Export Operations***

We cater with our products to both domestic as well as international markets. However, we do not have any offshore office as a result of which we may not be able to capitalize on opportunities offered by the evolving international apparel market and our customers in a timely manner. Operations of our Company are handled from registered office and main manufacturing facility both being located at Bhilwara. Apart from this, our Company does not have any place of business abroad either in the nature of liaison office or corporate office. We have not appointed any agents abroad to look after our business operations. Due to this, we may not be able to expand our business effectively in the international market, thereby affecting the results of operations and profitability.

***17. We generally do business with our customers on purchase order basis and do not enter into long term contracts with most of them.***

Our business is dependent on our continuing relationships with our customers. Our Company neither has any long-term contract with any of customers. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

***18. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of corporate and other law could impact the financial position of our Company to that extent.***

Our Company may have not complied with certain accounting standards and Section 4A of The Payment of Gratuity Act, 1972, in the past. Although no show cause notice in respect of the same has been received by our Company till date. Any penalty imposed for such non-compliance could affect our financial conditions to that extent. In relation to gratuity we have not received any notice/communication from the relevant authority, for the previous defaults till date. However, now our Company is complying with all the accounting standards and has given effects in the Restated Financial Statements for such non compliances



***19. Our company is highly dependent on third party logistics services for the delivery of our raw materials/ finished products and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations***

Our Company uses third party transportation providers for delivery of our raw materials and finished products. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. These transportation facilities may not be adequate to support our existing and future operations. In addition raw materials/ finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, or other events could impair ability to procure raw materials or deliver finished goods on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

***20. Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be impaired.***

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential disputedue to inadequate stamping may adversely affect our operations. .

***21. We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Further, changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies in time or at all would have a material adverse effect on our business and results of operations.

***22. Continued operations of our manufacturing facilities are critical to our textile business and any disruption in the operation of our facility may have a material adverse effect on our business, results of operations and financial condition.***

Our manufacturing facilities are subject to operating risks, such as unavailability of machinery, breakdown, obsolescence or failure of machinery, disruption in power supply or processes, performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Our machines have limited lives and require periodic cleaning as well as annual over hauling maintenance. In the event of a breakdown or failure of such machinery, replacement parts may not be available and such machinery may have to be sent for repairs or servicing. We have not entered into any technical support service agreements for the maintenance and smooth functioning of our equipment's and machineries. This may lead to delay and disruption in our production process that could have an adverse impact on our sales, results of operations, business growth and prospects.



**23. Our Company's failure to maintain the quality standards of the products could adversely impact our business, results of operations and financial condition.**

Our products depend on customer's expectations and choice or demand of the customer and trends in the fashion industry. Any failure to maintain the quality standards of our products may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customers' quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

**24. We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.**

Our Company has recently ventured into international markets and now supplies products both in domestic and export markets. Exporting of our goods helps us gain a foreign exchange earnings and outgo in terms of FOB value of exports. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations.

**25. Our Company had negative cash flows from its operating activities, investing activities as well as financing activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.**

Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

*Amount (Rs. in Lakhs)*

Particulars	For the period ended	For The Year Ended				
	September 30, 2016	2016	2015	2014	2013	2012
Cash Flow from / (used in) Operating Activities	695.87	749.82	521.15	131.55	185.40	(2.01)
Cash Flow from / (used in) Investing Activities	(128.84)	(3,073.02)	(210.18)	(327.68)	(2,048.50)	(77.98)
Cash Flow from / (used in) Financing Activities	(513.46)	2,454.25	(99.64)	230.87	1,875.17	68.17

Cash flow of a company is a key indicator to show the extent of cash generated from operations 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 in future, it may adversely affect our business and financial operations.

**26. Our trademark is not registered and as such we may not be able to effectively protect our intellectual property.**

We operate in an extremely competitive environment, where generating brand recognition is significant element of our business strategy. Currently our Logo is not registered with any certifying authority and therefore we do not enjoy the statutory protection accorded to a registered trademark and are subject to the various risks arising out of the same, including but not limited to infringement or passing off our





name and logo by a third party. As our logo is not registered, we would not enjoy the statutory protections accorded to a registered trademark and our ability to use our logo may be impaired. For further details please refer to section titled “Government and Other Approvals” beginning on page 297 of this Red Herring Prospectus.

Sr No	Description	Word/Label Mark	Applicant	Application Number	Date of Filing	Class	Status
1		Device-Word Mark	Manomay Tex India Private Limited	2472691	February 05, 2013	24	Abandoned

- 27. *We do not own the land where our manufacturing facility and branch offices based in Ichalkaranji and the registered office based in Bhilwara is located. In the event, we are unable to renew the rent agreements, or if such agreements are terminated, we may suffer a disruption in our operations.***

Our Company does not own the land where our manufacturing facility and branch offices based in Ichalkaranji and the registered office based in Bhilwara is located. We have taken the same on rent from our Directors. The rent agreement for manufacturing facility and marketing office in Ichalkaranji is valid upto September 30, 2026 and November 30, 2025 respectively and rent agreement for our registered office in Bhilwara is valid upto November 2017. These rent agreements can be extended subject to mutual consent of both the parties. Further the manufacturing unit in Ichalkaranji is co-owned by Suresh Chandra Laddha which has been disassociated from our Promoter Group. The Company may have to vacate the premises due to any family separation or for any unfavourable conditions which may affect our operations adversely. Also if we do not comply with certain conditions of the rent agreement, it may lead to termination of the lease. In the event of non-renewal or termination of the lease, we may have to vacate our current premises and shift to new premises. There can be no assurance that we shall be able to find a suitable location, or one at present terms and conditions. Any additional burden due to shifting of premises, or increased rental expenses, may adversely affect our business operations and financial conditions.

For details on properties taken on lease/rent by us please refer to the heading titled “Land & Property” in chapter titled “Our Business” beginning on page 161 of this Red Herring Prospectus.

- 28. *Introduction of alternative textile materials caused by changes in technology or consumer preferences may affect demand for our existing products which may adversely affect our financial results and business prospects.***

Our products are used mainly by manufacturers of readymade garments / garment houses that require fabric materials for manufacturing apparel. Our business is affected by change in technology, consumer preferences, market perception of brand, attractiveness and convenience. Our ability to anticipate such changes and to continuously develop and introduce new and enhanced products successfully on a timely basis will be a key factor in our growth and business prospects. There can be no assurance that we will be able to keep pace with the technological advances that may be necessary for us to remain competitive. Further, any substantial change in preference of consumers who are end users of our products will affect our customers’ businesses and, in turn, will affect the demand for our products. Any failure to forecast and/or meet the changing demands of textile business and consumer preferences may have an adverse effect on our business, profitability and growth prospects.

**29. *We have issued Equity Shares in the last twelve months, the price of which may be lower than the Issue Price.***

Our Company has issued equity shares in the last twelve months at a price lower than the issue price on the following occasions:

- Bonus Issue of 71,03,480 Equity Shares of face value of Rs. 10/- each on December 08, 2016, in the ratio of 4 Equity Shares for every 1 Equity Share held.

For further details of Equity Shares issued, please refer to chapter titled, 'Capital Structure' beginning on page 85 of this Red Herring Prospectus.

**30. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.***

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It also is possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

**31. *Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and manufacture new inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture, we may be required to write-down our inventory or pay our suppliers without new purchases or create additional vendor financing, which could have an adverse impact on our income and cash flows. Any increase in sales return beyond the standard levels, may also result in accumulation of inventories and consequently impact our cash flows.

**32. *Our lenders have charge over our movable properties in respect of finance availed by us.***

We have secured our lenders by creating a charge over our movable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amounts outstanding and payable by us as secured loans were Rs.4,301.56 lakhs as on September 30, 2016. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse affect on business, financial condition or results of operations. For further information on the "Financial Indebtedness" please refer page 279 of this Red Herring Prospectus.

**33. *Our Company has unsecured loans which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows.***

As at September 30, 2016 our Company has unsecured loans amounting to Rs. 598.97 lakhs from certain individuals and entities, including promoters and members of promoter group, that are repayable on demand to the relevant lenders. Such loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lenders at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and



financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows.

For further details of unsecured loans of our Company, please refer 'Annexure VII' 'Details of Long Term Borrowings as Restated' of chapter titled "*Financial Statements*" beginning on page 220 of this Red Herring Prospectus.

**34. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements.***

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. Further certain agreements also impose financial and other restrictive covenants such as maintenance of financial ratios, submission of results, etc. There can be no assurance that we will be able to comply with the financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance.

For further information, see the chapter titled "*Financial Indebtedness*" on page 279 of the Red Herring Prospectus.

**35. *Our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and terrorism. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.***

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others, standard fire and special perils. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits, losses due to terrorism, etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

**36. *Our Promoters and members of the Promoter Group have provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.***

Our Promoters and members of the Promoter Group have provided personal guarantees in relation to certain loan facilities availed of by us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative 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 may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

**37. *We have in the past entered into related party transactions and may continue to do so in the future.***

Our Company has entered into certain transactions with our related parties including our Promoter, the Promoter Group, our Group Companies, our Directors and their relatives. While we believe that all such transactions have been conducted on the arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For details on the transactions entered by us, please refer to section "Related Party Transactions" in Section "Financial Statements" beginning on page 220 of this Red Herring Prospectus.

**38. *Our success depends largely upon the services of our Promoters, Directors and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.***

Over the years, our Directors and Key Managerial Personnel have built strong relations with clients, employees and other business associates. Our success is substantially dependent on the expertise and services of our Directors and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

**39. *In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company***

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding, loan given by them and dividend entitlement in our Company. For further information, see "Capital Structure" and "Our Management" on pages 85 and 192, respectively, of this Red Herring Prospectus.

**40. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the issue. Further we have not identified any alternate source of financing the 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, debts, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled "Objects of the Issue" beginning on page 124 of this Red Herring Prospectus.



- 41. *Within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page 124 of this Red Herring Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the ‘Objects of the Issue’ have not been appraised by any bank or financial institution.***

We intend to use entire fresh Issue Proceeds towards working capital requirements and for general corporate purposes. We intend to deploy the Net Issue Proceeds in financial year 2016-17 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled "Objects of the Issue" beginning on page 124 of this Red Herring Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled ‘Objects of the Issue’ beginning on page 124 of this Red Herring Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. However, the Company shall comply with Section 27 of the Companies Act, 2013 before varying the ‘Objects of the Issue’. The Audit Committee will monitor the utilization of the proceeds of this Issue.

- 42. *Our ability to pay dividends will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “Dividend Policy” on page 219 of this Red Herring Prospectus.

- 43. *Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

- 44. *Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.***

After completion of the Issue, our Promoters and Promoter Group will collectively own 58.38% of the Equity Shares. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any



proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

**45. *We have not entered into any technical support service for the maintenance and smooth functioning of our equipment's and machineries, which may affect our performance.***

Our manufacturing processes involve daily use of technical equipment's and machineries. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Our company has not entered into any technical support service agreements with any competent third party. Our failure to reduce the downtime in case such events occur may adversely affect our productivity, business and results of operations.

**46. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

**Issue Specific Risks**

**47. *There are restrictions on daily/weekly/monthly/annual movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Once listed, we would be subject to circuit breakers imposed by stock exchange in India i.e. BSE Limited, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**48. *After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.***

The price of the Equity Shares on the Stock Exchange may fluctuate as a result of the factors, including:

- a. Volatility in the Indian and global capital market;
- b. Company's results of operations and financial performance;
- c. Performance of Company's competitors;
- d. Adverse media reports on Company or pertaining to the Industry in which we operate;
- e. Changes in our estimates of performance or recommendations by financial analysts;
- f. Significant developments in India's economic and fiscal policies; and





g. Significant developments in India's environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

**49. *The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares has been determined by fixed price method. This price is based on numerous factors (For further information, please refer chapter titled “Basis for Issue Price” beginning on page 130 of this Red Herring Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

**50. *You will not be able to sell immediately on Stock Exchange any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.***

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in the Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchange, we are required to refund all monies collected to investors.

**51. *Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

## **EXTERNAL RISK FACTORS**

**52. *The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.***

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related

to issue of capital, disclosures in Red Herring Prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

**53. *Any changes in regulations or applicable government incentives would materially adversely affect our Company's operations and growth prospects***

The GoI has provided many incentives to the textile sector including the Technology Upgradation Fund Scheme ("TUFS") under which 5 per cent of the interest cost is on finance of new machinery is reimbursed from the Ministry of Textiles, duty entitlement pass book scheme and duty drawback. These incentives could be modified or removed at anytime, or new regulations could be introduced applicable to our Company's business, which could adversely affect our Company's operations and financial results.

Our Company is also subject to regulations and textile policies, primarily in India. For further details, see the chapter titled "Key Industry Regulations and Policies" beginning on page 174 of the Red Herring Prospectus. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized 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 securities transaction tax ("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. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India, if securities transaction tax has been paid on the transaction. Any gain realized on the sale of shares held for more than 36 months to an Indian resident, which are sold other than on a recognized 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 realized on the sale of equity shares held for a period of 36 months or less which are sold other than on a recognized stock exchange and on which no STT has been paid, may 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.



**55. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Red Herring Prospectus.***

As stated in the reports of the Auditor included in this Red Herring Prospectus under chapter “*Financial Statements as restated*” beginning on page 220, the financial statements included in this Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

**56. *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- a. Excise duty on certain raw materials and components;
- b. Central and state sales tax, value added tax and other levies; and
- c. Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

**57. *The nationalized goods and services tax (GST) regimes proposed by the Government of India may have material impact on our operations.***

The Government of India has proposed a comprehensive national goods and service tax (GST) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. Given the limited liability of information in the public domain covering the GST we are unable to provide/ measure the impact this tax regime may have on our operations.

**58. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

**59. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and industry in which our company operates contained in the Red Herring Prospectus.***

While facts and other statistics in this Red Herring Prospectus relating to India, the Indian economy and the industry in which our company operates has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled 'Our Industry' beginning on page 136 of the Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**60. *Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.***

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced volatility in the recent times. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading and limited price movements. A closure of, or trading stoppage on the SME Platform of BSE could adversely affect the trading price of the Equity Shares.

**61. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

**62. *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. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall 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/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.



**63. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.***

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy; disrupt the transportation of goods and supplies, and costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

**64. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

**65. *Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

**66. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

#### **PROMINENT NOTES**

1. Public Issue of 38,04,000 Equity Shares of face value of Rs. 10/- each of our Company for cash at a price of Rs. [●]/- per Equity Share including a premium of Rs. [●] /- per Equity Shares ("Issue Price") aggregating upto Rs. [●] Lakhs, of which 1,96,000 Equity Shares of face value of Rs. 10/- each will be reserved for subscription by Market Maker to the Issue ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e. Net Issue of 36,08,000 Equity Shares of face value of Rs. 10/- each is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 29.99% and 28.45%, respectively of the post Issue paid up equity share capital of the Company.
2. Investors may contact the Book Running Lead Manager (BRLM) or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Book Running Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled "General Information" beginning on page 73 of this Red Herring Prospectus.



3. The pre-issue net worth of our Company was Rs. 2,210.45 lakhs as at September 30, 2016 and Rs. 2,002.82 lakhs as at March 31, 2016. The book value of each Equity Share (as adjusted for bonus) was Rs. 20.75 as at September 30, 2016 and Rs. 19.36 as at March 31, 2016 as per the restated financial statements of our Company. For more information, please refer to section titled “*Financial Statements as Restated*” beginning on page 220 of this Red Herring Prospectus.
4. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Kailashchandra Laddha	8,83,200	14.85
Kantadevi Laddha	4,64,000	15.69
Maheshchandra Laddha	9,27,750	14.83
Pramila Laddha	5,87,900	17.28
Yogesh Laddha	1,61,250	20.00
Pallavi Laddha	4,95,500	20.00
Kailashchandra Hiralal Laddha HUF	3,61,250	14.46
Maheshchandra Kailashchandra Laddha HUF	1,65,000	20.00

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled “*Capital Structure*” beginning on page number 85 of this Red Herring Prospectus.

5. Our Company has entered into related party transactions during the previous years. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer *Annexure “XXVI” “Related Party Transactions”* under chapter titled “*Financial Statements as restated*” beginning on page 220 of this Red Herring Prospectus.
6. Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “*Issue Structure*” beginning on page 329 of this Red Herring Prospectus.
7. Except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoter and Promoter Group*”, “*Our Management*” and “*Related Party Transactions*” beginning on pages 85, 208, 192 and 218 respectively, of this Red Herring Prospectus, none of our Promoters, Directors, Group Companies or Key Management Personnel has any interest in our Company.
8. Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 85 of this Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
9. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
10. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page 130 of the Red Herring Prospectus.
11. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Red Herring Prospectus with the Stock exchange.
12. Our Company was originally incorporated as Manomay Tex India Private Limited at Bhilwara, Rajasthan as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 13, 2009 bearing Corporate Identification Number U18101RJ2009PTC028647 and registration number 028647 issued by Registrar of Companies, Rajasthan. Subsequently, our Company was converted into Public Company pursuant to Shareholders resolution passed at the Extraordinary General Meeting of our Company held on January 02, 2017 and the name of our Company was changed to Manomay Tex India Limited and a fresh Certificate of





Incorporation Consequent upon Conversion from Private Company to Public Company dated January 06, 2017 was issued by the Registrar of Companies, Jaipur. The Corporate Identification Number of our Company is U18101RJ2009PLC028647.

For further details of Incorporation, change of name and registered office of our Company, please refer to the chapter titled “Our History and Certain Other Corporate Matters” beginning on page 188 of this Red Herring Prospectus.

13. Except as stated in the chapter titled “*Risk Factors*” beginning on page 21, chapter titled “*Our Group Companies*” beginning on page 215 and chapter titled “*Related Party Transactions*” beginning on page 218 of this Red Herring Prospectus, our Group Companies have no business interest or other interest in our Company.

## SECTION III – INTRODUCTION

### SUMMARY OF INDUSTRY

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have 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 and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 21 and 220 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.*

### INTRODUCTION TO TEXTILES INDUSTRY

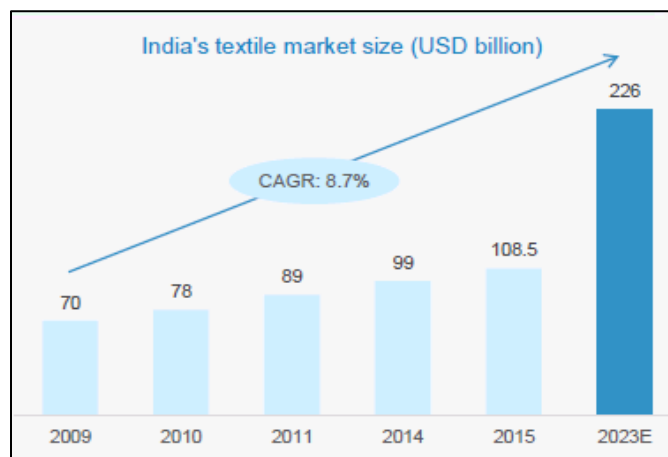
The textile and apparel industry can be broadly divided into two segments - yarn and fibre, and processed fabrics and apparel. India accounts for ~14 per cent of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fibre). India has the highest loom capacity (including hand looms) with 63 per cent of the world's market share.

The domestic textile and apparel industry in India is estimated to reach US\$ 141 billion by 2021 from US\$ 67 billion in 2014. Increased penetration of organised retail, favourable demographics, and rising income levels are likely to drive demand for textiles. India is the world's second largest exporter of textiles and clothing. Textile and apparel exports from India are expected to increase to US\$ 82 billion by 2021. Readymade garments remain the largest contributor to total textile and apparel exports from India, contributing 40 per cent to total textile and apparel exports. Cotton and man-made textiles were the other major contributors with shares of 31 per cent and 16 per cent, respectively.

Rising government focus and favourable policies is leading to growth in the textiles and clothing industry. The Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS). To promote apparel exports, 12 locations have been approved by the government to set up apparel parks for exports. As per the 12th Five Year Plan, the Government plans to provide a budgetary support of US\$ 4.25 billion to textiles. Free trade with ASEAN countries and proposed agreement with European Union will also help boost exports.

*(Source: Indian Textiles and Apparel Industry Analysis, India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))*

## STATISTICAL OVERVIEW OF TEXTILES INDUSTRY



Textile plays a major role in the Indian economy. It contributes 14 per cent to industrial production and 4 per cent to GDP. With over 45 million people, the industry is one of the largest sources of employment generation in the country.

The industry accounts for nearly 15 per cent of total exports. The size of India's textile market in 2015 was around USD108.5 billion, which is expected to touch USD226 billion market by 2023, growing at a CAGR of 8.7 per cent between 2009-23E.

(Source: Textile and Apparel Report January 2017 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## GLOBAL ECONOMIC ENVIRONMENT

### GLOBAL ECONOMIC OVERVIEW

The global macroeconomic landscape is currently chartering a rough and uncertain terrain characterized by weak growth of world output. The situation has been exacerbated by; (i) declining prices of a number of commodities, with reduction in crude oil prices being the most visible of them, (ii) turbulent financial markets (more so equity markets), and (iii) volatile exchange rates. These conditions reflect extreme risk-aversion behaviour of global investors, thus putting many, and in particular, commodities exporting economies under considerable stress.

One important positive outcome in 2015 is the modest pickup in the growth of some of the advanced economies. However, growth in emerging market and developing economies declined for the fifth consecutive year. As a result, overall global economic activity remained subdued in 2015. In its latest Update of the World Economic Outlook (WEO), published on 19 January 2016, the IMF projected growth in the global economy to improve from 3.1 per cent in 2015, to 3.4 per cent in 2016 and further to 3.6 per cent in 2017. Growth in advanced economies is projected at 2.1 per cent in 2016 and to continue through 2017 at the same rate.

The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large Emerging Market and Developing economies (EMDE) are likely to continue to weigh on their growth prospects in 2016–17. Assessments indicate that mixed inflation developments in the EMDEs reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year. The WEO update also indicated that India and the rest of emerging Asia are bright spots, with some other countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness. World trade volume growth projections have been placed at 2.6 per cent and 3.4 per cent respectively for 2015 and 2016, which is much lower than what was estimated earlier in WEO in October 2015.

(Source-Economic Survey 2015-16-Volume II; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

### GLOBAL OUTLOOK FOR GROWTH

One important positive outcome in 2015 was the modest pick-up in growth in some of the advanced economies. It might be recalled that after falling in 2009 due to the 2008 global financial crisis, growth in emerging and developing economies rebounded in 2010 and 2011. While advanced economies also exhibited a recovery in 2010 thanks to the large stimuli, global growth continued to be tepid relative to the average of the decade ending 2006, largely on account of the slowdown in advanced economies. Spill over effects of the crisis may have been large, prolonged and bi-directional, given that the global integration is far greater than in the prior decade. This has made the task of projecting global economic outlook arduous. This uncertainty has led to the International Monetary Fund (IMF) revising the global growth outlook in its World Economic Outlook (WEO) four times a year since 2009.

In its latest WEO Update, published on 19 January 2016, the IMF has projected growth in the global economy to go up from 3.1 per cent in 2015 to 3.4 per cent in 2016 and further to 3.6 per cent in 2017, slightly lower than the projection published in October 2015. Growth in advanced economies is revised by 0.2 percentage points in 2016 to 2.1 per cent, to continue through 2017. Growth in the US is expected to remain resilient owing to strengthening of the housing and labour markets. Growth in the euro area is expected to increase due to stronger private consumption supported by lower oil prices and easy financial conditions is expected to outweigh the weakening in net exports. Growth in Japan is also expected to consolidate in 2016, on the back of fiscal support, lower oil prices, accommodative financial conditions, and rising incomes.

Overall global economic activity remained subdued in 2015, as growth in emerging market and developing economies (EMDE) declined for the fifth consecutive year and recovery in advanced economies was modest. This is also attributable to the changing composition of the global economy and relative point contributions to global growth. The fall in the contribution of the EMDEs is not being made good by the advanced economies. A recent feature is that the Chinese economy is gradually slowing down and is transitioning from investment demand to consumption demand and from manufacturing to services. The concern over the spill overs of subdued global growth to other economies through trade channels and weaker commodity prices is manifest in diminishing confidence and increasing volatility in financial markets. In addition, a dual monetary policy—a gradual tightening in monetary policy in the US in the backdrop of its resilient recovery and easy monetary policy in several other major advanced economies has led to continued uncertainties and poses challenges for the year ahead. In the case of EMDEs, growth remained subdued at 4 per cent in 2015, but is projected to increase to 4.3 per cent in 2016 and 4.7 per cent in 2017. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17. Assessments indicate that mixed inflation developments in EMDEs reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year.

The 19 January WEO Update also indicated that India and the rest of emerging Asia are bright spots, albeit with some countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness. The IMF's growth forecast for India is 7.5 per cent in 2016 and 2017 and this surpasses the projection of 6.3 per cent and 6.0 per cent respectively for China. The level of global economic activity has a significant and direct bearing on the growth prospects of the emerging economies through trade channels. As per the Update, world trade volume growth projections have been placed at 3.4 per cent and 4.1 per cent respectively for 2016 and 2017 lower by 0.7 percentage points to 0.5 percentage point respectively from WEO, October 2015. The World Bank's Report on Global Economic Prospects (January 2016) also estimated that India will grow by a robust 7.8 per cent in 2016 and 7.9 per cent in the following two years. Compared to other major developing countries, the report maintained that India is well positioned to withstand near-term headwinds and volatility in global

financial markets due to reduced external vulnerabilities, a strengthening domestic business cycle, and a supportive policy environment.

(Source-Economic Survey 2015-16-Volume II; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

In the Advance Estimates of GDP that the Central Statistics Office (CSO) released recently, the growth rate of GDP at constant market prices is projected to increase to 7.6 per cent in 2015-16 from 7.2 per cent in 2014-15, mainly because private final consumption expenditure has accelerated. Similarly, the growth rate of GVA for 2015-16 is estimated at 7.3 per cent vis-à-vis 7.1 per cent in 2014-15. Although agriculture is likely to register low growth for the second year in a row on account of weak monsoons, it has performed better than last year. Industry has shown significant improvement primarily on account of the surprising acceleration in manufacturing (9.5 per cent vis-à-vis 5.5 per cent in 2014-15). Meanwhile, services continue to expand rapidly.

- Even as real growth has been accelerating, nominal growth has been falling, to historically low levels, an unusual trend highlighted in the Mid-Year Economic Analysis (MYEA), 2015-16.
- According to the Advance Estimates, nominal GDP (GVA) is likely to increase by just 8.6 (6.8) per cent in 2015-16.
- In nominal terms, construction is expected to stagnate, while even the dynamic sectors of trade and finance are projected to grow by only 7 to 7 3/4 percent.
- Inflation remains under control The CPI-New Series inflation has fluctuated around 51/2 percent, while measures of underlying trends—core inflation, rural wage growth and minimum support price increases—have similarly remained muted. Meanwhile, the WPI has been in negative territory since November 2014, the result of the large falls in international commodity prices, especially oil. As low inflation has taken hold and confidence in price stability has improved, gold imports have largely stabilized, notwithstanding the end of a period of import controls
- Similarly, the external position appears robust. The current account deficit has declined and is at comfortable levels; foreign exchange reserves have risen to US\$351.5 billion in early February 2016, and are well above standard norms for reserve adequacy; net FDI inflows have grown from US\$21.9 billion in April-December 2014-15 to US\$27.7 billion in the same period of 2015-16; and the nominal value of the rupee, measured against a basket of currencies, has been steady. India was consequently well-positioned to absorb the volatility from the U.S. Federal Reserve actions to normalize monetary policy that occurred in December 2015. Although the rupee has declined against the dollar, it has strengthened against the currencies of its other trading partners.
- The fiscal sector registered three striking successes: on-going fiscal consolidation, improved indirect tax collection efficiency; and an improvement in the quality of spending at all levels of government.
- Government tax revenues are expected to be higher than budgeted levels. Direct taxes grew by 10.7 per cent in the first 9 months (9M) of 2015-16. Indirect taxes were also buoyant. In part, this reflected excise taxes on diesel and petrol and an increase in the Swachh Bharat cess. The central excise duty collection from petroleum products during April to December 2015-16 recorded a growth of 90.5 per cent and stood at Rs.1.3 lakh crore as against Rs. 0.7 lakh crore in the same period last year. Tax performance also reflected an improvement in tax administration because revenues increased even after stripping out the additional revenue measures (ARMs). Indirect tax revenues grew by 10.7 per cent (without ARMs) and 34.2 per cent (with ARMs).

- The main findings are that a welcome shift in the quality of spending has occurred from revenue to investment, and towards social sectors. Aggregate public investment has increased by about 0.6 per cent of GDP in the first 8 months of this fiscal year, with contributions from both the Centre (54 per cent) and states (46 per cent).

(Source - Economic Survey 2015-16-Volume I, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## OUTLOOK FOR GROWTH

Real GDP growth for 2015-16 is expected to be in the 7 to 7<sup>3/4</sup> range, reflecting various and largely offsetting developments on the demand and supply sides of the Indian economy. Before analysing these factors, however, it is important to step back and note one important point. India's long-run potential GDP growth is substantial, about 8-10 percent. But its actual growth in the short run will also depend upon global growth and demand. After all, India's exports of manufactured goods and services now constitute about 18 percent of GDP, up from about 11 percent a decade ago.

Reflecting India's growing globalization, the correlation between India's growth rate and that of the world has risen sharply to reasonably high levels. For the period 1991-2002 this correlation was 0.2. Since then, the correlation has doubled to 0.42. In other words, a 1 percentage point decrease in the world growth rate is now associated with a 0.42 percentage point decrease in Indian growth rates.

Accordingly, if the world economy remains weak, India's growth will face considerable headwinds. For example, if the world continues to grow at close to 3 percent over the next few years rather than returning to the buoyant 4-4½ per cent recorded during 2003-2011, India's medium-term growth trajectory could well remain closer to 7-7½ per cent, notwithstanding the government's reform initiatives, rather than rise to the 8-10 per cent that its long-run potential suggests. In other words, in the current global environment, there needs to be a recalibration of growth expectations and consequently of the standards of assessment.

Turning to the outlook for 2016-17, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government.

- To measure the demand for India's exports, we calculate a proxy-weighted average GDP growth rate of India's export partners. The weights are the shares of partner countries in India's exports of goods and services. We find that this proxy for export demand growth declined from 3.0 percent in 2014 to 2.7 per cent in 2015, which helps explain the deceleration in India's non-oil exports, although the severity of the slowdown—in fact, a decline in export volume—went beyond adverse external developments. Current projections by the IMF indicate that trading partner growth this demand will improve marginally this year to about 2.8 percent. But the considerable downside risks suggest that it would be prudent not to count on a big contribution to GDP growth from improving export performance.
- On the domestic side, two factors could boost consumption. If and to the extent that the Seventh Pay Commission (7th PC) is implemented, increased spending from higher wages and allowances of government workers will start flowing through the economy. If, in addition, the monsoon returns to normal, agricultural incomes will improve, with attendant gains for rural consumption, which over the past two years of weak rains has remained depressed.
- Against this, the disappearance of much of last year's oil windfall would work to reduce consumption growth. Current prospects suggest that oil prices (Indian crude basket) might average US\$ 35 per barrel next fiscal year compared with US\$ 45 per barrel in 2015-16. The resulting income gain would amount roughly equivalent to 1 percentage point of GDP – an 18



per cent price decline times a share of net oil imports in GDP of 6 percent. But this would be half the size of last year's gain, so consumption growth would slow on this account next year.

- According to analysis done by Credit Suisse, (non-financial) corporate sector profitability has remained weak, falling by 1 percent in the year to December 2015. This decline reflected a sharp deterioration in the financial health of the metals—primarily steel—companies, which have now joined the ranks of companies under severe financial stress. As a result, the proportion of corporate debt owed by stressed companies, defined as those whose earnings are insufficient to cover their interest obligations, has increased to 41 percent in December 2015, compared to 35 percent in December 2014.<sup>3</sup> In response to this stress, companies have once again been compelled to curb their capital expenditures substantially.
- Finally, the path for fiscal consolidation will determine the demand for domestic output from government. The magnitude of the drag on demand and output will be largely equal to the size of consolidation, assuming a multiplier of about 1.
- There are three significant downside risks. Turmoil in the global economy could worsen the outlook for exports and tighter financial conditions significantly. Second, if contrary to expectations oil prices rise more than anticipated, this would increase the drag from consumption, both directly, and owing to reduced prospects for monetary easing. Finally, the most serious risk is a combination of the above two factors. This could arise if oil markets are dominated by supply-related factors such as agreements to restrict output by the major producers.
- The one significant upside possibility is a good monsoon. This would increase rural consumption and, to the extent that it dampens price pressures, open up further space for monetary easing.
- Putting these factors together, we expect real GDP growth to be in the 7 to 7 <sup>3/4</sup> per cent range, with downside risks because of on-going developments in the world economy. The wider range in the forecast this time reflects the range of possibilities for exogenous developments, from a rebound in agriculture to a full-fledged international crisis; it also reflects uncertainty arising from the divergence between growth in nominal and real aggregates of economic activity.

(Source - Economic Survey 2015-16-Volume I, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## INDIA'S INCREASING IMPORTANCE TO GLOBAL GROWTH

Despite global headwinds and a truant monsoon, India registered robust growth of 7.2 per cent in 2014-15 and 7.6 per cent in 2015-16, thus becoming the fastest growing major economy in the world. As per the estimates of the International Monetary Fund (IMF), global growth averaged 3.1 per cent in 2015, declining from 3.4 per cent registered in 2014. While growth in advanced economies has improved modestly since 2013, the emerging economies have witnessed a consistently declining trend in growth rate since 2010. It is against this background that the recent Indian growth story appears particularly bright.

India has made striking progress in its contribution to the global growth of Gross Domestic Product (GDP) in Purchasing Power Parity (PPP) terms. PPP represents the number of units of a country's currency required to purchase the same amount of goods and services in the domestic market as the US dollar would purchase in the United States, thus adjusting for purchasing power differentials between currencies in relevant markets. India's contribution to global growth in PPP terms increased from an average of 8.3 per cent during the period 2001 to 2007 to 14.4 per cent in 2014. During the 1990s, the US's contribution to the global GDP growth in PPP terms was, on an average, around 16 percentage points higher than India's. The picture changed dramatically in 2013 and 2014 when India's

contribution was higher than that of the US by 2.2 and 2.7 percentage points respectively. During 1991-2014, low growth in Japan (0.9 per cent annually) resulted in its low contribution (1.5 per cent) to global growth. India and China constitute 42.5 per cent and 53.2 per cent respectively of the total PPP measure of the lower-middle income countries and upper-middle income countries; and hence those country groups largely reflect India's and China's patterns.

The global economy—in particular the global growth powerhouse, China—is rebalancing, leading to an increasing role for India. After the onset of the multiple crises in different parts of the world, India's contribution has become much more valuable to the global economy.

India's share in world GDP has increased from an average of 4.8 per cent during 2001-07 to 6.1 per cent during 2008-13 and further to an average of 7.0 per cent during 2014 to 2015 in current PPP terms (IMF). India's resilience and current levels of reasonably strong growth should, thus, be appreciated in the light of its increasing contribution to global growth.

(Source - Economic Survey 2015-16-Volume II, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

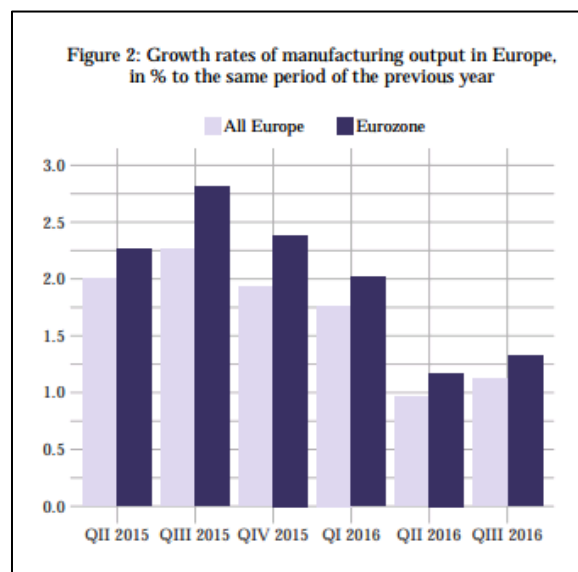
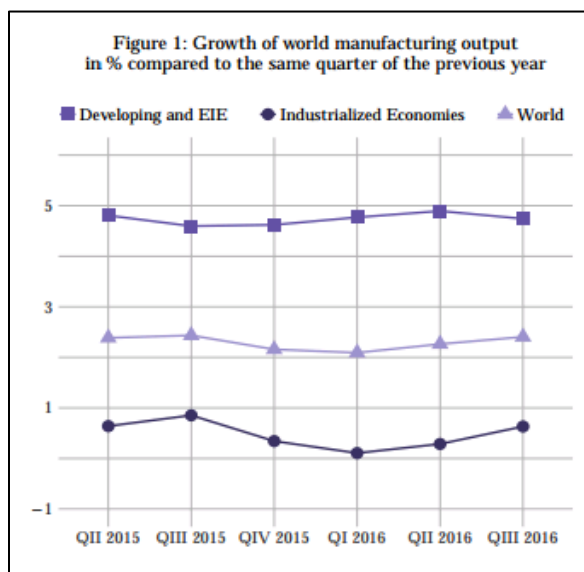
## GLOBAL MANUFACTURING SECTOR

### World Manufacturing Growth

World manufacturing output growth remained low during the third quarter of 2016, reflecting a prolonged yet fragile recovery process in industrialized economies and weakened growth prospects in developing and emerging industrial economies. Although the world manufacturing growth trend has been relatively stable with a lower degree of volatility, there is no clear indication yet that the current period of low growth will end any time soon. On the contrary, the uncertainty accompanying the political developments in trans-Atlantic relations with a potential impact on global trade arrangements may create new risks.

World manufacturing output rose by 2.4 per cent in the third quarter of 2016 compared to the same period of the previous year. The positive trends with some improvement in growth figures since the last quarter were observed across all country groups (Figure 1), including industrialized countries and the world average.

In response to the persistently low growth in manufacturing, enterprises and policymakers have introduced some structural reforms. However, the results of these reforms are yet to be seen. Major industrialized economies with significant contributions to global manufacturing output, namely the United States, Japan and Germany, continue to record low growth rates. In China, the world's largest manufacturer, comparably lower growth rates have now become more prevalent, thus pushing the average industrial growth of emerging industrial economies downward. The manufacturing output of industrialized economies increased slightly to 0.6 per cent in the third quarter of 2016 from 0.3 per cent in the previous quarter. This rise is primarily attributable to the performance of East Asia, which registered a low, but positive growth rate at 0.8 per cent in the third quarter of 2016 following several consecutive slumps that have lasted for nearly two years. The main force driving this upturn is Japan, East Asia's major manufacturer – its manufacturing sector seems to have withstood sluggish external demand fairly well amid a soaring yen in the third quarter of this year. Production increase in Europe had a positive impact on the manufacturing growth of industrialized countries as a whole. By contrast, the growth of North America's manufacturing output slowed in the third quarter of 2016 to a negligible gain of 0.1 per cent.



The manufacturing growth rate in developing and emerging industrial economies has remained below 5.0 per cent since the beginning of 2015. Manufacturing output in these countries rose by 4.7 per cent in the third quarter of 2016. The region's growth performance varied considerably: Asian economies maintained a relatively higher growth rate, while Latin America's manufacturing output decreased. Brazil's manufacturing output fell, affecting the growth performance of the entire region. Some improvement was seen in Africa, primarily due to the strengthening of South Africa's manufacturing output. Rising growth rates were also recorded in other African countries, though data for sub-Saharan African countries is generally limited. Despite some improvements, the threat of another slowdown looms over developing economies as long as economic and political instability persists in industrialized countries. As depicted in Figure 1, the level of growth in developing economies has been consistently higher than in industrialized countries. The pace of growth exhibits similar trends in both country groups, with a slightly more positive picture for industrialized countries as their growth performance moves upward.

(Source: *World Manufacturing Production- Statistics for Quarter III, 2016*; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org))

### **Industrialized Economies**

The manufacturing output of industrialized countries maintained a positive growth rate in the third quarter of 2016. However, as mentioned above, the pace of growth over the observed period has been too slow. The quarterly growth rate increased slightly to 0.6 per cent from 0.3 per cent in the previous quarter, when comparing the year-to-year development. When looking at the quarter-to-quarter development, a growth rate of 0.4 per cent was observed, following several quarters in which nearly no change was recorded. Growth in industrialized economies in the third quarter of 2016 was characterized by an overall moderate, albeit noticeable slowdown in Europe and North America, and an upward trend in East Asia, following a period of several consecutive slumps.

Among the industrialized country group, Europe's manufacturing output grew by merely 1.1 per cent in the third quarter of 2016. The eurozone registered a growth rate of 1.3 per cent. At the peak of the financial crisis, UNIDO's Quarterly Reports presented disaggregated data for the eurozone economies to differentiate their growth rates from those of the rest of Europe. This difference seems to have narrowed in recent quarters. In more general terms, manufacturing growth in European countries

continues to be affected by the uncertainty generated by Brexit and the political developments in the United States, which may influence the established global and regional trade arrangements.

When comparing year-to-year developments among the leading eurozone economies, Italy registered a 2.8 per cent growth followed by Germany with a growth rate of nearly a 1.0 per cent. No growth was observed in France. The growth figures for the majority of eurozone countries were positive, with strong growth performances observed in Slovenia, Cyprus and Greece. Manufacturing output rose by more than 2.2 per cent in the Netherlands, Spain, Lithuania and Belgium, but Ireland and Portugal witnessed a lower growth rate at 1.2 per cent and 1.5 per cent, respectively. The decrease in Ireland's manufacturing output reflected post-Brexit volatility, but was also attributable to a high comparison threshold based on the country's remarkable manufacturing expansion in 2015.

Beyond the eurozone, manufacturing output growth in the third quarter in the United Kingdom dropped to a marginal rate of 0.5 per cent in the aftermath of Brexit. The pace of growth also slowed in some industrialized Central European countries such as the Czech Republic and Hungary. Industrial production in Switzerland grew 2.4 per cent, reversing the decline registered in previous periods.

The manufacturing output of East European countries achieved relatively higher growth. Manufacturing output rose by 4.6 per cent in Poland and Romania, 4.1 per cent in Bulgaria and 4.9 per cent in Serbia. Among the Nordic economies, Norway's manufacturing sector has taken a long-term hit due to falling oil prices and continued its downward trajectory in the third quarter of 2016. Manufacturing output in the Russian Federation grew by a moderate rate of 0.7 per cent, continuing its shaky recovery after the country's economy was severely hit by the drop in oil prices.

Overall manufacturing production in North America grew by 0.1 per cent compared to the third quarter of the previous year. Despite some signs of improvement in the United States, the manufacturing sector recorded only weak export growth due to a still strong dollar and subdued global demand. When comparing year-to-year development, total manufacturing output of the United States remained flat in the third quarter of 2016. A number of manufacturing industries in the United States reported a decline compared to the same quarter in the previous year. At the same time, positive growth was reported in the production of motor vehicles, computers, electronic and optical products and textiles. In Canada, manufacturing growth in the third quarter of 2016 varied considerably by industry. While the production of pharmaceuticals, petroleum products and basic metals coke remained strong, production dropped in textiles, wearing apparel and fabricated metal products. Aggregated growth of manufacturing output in Canada was below 1.0 per cent in the third quarter of 2016.

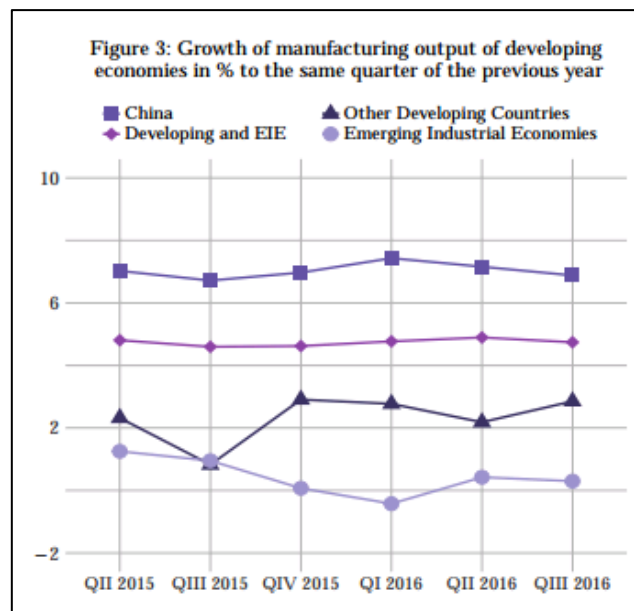
The industrialized economies of East Asia managed to break a long period of consecutive contraction with a 0.8 per cent growth in the third quarter compared to the same period of the previous year. A major contributor to this change was Japan, which recorded a positive growth rate of 0.5 per cent following a nearly two-year period of consecutive slumps. This upswing is primarily attributable to the boost in the automotive industry. Despite this improvement, the uncertain global outlook and a strong yen remain a concern for Japan's manufacturing sector. Manufacturing output in Malaysia, the Republic of Korea and Singapore witnessed a gain of 3.9 per cent, 0.9 per cent and 1.2 per cent, respectively; in Malaysia and Singapore, this increase was attributable to the significant growth in the production of computers, electronics and optical products.

*(Source: World Manufacturing Production- Statistics for Quarter III, 2016; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org))*

## Developing and Emerging Industrial Economies

A slowdown in China and a downturn in Latin America have affected the overall growth of manufacturing output in developing and emerging industrial economies. In the third quarter of 2016, manufacturing production in China rose by 6.9 per cent over the same period of the previous year, but reflected a slowdown from the 7.2 per cent growth rate recorded in the previous quarter. Following an uninterrupted downward trajectory since late 2013, the trend in China now seems to be towards stabilization at a relatively lower pace. The deceleration in the third quarter of 2016 was mainly driven by weak external demand and a weakened growth of the production of basic metals, China's strongest industry. The closure of a number of factories ahead of the G-20 Summit held at the beginning of September also negatively impacted the manufacturing sector. However, due to strong domestic demand, China's manufacturing sector has proven resilient to external shocks.

Latin American economies, on the other hand, were not as resilient as China's. Nonetheless, data for the third quarter of 2016 indicate some signs of improvement. Manufacturing output in Latin America, which has recently faced severe decline due to subdued global demand, low commodity prices and domestic political turbulence, has reduced the declining rate to 2.0 per cent. This development could be a break with the downward trend. This shift is attributable to Brazil, where the drop in manufacturing output was below 5.0 per cent in a year-to-year comparison. Some other larger Latin American manufacturers, namely Mexico, Colombia and Peru, recorded a positive growth of 1.2 per cent, 2.7 per cent and 2.0 per cent, respectively, while Argentina and Chile experienced contraction. Growth performance was much higher in Asian economies, where manufacturing output rose by 6.3 per cent in the third quarter of 2016. Viet Nam maintained its position of one of the fastest growing Asian economies with a double-digit growth in eight consecutive quarters.



At present, its manufacturing sector is benefitting from export-oriented industries such as computers, electronics and optical products. Indonesia's expansion of manufacturing output by 5.5 per cent continued in the third quarter, confirming its recent entry to the top 10 largest global manufacturers. However, India's manufacturing output, which achieved impressive growth rates in the last quarters, contracted with a much lower growth rate of 0.9 per cent in the third quarter. Positive developments



were observed in other Asian economies. Manufacturing output in Saudi Arabia rose by 4.0 per cent and by 1.9 per cent in Mongolia. Estimates based on the limited available data indicate that manufacturing output in Africa increased by 0.5 per cent, the same pace of manufacturing growth measured in South Africa, the region's most industrialized economy. South Africa's manufacturing production was mainly driven by increasing output in refined petroleum products, the automotive industry and chemical products. Manufacturing production in Cote d'Ivoire registered a 4.9 per cent gain while Tunisia's manufacturing output grew by 1.3 per cent. Egypt's manufacturing output fell by 2.1 per cent according to UNIDO estimates.

(Source: *World Manufacturing Production- Statistics for Quarter III, 2016*; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org))

## **MANUFACTURING SECTOR IN INDIA**

### **Introduction**

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy.

India's ranking among the world's 10 largest manufacturing countries has improved by three places to sixth position in 2015<sup>#</sup>. The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25 per cent of Gross Domestic Product (GDP) by 2025, from 16 per cent currently.

### **Market Size**

India's manufacturing sector has the potential to touch US\$ 1 trillion by 2025. There is potential for the sector to account for 25-30 per cent of the country's GDP and create up to 90 million domestic jobs by 2025. Business conditions in the Indian manufacturing sector continue to remain positive.

### **Investments**

In a major boost to the 'Make in India' initiative, the Make in India week which was held in Mumbai between February 13 and 18, 2016, received an overwhelming response from investors. The fair had closed with INR 15.2 trillion (US\$ 225.32 billion) in investment commitments.

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power.

In September 2016, Foreign Direct Investment (FDI) in electronic manufacturing has reached an all-time high of Rs 123,000 crore (US\$ 18.36 billion) in 2016, from Rs 11,000 crore (US\$ 1.65 billion) in 2014; on the back of enabling policies of the government and its Make in India initiative.

### **Government Initiatives**

In a bid to push the 'Make in India' initiative to the global level, Mr Narendra Modi, Prime Minister of India, pitched India as a manufacturing destination at the World International Fair in Germany's Hannover in 2015. Mr Modi showcased India as a business friendly destination to attract foreign businesses to invest and manufacture in the country. The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country.





## **Road Ahead**

The Government of India has an ambitious plan to locally manufacture as many as 181 products. The move could help infrastructure sectors such as power, oil and gas, and automobile manufacturing that require large capital expenditure and revive the Rs 1,85,000 crore (US\$ 27.42 billion) Indian capital goods business. India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US\$ 0.0149 as on September 30, 2016

References: *Media Reports, Press Releases, Press Information Bureau, McKinsey & Company*

Notes: # - According to 'The Yearbook' a report by United Nations Industrial Development Organization (UNIDO)

(Source: *Manufacturing Sector in India - India Brand Equity Foundation* [www.ibef.org](http://www.ibef.org))

## **TEXTILE INDUSTRY IN INDIA**

### **Introduction**

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 11 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale. The textile industry employs about 40 million workers and 60 million indirectly. India's overall textile exports during FY 2015-16 stood at US\$ 40 billion. The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

### **Market Size**

The Indian textiles industry, currently estimated at around US\$ 108 billion, is expected to reach US\$ 223 billion by 2021. The industry is the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly. The Indian Textile Industry contributes approximately 5 per cent to India's Gross Domestic Product (GDP), and 14 per cent to overall Index of Industrial Production (IIP).

The Indian textile industry has the potential to reach US\$ 500 billion in size according to a study by Wazir Advisors and PCI Xylenes & Polyester. The growth implies domestic sales to rise to US\$ 315

billion from currently US\$ 68 billion. At the same time, exports are implied to increase to US\$ 185 billion from approximately US\$ 41 billion currently.

### **Investments**

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 1.85 billion during April 2000 to March 2016.

### **Government Initiatives**

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

### **Road Ahead**

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The organised apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period.

Exchange Rate Used: INR 1 = US\$ 0.0149 as on September 21, 2016

References: Media Reports, Press Releases, Press Information Bureau, McKinsey & Company

Notes: # - According to 'The Yearbook' a report by United Nations Industrial Development Organization (UNIDO)

(Source: Textiles Industry in India - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## **KEY FACTS: TEXTILES INDUSTRY**

- The fundamental strength of the textile industry in India is its strong production base of wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool to synthetic /man-made fibres like polyester, viscose, nylon and acrylic
- India accounts 63 per cent of the market share of textiles and garments
- With production of 5,984 million kg, India was the largest producer of cotton in 2015-16.
- Indian textile industry accounts for about 24 per cent of the world's spindle capacity and 8 per cent of global rotor capacity
- India has the highest loom capacity (including hand looms) with 63 per cent of the world's market share
- India accounts for about 14 per cent of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton; and third largest in cellulosic fibre)
- India is the second largest producer of Manmade Fibre and Filament, globally, with production of around 2,511 million kg in 2015-16.

(Source: Textile and Apparel Report January 2017 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## **OPPORTUNITIES IN TEXTILES INDUSTRY**

### **Immense growth potential**

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The sector is expected to be reached to USD226 billion by FY2023.



Population is expected to reach to 1.34 billion by FY2019. Urbanisation is expected to support higher growth due to change in fashion and trends

- **Private sector participation in silk Production**

The Central Silk Board sets targets for raw silk production and encourages farmers and private players to grow silk. To achieve these targets, alliances with the private sector, especially major agro-based industries in pre-cocoon and post-cocoon segments has been encouraged

- **Proposed FDI in multi-brand retail**

For the textile industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers. It will also bring in greater investments along the entire value chain – from agricultural production to final manufactured goods. With global retail brands assured of a domestic foothold, outsourcing will also rise significantly

- **Retail sector offers growth Potential**

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with several international players like Marks & Spencer, Guess and next having entered Indian market. The organised apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period.

- **Centers of Excellence (CoE) for research and technical training**

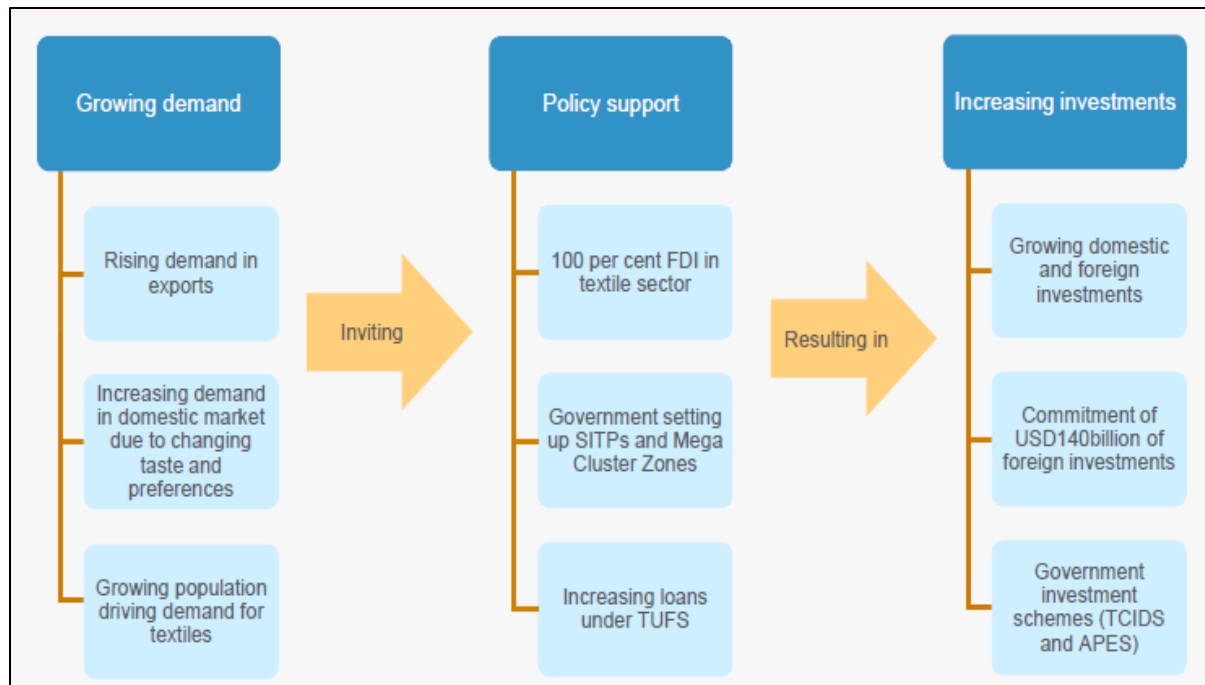
The CoEs are aimed at creating testing and evaluation facilities as well as developing resource centres and training facilities. Existing four CoEs, BTRA for Geotech, SITRA for Meditech, NITRA for Protech and SASMIRA for Agrotech, would be upgraded in terms of development of incubation centre and support for development of prototypes. Fund support would be provided for appointing experts to develop these facilities.

- **Foreign investments**

The government is taking initiatives to attract foreign investments in the textile sector through promotional visits to countries such as Japan, Germany, Italy and France. According to the new Draft of the National Textile Policy, the government is planning to attract foreign investments thereby creating employment opportunities to 35 million people

(Source: Textile and Apparel Report January 2017 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## GROWTH DRIVERS OF TEXTILES & APPAREL SECTOR



(Source: Textile and Apparel Report January 2017 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## POLICY SUPPORT HAS BEEN A KEY INGREDIENT TO GROWTH OF THE SECTOR

- **Technology Up gradation Fund Scheme (TUFS)**

Investment was made to promote modernisation and up-gradation of the textile industry by providing credit at reduced rates. USD0.23 billion has been allocated for ATUFS scheme for FY16-17, under Union Budget 2016-17

- **National Textile Policy -2000**

The policy was introduced for the overall development of textile industry. Key areas of focus include technological upgrades, enhancement of productivity, product diversification and financing arrangements. New draft for this policy ensures to employ 35 million by attracting foreign investments. It also focuses on establishing a modern apparel garment manufacturing centre in every North Eastern state for which Government has invested an amount of USD3.27 million

- **Foreign Direct Investment**

FDI of up to 100 per cent is allowed in the textile sector through the automatic route

- **Scheme for Integrated Textiles Parks (SITP)**

SITP was set up in 2005 to provide necessary infrastructure to new textile units; under SITP, 40 projects (worth USD678 million) have been sanctioned. Out of these 40 projects, 27 have started production. 16 projects have been completed and as on November 2014, Government has invested a total of USD21.96 million for 21 new textile parks and the remaining 13 textile parks have been given



the in-principle approval under SITP. In 2015, textile parks set up under the Scheme for Integrated Textile Park (SITP) attracted an investment of USD4.58 billion.

- **Technical textile industry**

Government of India has planned an increase in the fund outlay for technical textiles industry to more than USD117 million during the current 12th Five Year Plan (2012-17)

(Source: Textile and Apparel Report January 2017 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## TEXTILE INDUSTRY: ADVANTAGE INDIA

- **Robust demand**

Increased penetration of organised retail, favourable demographics and rising income levels to drive textile demand. Growth in building and construction will continue to drive demand for non clothing textiles

- **Increasing investments**

Huge investments are being made by Government under Scheme for Integrated Textile Parks (SITP)- (USD184.98 Million) and Technology Up gradation Fund Scheme (TUFS)- (term loan sanctioned in Feb, 2015- USD2198.45 Million) to encourage more private equity and to train workforce.

- **Competitive advantage**

Abundant availability of raw materials such as cotton, wool, silk and jute. India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to major textile producers

- **Policy Support**

100 per cent FDI (automatic route) is allowed in the Indian textile sector. Under Union Budget 2015-16, government has allocated USD39.81 million for integrated parks in India. Free trade with ASEAN countries and proposed agreement with European Union will boost exports

2015 Market Value: USD108.5 billion

2023F Market Value: USD226 billion

(Source: Textile and Apparel Report January 2017 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## SUMMARY OF BUSINESS

Our Company was originally incorporated on April 13, 2009 as a private limited Company under the name Manomay Tex India Private Limited and subsequently was converted to a public limited Company with effect from January 6, 2017. We are majorly engaged in manufacturing and sale of denim fabrics in domestic and international markets having an integrated manufacturing unit based in Rajasthan. We are known and identified in textile industry by the brand name “Manomay”.

Our Company started its commercial production by setting up a fabric weaving unit in Ichalkaranji by installing eight air-jet looms. Thereafter in 2011, the Company set up its integrated manufacturing unit for production of denim fabric in Jojron Ka Khera near Bhilwara. The unit is spread over 2.03 hectares and is equipped with dyeing, weaving and finishing facilities of yarn/ fabric. The denim manufactured by us ranges from 9 to 14 Oz/ Sq. yd with different blends of cotton, polyester, etc. with foam and wet finishes. The unit is equipped with adequate facilities and machineries. We have also enhanced our installed production capacity in FY15-16 to 225 lakh metres by addition of new plant & machinery. At Ichalkaranji unit, we are focused on manufacturing of suiting fabrics of different qualities as per the market demand. We procure the raw materials i.e. yarn from the local suppliers and weave to form fabric cloth. The process of sizing, dyeing and finishing is outsourced to the third parties.

Our promoters have experience in the line of business and looks after strategic as well as day to day business operations. Over the years our Company has carved its foot prints in the industry which can be witnessed by the growth in our total revenue from Rs. 576.93 lakhs in 2010 to Rs. 21,819.00 lakhs in 2016. As on date of the Red Herring Prospectus, we have employee strength of more than 200 employees.

Recently our Company has also ventured into international markets and at present our customer base is spread over different regions in India as well as in countries like Guatemala and Mexico. Our customers are mostly traders of fabrics who in turn sell products to industrial users. Our integrated manufacturing facility and our relationship with our traders are key factors of success in the industry.



Our brand has been well received and we shall, continue to strengthen our brand by supplying qualitative products at competitive prices.

### **Our Company's location and manufacturing facilities are as below:**

- **Our Registered Office:** 32, Heera Panna Market, Pur Road, Bhilwara, Rajasthan – 311001, India
- **Manufacturing/ Weaving Unit:**
- **Rajasthan Unit** - Aaraji No. 5, 6 & 7, Near Toll Plaza, Gram - Jojro ka Khera, Tehsil - Gangrar- Chittorgarh - 312901, Rajasthan, India
- **Ichalkaranji Unit** – Gate no. 755 & 756, H No 3068 & 3069, Village - Tardal, Ichalkaranji, District - Kolhapur, Maharashtra, India.
- **Marketing Office:** Plot No 11/ 296, Near Arvind Process Industrial Estate, Ichalkaranji, Taluka - Hatkalangle, District – Kolhapur - 416115, Maharashtra, India



## OUR PRODUCTS

Sr.No.	Product	Image	Description
1.	Suiting's		<p>Suiting refers to any material made of interlacing fibers. A suiting is a material made through weaving, knitting, spreading, crocheting, or bonding that may be used in production of further goods (garments, etc.). Cloth may be used synonymously with suiting but is often a finished piece of fabric used for a specific purpose.</p>
2.	Denims		<p>Denim is sturdy cotton warp-faced in which the weft passes under two or more warp threads. This twill weaving produces a diagonal ribbing that distinguishes it from cotton duck.</p> <p>The most common denim is indigo denim, in which the warp thread is dyed, while the weft thread is left white. As a result of the warp-faced twill weaving, one side of the textile is dominated by the blue warp threads and the other side is dominated by the white weft threads.</p>

## RAW MATERIALS



Our Company requires yarns which is a major raw material for our manufacturing process. We meet our raw material requirement by procuring such material mainly from local markets.

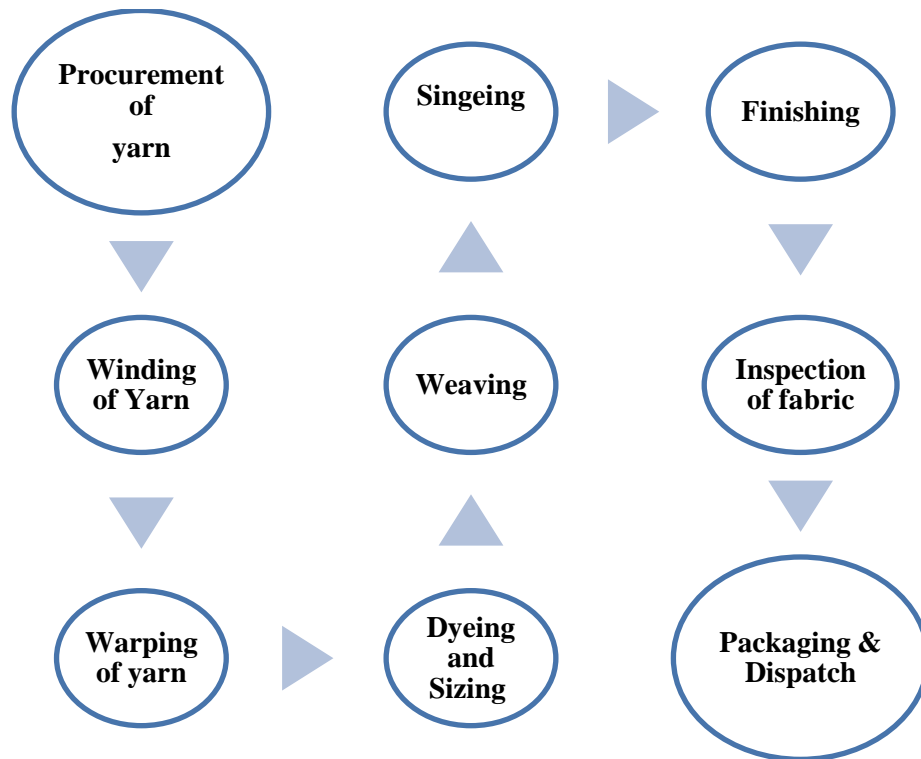
Depending upon requirements and market situation, we at times also procure gray cloth and carry further processing

## OUR PRODUCTION PROCESS

Our Company is majorly in the business of manufacturing denim textile. Denim is made from a vat dye, the Indigo dye, which is applied to cotton fabric in loosely held form in layers. The manufacturing

process of denim is similar to that of Grey fabric up to the process of weaving with the only difference that in case of Denim Fabric, it is dyed at the stage of sizing where as in case of Grey Fabric, the decision regarding dyeing stage depends upon the finished product. We provide the parties with the different samples of designs and quality and such parties on basis of the market demand place orders with us. After approval of sample, we manufacture and supply in accordance with the request raised.

Our production process is briefed as per the details mentioned below:



## SUMMARY OF FINANCIAL STATEMENTS

### STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

### ANNEXURE I

*Amount (Rs in Lakhs)*

Particulars		As at March 31,					As at September 30, 2016
		2012	2013	2014	2015	2016	2016
<b>I.</b>	<b>Equity And Liabilities</b>						
<b>1</b>	<b>Shareholders' funds</b>						
	(a) Share capital	21.80	81.89	97.49	137.49	177.59	177.59
	(b) Reserves and surplus	220.47	802.85	887.83	1,270.18	1,825.23	2,032.86
<b>2</b>	<b>Share Application Money Pending Allotments</b>	-	-	138.00	-	-	-
<b>3</b>	<b>Non-current liabilities</b>						
	(a) Long-term borrowings	41.09	1,349.26	1,471.10	1,322.10	3,691.85	3,493.99
	(b) Deferred tax liabilities (Net)	5.15	5.54	115.43	181.11	252.87	258.24
	(c) Long-term Provisions	0.79	1.62	2.89	5.20	9.88	15.63
	(d) Other Long-term Liabilities	-	-	-	-	-	-
<b>4</b>	<b>Current liabilities</b>						
	(a) Short-term borrowings	138.66	327.10	753.37	732.33	1,624.02	1,642.69
	(b) Trade payables	273.25	796.00	897.37	1,038.81	1,907.69	2,866.04
	(c) Other current liabilities	10.51	4.03	61.27	58.38	131.00	104.47
	(d) Short-term provisions	0.01	4.71	37.55	18.04	8.38	11.17
	<b>TOTAL</b>	<b>711.73</b>	<b>3,373.00</b>	<b>4,462.30</b>	<b>4,763.63</b>	<b>9,628.51</b>	<b>10,602.68</b>
<b>II</b>	<b>ASSETS</b>						
<b>1</b>	<b>Non-current assets</b>						
	(a) Fixed assets						
	(i) Tangible assets	100.76	100.96	2,579.09	2,619.28	5,863.85	6,008.28
	Less: Accumulated Depreciation	9.98	20.33	194.70	357.04	705.42	970.45
	(ii) Intangible Assets	-	-	-	-	-	-
	(iii) Intangible Assets under development	-	-	-	-	-	-
	(iv) Capital Work in Progress	55.80	2,124.61	-	116.36	-	38.94
	<b>Net Block</b>	<b>146.58</b>	<b>2,205.24</b>	<b>2,384.40</b>	<b>2,378.61</b>	<b>5,158.43</b>	<b>5,076.77</b>
	(b) Non Current Investments	-	-	-	-	-	0.32
	(c) Long-term loans and advances	12.05	24.36	23.47	78.20	82.74	82.77
	(d) Other Non Current Assets	2.58	2.85	-	1.21	6.47	-
<b>2</b>	<b>Current assets</b>						
	(a) Current Investments	-	-	-	-	-	-

Particulars		As at March 31,					As at September 30, 2016
		2012	2013	2014	2015	2016	2016
	(b) Inventories	218.26	538.97	681.62	690.68	1,280.75	1,618.56
	(c) Trade receivables	301.42	486.34	1,278.26	1,074.44	2,403.92	3,056.40
	(d) Cash and Bank Balances	8.18	20.25	55.00	266.33	397.39	450.96
	(e) Short-term loans and advances	22.65	94.99	39.55	258.05	294.67	312.74
	(f) Other Current Assets	-	-	-	16.12	4.16	4.16
	<b>TOTAL</b>	<b>711.73</b>	<b>3,373.00</b>	<b>4,462.30</b>	<b>4,763.63</b>	<b>9,628.51</b>	<b>10,602.68</b>

# SUMMARY OF STATEMENT OF PROFITS AND LOSS, AS RESTATED

Annexure II

Amount (Rs. In Lakhs)

Particulars		For the year ended March 31,					For the period ended September 30, 2016
		2012	2013	2014	2015	2016	2016
I	Revenue from operations						
	Domestic sale	2,824.21	3,015.90	10,144.53	16,545.44	21,745.73	14,094.24
	Export sale	-	-	-	-	-	336.87
II	Other income	0.11	3.11	30.10	69.50	73.27	69.76
III	<b>Total Revenue (I + II)</b>	<b>2,824.32</b>	<b>3,019.01</b>	<b>10,174.63</b>	<b>16,614.93</b>	<b>21,819.00</b>	<b>14,500.87</b>
IV	Expenses:						
	Cost of materials consumed & purchase of stock in trade	1,919.33	2,101.35	6,993.05	11,969.57	14,867.90	10,128.69
	Purchase of stock in trade			-	-	-	-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(14.03)	(12.63)	(49.13)	18.95	(239.11)	10.35
	Employee benefits expense	21.59	32.02	270.73	312.57	410.99	301.64
	Finance costs	28.88	28.88	293.33	278.32	388.27	320.94
	Depreciation and amortization expense	9.02	10.35	174.37	162.15	348.38	265.03
	Other expenses	839.85	841.02	2,458.59	3,785.20	5,836.91	3,304.05
	<b>Total expenses</b>	<b>2,804.65</b>	<b>3,001.00</b>	<b>10,140.93</b>	<b>16,526.76</b>	<b>21,613.35</b>	<b>14,330.70</b>

Particulars		For the year ended March 31,					For the period ended September 30, 2016
		2012	2013	2014	2015	2016	
V.	<b>Profit before Exceptional &amp; Extraordinary Items &amp; Tax</b>	<b>19.67</b>	<b>18.02</b>	<b>33.69</b>	<b>88.17</b>	<b>205.65</b>	<b>170.17</b>
VI	Exceptional Items	-	-	-	-	-	-
VII	Extraordinary Items/ prior period items	-	-	-	-	-	-
	<b>VII. Profit/(Loss) Before Tax</b>	<b>19.67</b>	<b>18.02</b>	<b>33.69</b>	<b>88.17</b>	<b>205.65</b>	<b>170.17</b>
VIII	Tax expense:						
	1. Current Tax	5.22	8.34		-	-	-
	2. MAT Tax	-	-	6.74	17.43	43.16	35.90
	3. Mat Credit Receivable	-	-	(6.74)	(17.43)	(43.16)	(35.90)
	4. Deferred Tax Liability	4.13	0.39	109.89	65.68	71.76	5.35
IX	<b>Profit (Loss) for the period (XI + XIV)</b>	<b>10.33</b>	<b>9.28</b>	<b>(76.20)</b>	<b>22.49</b>	<b>133.89</b>	<b>164.82</b>

**Statement of Cash Flows, as restated for the period / year ended:**

**Annexure III -**

*Amount (Rs in Lakhs)*

Particulars	F.Y. 2011-12		F.Y. 2012-13		F.Y. 2013-14		F.Y. 2014-15		F.Y. 2015-16		For the period ended 30/09/2016	
	Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)	
<b>Cash flow from Operating Activities</b>												
<b>Net Profit Before tax as per Statement of Profit &amp; Loss</b>		19.67		18.02		33.69		88.17		205.65		170.17
Adjustments for :												
Depreciation & Amortisation Exp.	9.40		15.76		175.85		162.15		348.38		265.03	
Loss (Profit) on Sale of Assets	-										-	
Dividend Income	-											
Exceptional(actural gain/loss)	-		-		-		-		-		-	
Extraordinary Items(Income)	-		-		-		-		-		-	
Interest Income	-											
Preliminary exp of earlier year	(0.18)											
Income tax for earlier year	-		0.04		-		0.05		(0.05)		0.15	
Finance Cost		9.23		15.80		175.85		162.20		348.34		265.18
<b>Operating Profit before working capital changes</b>		28.90		33.81		209.54		250.37		553.99		435.35
<b>Changes in Working Capital</b>												
Changes in current Investment	-		-		-		-		-		-	
Changes in inventories	(16.81)		(320.71)		(142.66)		(9.05)		(590.07)		(337.82)	
Changes in trade receivables	73.89		(184.92)		(791.91)		203.82		(1,329.48)		(652.48)	



Particulars	F.Y. 2011-12		F.Y. 2012-13		F.Y. 2013-14		F.Y. 2014-15		F.Y. 2015-16		For the period ended 30/09/2016	
	Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)	
Changes in short-term loans and advances	(14.84)		(72.34)		55.43		(218.50)		(36.61)		(18.07)	
Changes in other current assets	-		-		-		(16.12)		11.96		-	
Changes in Short Term Borrowings	24.82		188.43		426.28		(21.05)		891.69		18.67	
Changes in trade payables	(113.32)		522.75		101.37		141.44		868.89		958.35	
Changes in other current liabilities	(3.51)		(6.48)		57.24		(2.89)		72.62		(26.52)	
Changes in Short Term Provisions	(0.65)		4.70		32.83		(19.50)		(9.66)		2.79	
Interest and other finance costs	28.88		28.88		293.33		278.32		388.27		320.94	
(Gain)/Loss on sale of fixed assets	-		-		-		-		-			
		(21.53)		160.32		31.90		336.46		267.60		265.87
<b>Net Cash Flow from Operation</b>		7.36		194.13		241.44		586.83		821.59		701.22
Income Tax Earlier Year		-		-		-		-		-		-
Provision for Deferred tax		(4.13)		(0.39)		(109.89)		(65.68)		(71.76)		(5.35)
Less : Income Tax paid (Net of MAT Credit)		(5.25)		(8.34)		0.00		(0.00)		(0.00)		0.00
<b>Net Cash Flow from Operating Activities (A)</b>		<b>(2.01)</b>		<b>185.40</b>		<b>131.55</b>		<b>521.15</b>		<b>749.82</b>		<b>695.87</b>
<b><u>Cash flow from investing Activities</u></b>												
(a)Purchase of fixed assets	(22.32)		(0.20)		(2,478.13)		(40.19)		(3,244.57)		(144.43)	
(b)Proceeds from sale of fixed	-		-		-		-		-		-	

Particulars	F.Y. 2011-12		F.Y. 2012-13		F.Y. 2013-14		F.Y. 2014-15		F.Y. 2015-16		For the period ended 30/09/2016	
	Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)	
assets												
(c)Decrease in other long-term loans and advances	(5.87)		(12.30)		0.89		(54.73)		(4.54)		(0.04)	
(d) Changes in Non Current Assets	(2.40)		(0.27)		2.85		(1.21)		(5.26)		6.47	
(e)Changes in capital WIP	(55.80)		(2,068.81)		2,124.61		(116.36)		116.36		(38.94)	
(f)Changes in Long Term Provision	0.79		0.83		1.27		2.31		4.68		5.75	
(g)Tuff Subsidy Received	7.62		32.26		20.83		-		60.31		42.66	
(h) Change in Investment											(0.32)	
		(77.98)		(2,048.50)		(327.68)		(210.18)		(3,073.02)		(128.84)
<b>Net Cash Flow from Investing Activities (B)</b>		(77.98)		(2,048.50)		(327.68)		(210.18)		(3,073.02)		(128.84)
<b>Cash Flow From Financing Activities</b>												
(a)Proceeds from issue of share capital/premium	136.33		600.90		155.94		400.00		401.00		-	
(b)Share application money	-		-		138.00		(138.00)		-		-	
(c)Changes in long-term borrowings	(43.02)		1,308.17		121.85		(149.00)		2,369.75		(197.87)	
(d)Interest and other finance costs	(28.88)		(28.88)		(293.33)		(278.32)		(388.27)		(320.95)	
(e) Changes in Deferred Tax Liabilities	4.13		0.39		109.89		65.68		71.76		5.36	
(f) Amortisation Exp.	(0.38)		(5.41)		(1.48)		-		-		-	
		68.17		1,875.17		230.87		(99.64)		2,454.25		(513.45)

Particulars	F.Y. 2011-12		F.Y. 2012-13		F.Y. 2013-14		F.Y. 2014-15		F.Y. 2015-16		For the period ended 30/09/2016	
	Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)	
<b>Net Cash Flow from Financing Activities (C)</b>		68.17		1,875.17		230.87		(99.64)		2,454.25		(513.45)
<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>		(11.82)		12.07		34.75		211.33		131.06		53.57
Opening Cash & Cash Equivalents		20.01		8.18		20.25		55.00		266.33		397.39
<b>Cash and cash equivalents at the end of the period</b>		8.18		20.25		55.00		266.33		397.39		450.96
<b>Cash And Cash Equivalents Comprise :</b>												
Cash		0.61		11.75		13.42		4.52		2.14		3.52
<b>Bank Balance :</b>												
Current Account		2.58		1.05		13.03		232.47		6.01		41.63
Other current Account		-		-		8.62		8.62		8.62		8.62
<b>Fixed Deposit With Bank</b>		4.99		7.46		19.93		20.72		380.62		397.19
<b>Total</b>		8.18		20.25		55.00		266.33		397.39		450.96

## THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
Public Issue of Equity Shares	38,04,000 Equity Shares of face value of Rs.10/- each fully paid of the Company for cash at price of Rs. [●]/- per Equity Share aggregating Rs. [●] lakhs
<b>Of which:</b>	
Market Maker Reservation Portion	1,96,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. [●] /- per Equity Share aggregating Rs. [●] lakhs
Net Issue to the Public*	36,08,000 Equity Shares of face value of Rs.10/- each fully paid of the Company for cash at price of Rs. [●]/- per Equity Share aggregating Rs. [●] lakhs
	<i>Of which:</i>
	18,04,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. [●]/- per Equity Share aggregating Rs. [●] lakhs will be available for allocation for allotment to Retail Individual Investors of up to Rs. 2 lakhs
	18,04,000 Equity Shares of face value of Rs. 10 /- each fully paid of the Company for cash at price of Rs. [●]/- per Equity Share aggregating Rs. [●] lakhs will be available for allocation to investors above Rs. 2 lakhs
<b>Pre and Post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	88,79,350 Equity Shares
Equity Shares outstanding after the Issue	1,26,83,350 Equity Shares
Use of Proceeds (Objects of the Issue)	For further details please refer chapter titled “ <b>Objects of the Issue</b> ” beginning on page 124 of this Red Herring Prospectus for information on use of Issue Proceeds

### Notes:

The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on January 18, 2017 and by the shareholders of our Company *vide* a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on January 24, 2017.

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.

\*The allocation in the net Issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to



- i. Individual applicants other than retail individual investors; and
- ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage*

For further details please refer to section titled 'Issue Information' beginning on page 322 of this Red Herring Prospectus.



## GENERAL INFORMATION

Our Company was originally incorporated as Manomay Tex India Private Limited at Bhilwara, Rajasthan as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 13, 2009 bearing Corporate Identification Number U18101RJ2009PTC028647 issued by Registrar of Companies, Rajasthan. Subsequently, our Company was converted into Public Company pursuant to Shareholders resolution passed at the Extraordinary General Meeting of our Company held on January 02, 2017 and the name of our Company was changed to Manomay Tex India Limited and a fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated January 06, 2017 was issued by the Registrar of Companies, Jaipur, Rajasthan. The Corporate Identification Number of our Company is U18101RJ2009PLC028647.

For further details of Incorporation, Change of Name and Registered Office of our Company, please refer to the chapter titled “Our History and Certain Other Corporate Matters” beginning on page 188 of this Red Herring Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

**Manomay Tex India Limited**

32, Heera Panna Market, Pur Road,  
Bhilwara, Rajasthan, - 311001, India

**Tel:** +91 1482 – 246983

**Fax:** Not Available

**Email:** [cs@manomaytexindia.com](mailto:cs@manomaytexindia.com)

**Website:** [www.manomaytexindia.com](http://www.manomaytexindia.com)

**Corporate Identification Number:** U18101RJ2009PLC028647

### REGISTRAR OF COMPANIES

**Registrar of Companies, Jaipur, Rajasthan**

Corporate Bhawan

G/6-7, Second Floor, Residency Area

Civil Lines, Jaipur-302001, Rajasthan, India

**Website:** [www.mca.gov.in](http://www.mca.gov.in)

### DESIGNATED STOCK EXCHANGE

**SME Platform of BSE**

P. J. Towers, Dalal Street;

Fort, Mumbai - 400 001,

Maharashtra, India.



## BOARD OF DIRECTORS OF OUR COMPANY

Sr. No.	Name	Age	DIN	Address	Designation
1.	Kailashchandra Laddha	62	01880516	10/140, Dhanlaxmi Sadan Behind Radhakrushna Talkies, Ichalkaranj i Kolhapur 416115	Chairman and Whole-time Director
2.	Yogesh Laddha	37	02398508	Heera Pana Market Gandhi Nagar, Pur Road Bhilwara – 311001, Rajasthan, India	Managing Director
3.	Kamlesh Laddha	40	03520135	Ward No 10, House No 140, Dhan Laxmi Sadan, Behind Radha Krishna Theatre, Ichalkaranji – 416115, Maharashtra, India	Whole-time Director
4.	Maheshchandra Laddha	44	02333125	10-140, Radhakrishna Colony Masoba Galli Area, Dist. Kolhapur Ichalkaranji - 416115, Maharashtra, India	Non-Executive Director
5.	Pallavi Laddha	36	06856220	5-A-33 R C Vyas Colony Bhilwara 311001, Rajasthan, India	Whole-time Director
6.	Basant Porwal	37	06553480	Lake Town Co- Op Hsg Soc. Ltd. Bldg E-8 F.N. 201 S.N. 11, Katraj Pune 411046, Maharashtra, India	Independent Director
7.	Shriniwas Bhattad	65	07680278	Ward No. 10, H.No. 139, Radha Krishna Colony Radha Krishna Tokij, Hatkanangale Ichalkaranji 416115, Maharashtra, India	Independent Director
8.	Dilip Porwal	41	07694518	Plot No.57, Building No.78A, Near Parinda Hotel Ichalkaranji 416115, Maharashtra, India	Additional Director

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 192 of this Red Herring Prospectus.

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Prateek Jain**

**Manomay Tex India Limited**

32, Heera Panna Market, Pur Road,  
Bhilwara, Rajasthan, - 311001, India

**Tel:** +91 1482 - 246983

**Fax:** Not Available

**Email:** [cs@manomaytexindia.com](mailto:cs@manomaytexindia.com)

**Website:** [www.manomaytexindia.com](http://www.manomaytexindia.com)

## CHIEF FINANCIAL OFFICER

**Bharat Agal**

**Manomay Tex India Limited**

Aaraji No. 5, 6 & 7, Near Toll Plaza,  
Gram - Jojro ka Khera, Tehsil - Gangrar- Chittorgarh - 312901,  
Rajasthan, India

**Tel:** +91 8440049935

**Fax:** Not Available

**Email:** [cfo@manomaytexindia.com](mailto:cfo@manomaytexindia.com)

**Website:** [www.manomaytexindia.com](http://www.manomaytexindia.com)

**Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Issue and / or the Book Running Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or unblocking of ASBA, etc.**

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted, giving full details such as name, address of the applicant, number of Equity Shares applied for, Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs to whom the Application was submitted (at ASBA Locations) where the Bid Cum Application Form was submitted by the ASBA Applicants.

## STATUTORY AUDITOR

**M/s. B. Maheshwari & Co.**

**Chartered Accountants**

18, Heera Panna Market, Pur Road,  
Bhilwara - 311011, Rajasthan, India

**Tel:** +91 1482 246 391

**Fax:** Not Available

**Email:** [darakvikas@rediffmail.com](mailto:darakvikas@rediffmail.com)

**Contact Person:** Vikash Darak

**Firm Registration No:** 105839W

**Membership No:** 400732

## PEER REVIEWED AUDITOR

**M/s. Birani & Associates**

**Chartered Accountants**

90, New cloth Market, Pur Road,  
Bhiwara – 311001, Rajasthan, India

**Tel:** 98290 42246

**Email:** [abhaybirani@rediffmail.com](mailto:abhaybirani@rediffmail.com)

**Contact Person:** R.C. Somani

**Firm Registration No:** 003616C

**Membership No:** 008107

M/s. Birani & Associates., Chartered Accountants holds a peer reviewed certificate dated March 12, 2014 issued by the Institute of Chartered Accountants of India.



## BOOK RUNNING LEAD MANAGER TO THE ISSUE

### **Pantomath Capital Advisors Private Limited**

406-408, Keshava Premises, Behind Family Court,  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051, Maharashtra, India

**Tel:** +91 22 6194 6724

**Fax:** + 91 22 2659 8690

**Email:** [ipo@pantomathgroup.com](mailto:ipo@pantomathgroup.com)

**Website:** [www.pantomathgroup.com](http://www.pantomathgroup.com)

**Contact Person:** Kirti Kanoria

**SEBI Registration No:** INM000012110

## REGISTRAR TO THE ISSUE

### **Bigshare Services Private Limited**

E/2, Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andheri (East),  
Mumbai – 400072, Maharashtra, India

**Tel:** +91 22 4043 0200

**Fax:** +91 22 2847 5207

**E-mail:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

**Contact Person:** Babu Rapheal

**SEBI Registration No.:** INR000001385

**Investor Grievance E-mail:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

## LEGAL ADVISOR TO THE ISSUE

### **M V Kini**

Kini House, 216/263, 1<sup>st</sup> Floor,  
Near City Bank, D.N. Road,  
Fort, Mumbai - 400001,  
Maharashtra, India

**Tel:** +91 22 2261 2527/ 28/ 29

**Fax:** +91 22 2261 2530

**E-mail:** [vidisha@mvkini.com](mailto:vidisha@mvkini.com)

**Contact Person:** Vidisha Krishan

**Website:** [www.mvkini.com](http://www.mvkini.com)

## BANKER TO THE COMPANY

Karur Vysya Bank Limited  
Shop no. 1,2,3, Shreeji Tower,  
Opposite Badal Talkies, Pur Road,  
Gandhi Nagar, Bhilwara -311001,  
Rajasthan, India  
**Tel:** +91 1482 246179  
**Fax:** +91 1482 246079  
**Email:** [bhilwara@kvbmail.com](mailto:bhilwara@kvbmail.com)

Punjab National Bank Limited  
Bhopal Ganj, Bhilwara,  
Rajasthan, India  
**Tel:** +91 1482 232461  
**Fax:** +91 1482 230913  
**Email:** [bo0052@pnb.co.in](mailto:bo0052@pnb.co.in)  
**Contact Person:** Dinesh Arora  
**Website:** [www.pnbindia.in](http://www.pnbindia.in)



**Contact Person:** Aditya Audichya

**Website:** [www.kvb.co.in](http://www.kvb.co.in)

**Oriental Bank of Commerce**

Shanti Bhavan, Bhupal Ganj,

Bhilwara-311001,

Rajasthan, India

**Tel:** + 91 1482 226317

**Fax:** Not Available

**Email:** [bm0080@obc.co.in](mailto:bm0080@obc.co.in)

**Contact Person:** Rajiv Mahajan

**Website:** [www.obcindia.co.in](http://www.obcindia.co.in)

**PUBLIC ISSUE BANK / BANKER TO THE ISSUE**

**ICICI Bank Limited**

**Capital Market Division**

1st Floor, 122, Mistry Bhavan

Dinshaw Vachha Road,

Backbay Reclamation, Churchgate

Mumbai – 400020,

Maharashtra, India

**Tel:** +91 022 2285 9922

**Fax:** +91 022 2261 1138

**Email:** [rishav.bagrecha@icicibank.com](mailto:rishav.bagrecha@icicibank.com)

**Website:** [www.icicibank.com](http://www.icicibank.com)

**Contact Person:** Rishav Bagrecha

**SEBI Registration No.:** INBI000000004

**IndusInd Bank Limited**

IndusInd Bank, PNA House, 4th Floor,

Plot No 57 & 57/1, Road No. 17,

Near SRL, MIDC,

Andheri East,

Mumbai – 400093

Maharashtra, India

**Tel :** +91 22 61069234

**Fax :** +91 22 61069315

**Email:** [suresh.esaki@indusind.com](mailto:suresh.esaki@indusind.com)

**Website:** [www.indusind.com](http://www.indusind.com)

**Contact Person:** Suresh Esaki

**SEBI Registration Number:** INBI000000002

**REFUND BANKER**

**ICICI Bank Limited**

**Capital Market Division**

1st Floor, 122, Mistry Bhavan

Dinshaw Vachha Road,

Backbay Reclamation, Churchgate

Mumbai – 400020,

Maharashtra, India

**Tel:** +91 022 2285 9922

**Fax:** +91 022 2261 1138

**Email:** [rishav.bagrecha@icicibank.com](mailto:rishav.bagrecha@icicibank.com)

**Website:** [www.icicibank.com](http://www.icicibank.com)

**Contact Person:** Rishav Bagrecha

**SEBI Registration No.:** INBI000000004

**SYNDICATE MEMBER**

**Pantomath Stock Brokers Private Limited**

406-408, Keshava Premises, Behind Family Court,

Bandra Kurla Complex, Bandra (East), Mumbai 400 051,

Maharashtra, India

**Tel:** +91 22 6194 6774



**Fax:** +91 22 2659 8690

**Email:** [broking@pantomathgroup.com](mailto:broking@pantomathgroup.com)

**Website:** [www.pantomathbroking.com](http://www.pantomathbroking.com)

**Contact Person:** Mahavir Toshniwal

**SEBI Registration Number:** INZ000068338

**Market Maker Registration No. (SME Segment of BSE):** SMEMM0664612092016

## DESIGNATED INTERMEDIARIES

### Self Certified Syndicate Banks

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on <http://www.sebi.gov.in/sebiweb/home/detail/32931/yes/List-of-Self-Certified-Syndicate-Banks-SCSBs-for-Syndicate-ASBA>. For details on Designated Branches of SCSBs collecting the Application Form, please refer to the above-mentioned SEBI link.

### Registered Brokers

Bidders can submit Bid cum Application Forms in the Issue 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 BSE Ltd., as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### Registrar to Issue and Share Transfer Agents

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at BSE Ltd., as updated from time to time.

### Collecting Depository Participants

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

## CREDIT RATING

This being an issue of Equity Shares, credit rating is not required.

## IPO GRADING

Since the Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

## APPRAISAL AND MONITORING AGENCY

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50,000 Lakhs. Since the Issue size is only of Rs. [●] lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the

Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### **INTER-SE ALLOCATION OF RESPONSIBILITIES**

Since Pantomath Capital Advisors Private Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable.

### **EXPERT OPINION**

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on restated financials for the period ended September 30, 2016 and for the year ended March 31, 2016, 2015, 2014, 2013 and 2012 as included in this Red Herring Prospectus, our Company has not obtained any expert opinion.

### **DEBENTURE TRUSTEE**

Since this is not a debenture issue, appointment of debenture trustee is not required.

### **BOOK BUILDING PROCESS**

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus and bid cum application form within the Price Band. The Price Band and the bid lot size shall be determined by our Company in consultation with the BRLM in accordance with the Book Building Process, and advertised in all editions of a widely circulated English Newspaper, all editions of a widely circulated Hindi Newspaper and regional news paper of Rajasthan, where our registered office is situated at least five working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company in consultation with the BRLM in accordance with the Book Building Process after the Bid/Issue Closing Date. Principal parties involved in the Book Building Process are:

- Our Company;
- The Book Running Lead Manager in this case being Pantomath Capital Advisors Private Limited
- Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with BSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the BRLM;
- The Registrar to the Issue and;
- The Designated Intermediaries

This Issue is being made through the 100 per cent Book Building Process wherein 50 per cent of the Issue shall be available for allocation to Retail Individual Bidders and the balance shall be offered to QIBs and Non-Institutional Investors. Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under-subscription, if any, in any 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 in consultation with the BRLMs and the Stock Exchange.

All Bidders (excluding Anchor Investors) can participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process. In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders 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 or withdraw their Bids prior to the Bid/Issue Closing Date. Further,





Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. The allocation in the net Issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - i. Individual applicants other than retail individual investors; and
  - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage*

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled “Issue Procedure” on page 332 of this Red Herring Prospectus

Illustration of Book Building and Price Discovery Process (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue) Bidders can bid at any price within the price band. For instance, assume a price band of Rs.20 to Rs.24 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Bid 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 shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The issuer, in consultation with the Book Running Lead Managers will finalize the issue price at or below such cut-off price, i.e., at or below Rs.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.

#### **Steps to be taken by the Bidders for Bidding:**

1. Check eligibility for making a Bid (see section titled “Issue Procedure” on page 332 of this Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt 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. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims

Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

## **BID / ISSUE PROGRAMME**

An indicative timetable in respect of the Issue is set out below:

<b>Event</b>	<b>Indicative Date</b>
Bid Opening Date	Wednesday March 15, 2017
Bid Closing Date	Monday March 20, 2017
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before, Thursday March 23, 2017
Initiation of Refunds	On or before Friday March 24, 2017
Credit of Equity Shares to Demat Accounts of Allottees	On or before Friday March 24, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	On or before Tuesday March 28, 2017

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Managers. 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 Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 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 bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Non Retail Bidders shall not be allowed to either withdraw or lower the size of their Bid at any stage. Non Retail Bidders may revise their Bids upwards (in terms of quantity of Equity Shares) during the Issue Period. Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.



## UNDERWRITER

Our Company and BRLM to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated February 21, 2017 and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue.

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rupees in Lakhs)	% of the Total Issue size Underwritten
<b>Pantomath Capital Advisors Private Limited</b> 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India <b>Tel:</b> +91 22 61946724 <b>Fax:</b> + 91 22 26598690 <b>Email:</b> <a href="mailto:ipo@pantomathgroup.com">ipo@pantomathgroup.com</a> <b>Contact Person:</b> Madhu Lunawat <b>SEBI Registration Number:</b> INM000012110	38,04,000	[●]	100%
<b>Total</b>	38,04,000	[●]	<b>100%</b>

*\*Includes 1,96,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 106 V(4) of the SEBI (ICDR) Regulations, 2009, as amended.*

## DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the BRLM have entered into a tripartite agreement dated January 31, 2017, with the following Market Maker, duly registered with BSE Limited to fulfil the obligations of Market Making:

### **Pantomath Stock Brokers Private Limited**

406-408, Keshava Premises, Behind Family Court,  
 Bandra Kurla Complex, Bandra (East), Mumbai 400 051,  
 Maharashtra, India

**Tel:** +91 22 6194 6774

**Fax:** +91 22 2659 8690

**Email:** [broking@pantomathgroup.com](mailto:broking@pantomathgroup.com)

**Contact Person:** Mahavir Prasad Toshniwal

**SEBI Registration Number:** INZ000068338

**Market Maker Registration No. (SME Segment of BSE):** SMEMM0664612092016

**Pantomath Stock Brokers Private Limited** registered with SME segment of BSE will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by BSE and SEBI in this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of [●]/- the minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be Rs. [●] until the same, would be revised by BSE.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the 1,96,000 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 1,96,000 Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Pantomath Stock Brokers Private Limited is acting as the sole Market Maker.
7. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of

the SEBI (ICDR) Regulations. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Corporate Office from 11.00 a.m. to 5.00 p.m. on working days.

10. BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
11. BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.

12. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Makers during market making process has been made applicable, based on the issue size and as follows:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to Rs. 20 Crore	25%	24%
Rs. 20 crore to Rs. 50 crore	20%	19%
Rs. 50 to Rs. 80 crore	15%	14%
Above Rs. 80 crore	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI / BSE from time to time.

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Red Herring Prospectus and after giving effect to the Issue is set forth below:

**Amount (Rs.in lakhs except share data)**

No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorised Share Capital</b>		
	1,30,00,000 Equity Shares of face value of Rs. 10/- each	1300.00	
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	88,79,350 Equity Shares of face value of Rs. 10/- each	887.94	
<b>C.</b>	<b>Present Issue in terms of this Red Herring Prospectus</b>		
	Issue of 38,04,000 Equity Shares of face value of Rs.10 each at a price of Rs. [●] per Equity Share	380.40	[●]
	<b>Consisting:</b>		
	<b>Reservation for Market Maker</b> – 1,96,000 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. [●] per Equity Share	19.60	[●]
	<b>Net Issue to the Public</b> – 36,08,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [●] per Equity Share	360.80	[●]
	<b>Of the Net Issue to the Public</b>		
	<b>Allocation to Retail Individual Investors</b> – 18,04,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [●] per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. 2 lakhs	180.40	[●]
	<b>Allocation to Other than Retail Individual Investors</b> – 18,04,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [●] per Equity Share shall be available for allocation for Investors applying for a value of above Rs. 2 lakhs	180.40	[●]
<b>D.</b>	<b>Issued, Subscribed and Paid-Up Share Capital after the Issue</b>		
	1,26,83,350 Equity Shares of face value of Rs. 10/- each	1,268.34	
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		878.94
	After the Issue		[●]

The Issue has been authorised by the Board of Directors of our Company *vide* a resolution passed at its meeting held on January 18, 2017 and by the shareholders of our company *vide* a Special Resolution passed pursuant to Section 62 (1) (c) of Companies Act, 2013 at the Extra Ordinary General Meeting held on January 24, 2017.

The Company has only one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All Equity Shares issued are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Red Herring Prospectus.



## NOTES TO THE CAPITAL STRUCTURE

### 1. Details of changes in authorised Share Capital:

Since the incorporation of our Company, the authorised share capital of our Company has been altered in the manner set forth below:

Particulars of Change		Date of Shareholder s' Meeting	AGM / EGM
Increased From	Increased To		
The authorised share capital of our Company on incorporation comprised of Rs. 5,00,000 divided into 50,000 Equity Shares of Rs.10 each		On Incorporation	-
Rs. 5,00,000 consisting of 50,000 Equity shares of Rs. 10 each.	Rs. 10,00,000 consisting of 1,00,000 Equity shares of Rs. 10 each.	March 23, 2011	EGM
Rs. 10,00,000 consisting of 1,00,000 Equity shares of Rs. 10 each	Rs. 25,00,000 consisting of 2,50,000 Equity shares of Rs. 10 each.	March 24, 2012	EGM
Rs. 25,00,000 consisting of 2,50,000 Equity shares of Rs. 10 each.	Rs. 1,05,00,000 consisting of 10,50,000 Equity shares of Rs. 10 each	March 25, 2013	EGM
Rs. 1,05,00,000 consisting of 10,50,000 Equity shares of Rs. 10 each	Rs. 2,00,00,000 consisting of 20,00,000 Equity shares of Rs. 10 each	December 20, 2014	EGM
Rs. 2,00,00,000 consisting of 20,00,000 Equity shares of Rs. 10 each	Rs. 13,00,00,000 consisting of 1,30,00,000 Equity shares of Rs. 10 each	December 03, 2016	EGM

### 2. History of Equity Share Capital of our Company

Date of Allotment/ Fully Paid up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative no. of Equity Shares	Cumulative Paid -up Capital (Rs.)
On Incorporation (April 13, 2009)	10,000	10	10	Cash	Subscription to MOA <sup>(1)</sup>	10,000	1,00,000
December 21, 2009	40,000	10	100	Cash	Further Allotment <sup>(2)</sup>	50,000	5,00,000
March 30, 2011	31,700	10	100	Cash	Further Allotment <sup>(3)</sup>	81,700	8,17,000
March 30, 2012	1,36,330	10	100	Cash	Further Allotment <sup>(4)</sup>	2,18,030	21,80,300
March 30, 2013	6,00,900	10	100	Cash	Further Allotment <sup>(5)</sup>	8,18,930	81,89,300
March 31, 2014	1,55,940	10	100	Cash	Further Allotment <sup>(6)</sup>	9,74,870	97,48,700
January 06, 2015	1,00,000	10	100	Cash	Right Issue <sup>(7)</sup>	10,74,870	1,07,48,700
March 04,	1,05,000	10	100	Cash	Right Issue <sup>(8)</sup>	11,79,870	1,17,98,700

Date of Allotment/ Fully Paid up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative no. of Equity Shares	Cumulative Paid -up Capital (Rs.)
2015							
March 18, 2015	95,000	10	100	Cash	Right Issue <sup>(9)</sup>	12,74,870	1,27,48,700
March 27, 2015	1,00,000	10	100	Cash	Right Issue <sup>(10)</sup>	13,74,870	1,37,48,700
September 15, 2015	1,50,000	10	100	Cash	Right Issue <sup>(11)</sup>	15,24,870	1,52,48,700
March 16, 2016	2,00,000	10	100	Cash	Right Issue <sup>(12)</sup>	17,24,870	1,72,48,700
March 30, 2016	51,000	10	100	Other than Cash	Conversion of unsecured loan <sup>(13)</sup>	17,75,870	1,77,58,700
December 08, 2016	71,03,480	10	NIL	Other than Cash	Bonus Issue <sup>(14)</sup>	88,79,350	8,87,93,500

- 1) Initial Subscribers to Memorandum of Association subscribed 10,000 Equity Shares of face value of Rs. 10/- each fully paid at par as per the details given below:

Sr. No	Name of Allottee	No. of Shares Allotted
1	Sureshchandra Laddha	5,000
2	Kailashchandra Laddha	5,000
	<b>Total</b>	<b>10,000</b>

- 2) Further allotment of 40,000 Equity Shares of face value of Rs. 10/- each fully paid at a premium of Rs. 90/- per equity share as per the details given below:-

Sr. No	Name of Allottee	No. of Shares Allotted
1	Sureshchandra Laddha	1,500
2	Kailashchandra Laddha	1,500
3	Bancon Resources Private Limited	5,000
4	Lona Mercantile Private Limited	5,000
5	Season Multitrade Private Limited	5,000
6	Mili Commodities Private Limited	10,000
7	Virga Mercantile Private Limited	10,000
8	Maheshchandra Laddha	500
9	Kamaladevi Laddha	500
10	Kantadevi Laddha	500
11	Yogesh Laddha	500
	<b>Total</b>	<b>40,000</b>

- 3) Further allotment of 31,700 Equity Shares of face value of Rs. 10/- each fully paid at a premium of Rs. 90/- per equity share as per the details given below:-

Sr. No	Name of Allottee	No. of Shares Allotted
1	Chotu Lal Sharma	2,500
2	Gaurav Atal	2,500
3	Ratan Lal Sharma	4,500
4	Bajran Lohiya	1,000
5	Pallavi Laddha	11,000
6	Kailashchandra Hirlal Laddha (HUF)	5,200
7	Maheshchandra Kailashchandra Laddha (HUF)	5,000
	<b>Total</b>	<b>31,700</b>

- 4) Further allotment of 1,36,330 Equity Shares of face value of Rs. 10/- each fully paid at a premium of Rs. 90/- per equity share as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Pallavi Laddha	18,100
2.	Kamla Devi Laddha	4,000
3.	Sureshchandra Laddha	6,000
4.	Pramila Laddha	15,730
5.	Kailashchandra Laddha	15,000
6.	Kailashchandra Hirlal Laddha (HUF)	9,050
7.	Maheshchandra Laddha	18,550
8.	Kamlesh Laddha	12,100
9.	Seema Laddha	5,250
10.	Kantadevi Laddha	4,600
11.	Yogesh Laddha	2,750
12.	Kamlesh Kailashchandra Laddha (HUF)	8,000
13.	Asha Laddha	10,000
14.	Mahesh Kailashchandra Laddha (HUF)	7,200
	<b>Total</b>	<b>1,36,330</b>

- 5) Further allotment of 6,00,900 Equity Shares of face value of Rs. 10/- each fully paid at a premium of Rs. 90/- per equity share as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Pallavi Laddha	45,000
2.	Pramila Laddha	8,000
3.	Kailashchandra Laddha	14,700
4.	Kailashchandra Hiralal Laddha (HUF)	5,000
5.	Maheshchandra Laddha	4,000
6.	Kamlesh Laddha	25,850
7.	Seema Laddha	11,150
8.	Kantadevi Laddha	11,800
9.	Yogesh Laddha	5,500
10.	Kamlesh Kailashchandra Laddha (HUF)	9,000
11.	M/s Evestrong Marketing Private Limited	4,47,400

Sr. No.	Name of Allottee	No. of shares Allotted
12.	Yogesh Kailashchandra Laddha (HUF)	3,500
13.	Bajrang Lohia	5,000
14.	Maheshchandra Kailashchandra Laddha (HUF)	5,000
	<b>Total</b>	<b>6,00,900</b>

- 6) Further allotment of 1,55,940 Equity Shares of face value of Rs. 10/- each fully paid at a premium of Rs. 90/- per equity share as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Pallavi Laddha	15,000
2.	Pramila Laddha	39,150
3.	Kailashchandra Laddha	20,340
4.	Kamlesh Laddha	9,800
5.	Seema Laddha	17,150
6.	Kantadevi Laddha	10,400
7.	Yogesh Laddha	3,500
8.	M/s. Evestrong Marketing Private Limited	14,600
9.	M/s. Smoothly Vinimay Private Limited	26,000
	<b>Total</b>	<b>1,55,940</b>

- 7) Right issue of 1,00,000 Equity shares of face value Rs. 10/- each fully paid at premium of Rs. 90/- per share as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Kailashchandra Laddha	2,500
2.	Maheshchandra Laddha	19,100
3.	Kantadevi Laddha	10,500
4.	Yogesh Laddha	3,500
5.	Kamlesh Laddha	3,400
6.	Maheshchandra Kailashchandra Laddha (HUF)	5,800
7.	Pramila Laddha	19,700
8.	Seema Laddha	17,000
9.	Kamlesh Kailashchandra Laddha (HUF)	18,500
	<b>Total</b>	<b>1,00,000</b>

- 8) Right issue of 1,05,000 Equity shares of face value Rs. 10/- each fully paid at premium of Rs. 90/- per share as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Kailashchandra Laddha	10,000
2.	Kamlesh Laddha	10,000
3.	Maheshchandra Kailashchandra Laddha (HUF)	10,000
4.	Pramila Laddha	5,000
5.	Seema Laddha	10,000
6.	Kailashchandra Hiralal Laddha (HUF)	10,000
7.	Dokania Trade Impex Private Limited	50,000
	<b>Total</b>	<b>1,05,000</b>

- 9) Right issue of 95,000 Equity shares of face value Rs. 10/- each fully paid at premium of Rs. 90/- per share as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1	M/s. Seacom Merchants Private Limited	45,000
2	M/s. Vindeep Vyappar Private Limited	50,000
	<b>Total</b>	<b>95,000</b>

- 10) Right issue of 1,00,000 Equity shares of face value Rs. 10/- each fully paid at premium of Rs. 90/- per share as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1	M/s. Dokania Trade Impex Private Limited	20,000
2	M/s. Grihalakshmi Tie-Up Private Limited	15,000
4	M/s. Kanak Tieup Private Limited	50,000
5	M/s. Nirupamaa Tradelink Private Limited	15,000
	<b>Total</b>	<b>1,00,000</b>

- 11) Right issue of 1,50,000 Equity shares of face value Rs. 10/- each fully paid at premium of Rs. 90/- per share as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Kailashchandra Laddha	15,000
2.	Maheshchandra Laddha	30,000
3.	Kantadevi Laddha	20,000
4.	Kailashchandra Hiralal Laddha (HUF)	18,000
5.	Pramila Laddha	10,000
6.	Seema Laddha	15,000
7.	Kamlesh Kailashchandra Laddha HUF	14,000
8.	Pankaj Jain	6,000
9.	Aarti Jain	6,000
10.	Varsha Jain	10,000
11.	Manoj Jain	6,000
	<b>Total</b>	<b>1,50,000</b>

- 12) Right issue of 2,00,000 Equity shares of face value Rs. 10/- each fully paid at premium of Rs. 90/- per share as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Kailashchandra Laddha	10,000
2.	Maheshchandra Laddha	25,000
3.	Kantadevi Laddha	10,000
4.	Yogesh Laddha	16,500
5.	Gaurav Atal	5,000
6.	Ratan Lal Sharma	5,000
7.	Pallavi Laddha	10,000
8.	Seema Laddha	5,000
9.	Yogesh Kailashchandra Laddha (HUF)	9,750
10.	Kailshchandra Birla	3,000

Sr. No.	Name of Allottee	No. of shares Allotted
11.	Mangidevi Birla	10,000
12.	Balmukund Birla	11,750
13.	Balram Sarda	4,500
14.	Ashish Laddha	1,000
15.	Ashish Ajmera	5,000
16.	Indu Malu	10,000
17.	Sapna Laddha	5,000
18.	Pradeep Sharma	5,500
19.	Hari Ram Lund	7,000
20.	Veena Jagwani	7,000
21.	Kapil Mishra	5,000
22.	Jay Singh Rawat	5,000
23.	Hasmukh Heda	10,000
24.	Prakash Hingar	10,000
25.	Deepak Basantkumar Laddha (HUF)	4,000
	<b>Total</b>	<b>2,00,000</b>

- 13) Further allotment by way of conversion of unsecured loan of Rs. 51,00,000 into 51,000 Equity Shares of face value of Rs. 10 each fully paid at a premium of Rs. 90/- equity share as per the details given below:

Sr. No	Name of Allottee	No. of Shares Allotted
1	Kailashchandra Laddha	32,600
2	Maheshchandra Laddha	18,400
	<b>Total</b>	<b>51,000</b>

- 14) Bonus issue of 71,03,480 Equity Shares of face value of Rs. 10/- each fully paid up in the ratio of 4 equity shares for every 1 equity share held fully paid up as per the details given below:

Sr. No	Name of Allottee	No. of Shares Allotted
1	Sureshchandra Laddha	69,600
2	Kailashchandra Laddha	7,06,560
3	Maheshchandra Laddha	7,42,200
4	Kamla Devi Laddha	18,000
5	Kantadevi Laddha	3,71,200
6	Yogesh Laddha	1,29,000
7	Asha Laddha	40,400
8	Kamlesh Laddha	2,84,600
9	Chhotu Lal Sharma	10,000
10	Gaurav Atal	30,000
11	Ratan Lal Sharma	38,000
12	Bajrang Lohiya	24,000
13	Pallavi Laddha	3,96,400
14	Kailashchandra Hiralal Laddha (HUF)	2,89,000
15	Maheshchandra Kailashchandra. Laddha (HUF)	1,32,000
16	Pramila Laddha	4,70,320
17	Seema Laddha	5,26,200
18	Kamlesh Kailashchandra Laddha (HUF)	2,98,000



Sr. No	Name of Allottee	No. of Shares Allotted
19	M/s. Everstrong Marketing Private Limited	18,48,000
20	Yogesh Kailashchandra Laddha (HUF)	1,53,000
21	Pankaj Jain	24,000
22	Aarti Jain	24,000
23	Varsha Jain	40,000
24	Manoj Jain	24,000
25	Kailash Chandra Birla	12,000
26	Mangi Devi Birla	40,000
27	Balmukund Birla	47,000
28	Balram Sarda	18,000
29	Ashish Laddha	4,000
30	Ashish Ajmera	20,000
31	Indu Malu	40,000
32	Deepak Basant Kumar Laddha (HUF)	16,000
33	Sapna Laddha	20,000
34	Pradeep Sharma	22,000
35	Hari Ram Lund	28,000
36	Veena Jagwani	28,000
37	Kapil Mishra	20,000
38	Jay Singh Rawat	20,000
39	Hasmukh Heda	40,000
40	Prakash Hingar	40,000
	<b>Total</b>	<b>71,03,480</b>

2. We have not issued any Equity Shares for consideration other than cash except as follows:

Date of Allotment/ Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
March 30, 2016	51,000	10	100	Conversion of Unsecured Loan	Debt is converted into fixed Capital	Kailashchandra Laddha	32,600
						Maheshchandra Laddha	18,400
December 08, 2016	71,03,480	10	NA	Bonus Issue in the ratio of 4 Equity shares for every 1 share held	Capitalization of Reserves	Sureshchandra Laddha	69,600
						Kailashchandra Laddha	7,06,560
						Maheshchandra Laddha	7,42,200
						Kamla Devi Laddha	18,000
						Kantadevi Laddha	3,71,200
						Yogesh Laddha	1,29,000
						Asha Laddha	40,400

Date of Allotment/ Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
						Kamlesh Laddha	2,84,600
						Chhotu Lal Sharma	10,000
						Gaurav Atal	30,000
						Ratan Lal Sharma	38,000
						Bajrang Lohiya	24,000
						Pallavi Laddha	3,96,400
						Kailashchandra Hiralal Laddha HUF	2,89,000
						Maheshchandra Kailashchandra Laddha HUF	1,32,000
						Pramila Laddha	4,70,320
						Seema Laddha	5,26,200
						Kamlesh Kaialshchandra Laddha (HUF)	2,98,000
						M/s. Everstrong Marketing Private Limited	18,48,000
						Yogesh Kailashchandra Laddha (HUF)	1,53,000
						Pankaj Jain	24,000
						Aarti Jain	24,000
						Varsha Jain	40,000
						Manoj Jain	24,000
						Kailash Chandra Birla	12,000
						Mangi Devi Birla	40,000
						Balmukund Birla	47,000
						Balram Sarda	18,000
						Ashish Laddha	4,000
						Ashish Ajmera	20,000
						Indu Malu	40,000
						Deepak Basant Kumar Laddha (HUF)	16,000
						Sapna Laddha	20,000
						Pradeep Sharma	22,000

Date of Allotment/ Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
						Hari Lund	28,000
						Veena Jagwani	28,000
						Kapil Mishra	20,000
						Jay Singh Rawat	20,000
						Hasmukh Heda	40,000
						Prakash Hingar	40,000

- No Equity Shares have been allotted pursuant to any scheme approved under Section 230-232 of the Companies Act, 2013.
- Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- Except as mentioned below, no shares have been issued at price below Issue Price within last one year from the date of this Red Herring Prospectus:-

Date of Allotment/ Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
December 08, 2016	71,03,480	10	NIL	Bonus Issue	Capitalization of Reserves	Sureshchandra Laddha	69,600
						Kailashchandra Laddha	7,06,560
						Maheshchandra Laddha	7,42,200
						Kamla Devi Laddha	18,000
						Kantadevi Laddha	3,71,200
						Yogesh Laddha	1,29,000
						Asha Laddha	40,400
						Kamlesh Laddha	2,84,600
						Chhotu Lal Sharma	10,000
						Gaurav Atal	30,000
						Ratan Lal Sharma	38,000
						Bajrang Lohiya	24,000
						Pallavi Laddha	3,96,400
						Kailashchandra Hiralal Laddha (HUF)	2,89,000
						Maheshchandra Kailashchandra Laddha (HUF)	1,32,000
						Pramila Laddha	4,70,320

Date of Allotment/ Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
						Seema Laddha	5,26,200
						Kamlesh Kaialshchandra Laddha (HUF)	2,98,000
						M/s. Everstrong Marketing Private Limited	18,48,000
						Yogesh Kailashchandra Laddha (HUF)	1,53,000
						Pankaj Jain	24,000
						Aarti Jain	24,000
						Varsha Jain	40,000
						Manoj Jain	24,000
						Kailash Chandra Birla	12,000
						Mangi Devi Birla	40,000
						Balmukund Birla	47,000
						Balram Sarda	18,000
						Ashish Laddha	4,000
						Ashish Ajmera	20,000
						Indu Malu	40,000
						Deepak Basant Kumar Laddha (HUF)	16,000
						Sapna Laddha	20,000
						Pradeep Sharma	22,000
						Hari Lund	28,000
						Veena Jagwani	28,000
						Kapil Mishra	20,000
						Jay Singh Rawat	20,000
						Hasmukh Heda	40,000
						Prakash Hingar	40,000



## 6. Build-up of Promoters' shareholding, Promoters' contribution and lock-in

### i. Build Up of Promoter's shareholdings

As on the date of this Red Herring Prospectus, our Promoters Kailashchandra Laddha, Kantadevi Laddha, Maheshchandra Laddha, Pramila Laddha, Yogesh Laddha, Pallavi Laddha, Kailashchandra Hiralal Laddha HUF & Maheshchandra Kailashchandra HUF together holds 40,45,850 Equity Shares of our Company i.e. 45.56% of the Pre-Issue paid-up capital of our Company. None of the Equity shares held by our Promoters are subject to any pledge.

#### a) Kailashchandra Laddha

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Lock-in Period	Source of funds
April 13, 2009	5,000	10	10	Subscription to MoA	0.06%	0.04%	3 Years	Owned Funds
December 21, 2009	1,500	10	100	Further Allotment	0.02%	0.01%	3 Years	Owned Funds
May 15, 2010	10,000	10	10	Transfer	0.11%	0.08%	3 Years	Owned Funds
March 30, 2012	15,000	10	100	Further Allotment	0.17%	0.12%	3 Years	Owned Funds
March 30, 2013	14,700	10	100	Further Allotment	0.17%	0.12%	3 Years	Owned Funds
March 31, 2014	20,340	10	100	Further Allotment	0.23%	0.16%	3 Years	Owned Funds
January 06, 2015	2,500	10	100	Right Issue	0.03%	0.02%	3 Years	Owned Funds
March 04, 2015	10,000	10	100	Right Issue	0.11%	0.08%	3 Years	Owned Funds
September 15, 2015	15,000	10	100	Right Issue	0.17%	0.12%	3 Years	Owned Funds
March 16, 2016	10,000	10	100	Right Issue	0.11%	0.08%	1 Year	Owned Funds
March 30, 2016	32,600	10	100	Conversion of unsecured loan	0.37%	0.26%	1 Year	Owned Funds
November 08, 2016	40,000	10	20	Transfer	0.45%	0.32%	1 Year	Owned Funds
December 08, 2016	3,30,400	10	Not Applicable	Bonus Issue	3.72%	2.60%	1 Year	Not Applicable
	3,76,160				4.24%	2.97%	3 Years	
<b>Total</b>	<b>8,83,200</b>				<b>9.95%</b>	<b>6.96%</b>		

\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment

**b) Kantadevi Laddha**

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Lock-in Period	Source of funds
December 21, 2009	500	10	100	Further Allotment	0.01%	0.00%	3 Years	Owned Funds
March 30, 2012	4,600	10	100	Further Allotment	0.05%	0.04%	3 Years	Owned Funds
March 30, 2013	11,800	10	100	Further Allotment	0.13%	0.09%	3 Years	Owned Funds
March 31, 2014	10,400	10	100	Further Allotment	0.12%	0.08%	3 Years	Owned Funds
January 06, 2015	10,500	10	100	Right Issue	0.12%	0.08%	3 Years	Owned Funds
September 15, 2015	20,000	10	100	Right Issue	0.23%	0.16%	3 Years	Owned Funds
March 16, 2016	10,000	10	100	Right Issue	0.11%	0.08%	1 Year	Owned Funds
November 08, 2016	25,000	10	20	Transfer	0.28%	0.20%	1 Year	Owned Funds
December 08, 2016	1,40,000	10	Not Applicable	Bonus Issue	1.58%	1.10%	1 Year	Not Applicable
	2,31,200				2.60%	1.82%	3 Years	
<b>Total</b>	<b>4,64,000</b>				<b>5.23%</b>	<b>3.66%</b>		

\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment





**c) Maheshchandra Laddha**

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Lock-in Period	Source of funds
December 21, 2009	500	10	100	Further Allotment	0.01%	0.00%	3 Years	Owned Funds
May 17, 2010	10,000	10	10	Transfer	0.11%	0.08%	3 Years	Owned Funds
March 30, 2012	18,550	10	100	Further Allotment	0.21%	0.15%	3 Years	Owned Funds
March 30, 2013	4,000	10	100	Further Allotment	0.05%	0.03%	3 Years	Owned Funds
January 06, 2015	19,100	10	100	Right Issue	0.22%	0.15%	3 Years	Owned Funds
September 15, 2015	30,000	10	100	Right Issue	0.34%	0.24%	3 Years	Owned Funds
March 16, 2016	25,000	10	100	Right Issue	0.28%	0.20%	1 Year	Owned Funds
March 30, 2016	18,400	10	100	Conversion of unsecured loan	0.21%	0.15%	1 Year	Owned Funds
November 08, 2016	60,000	10	20	Transfer	0.68%	0.47%	1 Year	Owned Funds
December 08, 2016	4,13,600	10	Not Applicable	Bonus Issue	4.66%	3.29%	1 Year	Not Applicable
	3,28,600				3.70%	2.59%	3 Years	
<b>Total</b>	<b>9,27,750</b>				<b>10.45%</b>	<b>7.31%</b>		

\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment

d) **Pramila Laddha**

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Lock-in Period	Source of funds
March 30, 2012	15,730	10	100	Further Allotment	0.18%	0.12%	3 Years	Owned Funds
March 30, 2013	8,000	10	100	Further Allotment	0.09%	0.06%	3 Years	Owned Funds
March 31, 2014	39,150	10	100	Further Allotment	0.44%	0.31%	3 Years	Owned Funds
January 06, 2015	19,700	10	100	Right Issue	0.22%	0.16%	3 Years	Owned Funds
March 04, 2015	5,000	10	100	Right Issue	0.06%	0.04%	3 Years	Owned Funds
September 15, 2015	10,000	10	100	Right Issue	0.11%	0.08%	3 Years	Owned Funds
November 08, 2016	20,000	10	20	Transfer	0.23%	0.16%	1 Year	Owned Funds
December 08, 2016	80,000	10	Not Applicable	Bonus Issue	0.90%	0.63%	1 Year	Not Applicable
	3,90,320				4.40%	3.08%	3 Years	
<b>Total</b>	<b>5,87,900</b>				<b>6.62%</b>	<b>4.64%</b>		

\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment



e) Yogesh Laddha

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Lock-in Period	Source of funds
December 21,2009	500	10	100	Further Allotment	0.01%	0.00%	3 Years	Owned Funds
March 30, 2012	2,750	10	100	Further Allotment	0.03%	0.02%	3 Years	Owned Funds
March 30, 2013	5,500	10	100	Further Allotment	0.06%	0.04%	3 Years	Owned Funds
March 31, 2014	3,500	10	100	Further Allotment	0.04%	0.03%	3 Years	Owned Funds
January 06, 2015	3,500	10	100	Right Issue	0.04%	0.03%	3 Years	Owned Funds
March 16, 2016	16,500	10	100	Right Issue	0.19%	0.13%	1 Year	Owned Funds
December 08, 2016	66,000	10	N.A	Bonus Issue	0.74%	0.52%	1 Year	Not Applicable
	63,000				0.71%	0.50%	3 Years	
<b>Total</b>	<b>1,61,250</b>				<b>1.82%</b>	<b>1.27%</b>		

\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment

**f) Pallavi Laddha**

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Lock-in Period	Source of funds
March 30, 2011	11,000	10	100	Further Allotment	0.12%	0.09%	3 Years	Owned Funds
March 30, 2012	18,100	10	100	Further Allotment	0.20%	0.14%	3 Years	Owned Funds
March 30, 2013	45,000	10	100	Further Allotment	0.51%	0.35%	3 Years	Owned Funds
March 31, 2014	15,000	10	100	Further Allotment	0.17%	0.12%	3 Years	Owned Funds
March 16, 2016	10,000	10	100	Right Issue	0.11%	0.08%	1 Year	Owned Funds
December 08, 2016	40,000	10	Not Applicable	Bonus Issue	0.45%	0.32%	1 Year	Not Applicable
	3,56,400				4.01%	2.81%	3 Years	
<b>Total</b>	<b>4,95,500</b>				<b>5.58%</b>	<b>3.91%</b>		

\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment



**g) Kailashchandra Hiralal Laddha HUF**

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Lock-in Period	Source of funds
March 30, 2011	5,200	10	100	Further Allotment	0.06	0.04	3 Years	Owned Funds
March 30, 2012	9,050	10	100	Further Allotment	0.10	0.07	3 Years	Owned Funds
March 30, 2013	5,000	10	100	Further Allotment	0.06	0.04	3 Years	Owned Funds
March 04, 2015	10,000	10	100	Right Issue	0.11	0.08	3 Years	Owned Funds
September 15, 2015	18,000	10	100	Right Issue	0.20	0.14	3 Years	Owned Funds
November 08, 2016	25,000	10	20	Transfer	0.28	0.20	1 Year	Owned Funds
December 08, 2016	1,00,000	10	Not Applicable	Bonus Issue	1.13	0.79	1 Year	Owned Funds
	1,89,000				2.13	1.49	3 Years	Not Applicable
<b>Total</b>	<b>3,61,250</b>				<b>4.07</b>	<b>2.85</b>		

\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment

#### h) Maheshchandra Kailashchandra Laddha HUF

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Lock-in Period	Source of funds
March 30, 2011	5,000	10	100	Further Allotment	0.06	0.04	3 Years	Owned Funds
March 30, 2012	7,200	10	100	Further Allotment	0.08	0.06	3 Years	Owned Funds
March 30, 2013	5,000	10	100	Further Allotment	0.06	0.04	3 Years	Owned Funds
January 06, 2015	5,800	10	100	Right Issue	0.07	0.05	3 Years	Owned Funds
March 04, 2015	10,000	10	100	Right Issue	0.11	0.08	3 Years	Owned Funds
December 08, 2016	1,32,000	10	Not Applicable	Bonus Issue	1.49	1.04	3 Years	Not Applicable
<b>Total</b>	<b>1,65,000</b>				<b>1.86</b>	<b>1.30</b>		

\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment



## ii. Details of Promoter's Contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI ICDR Regulations, an aggregate of 20% of the post-Issue capital held by our Promoter shall be considered as Promoter's Contribution ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters has given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting 20.37% of the post issue Equity Shares of our Company and has agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ made fully paid up	No. of Shares Allotted/ Transfer red	Face Value	Issue Price	Nature of Allotment	% of Post Issue sharehold ing	Lock in Period
<b>Kailashchandra Laddha</b>						
April 13, 2009	5,000	10	10	Subscription to MoA	0.04%	3 Years
December 21, 2009	1,500	10	100	Further Allotment	0.01%	3 Years
May 15, 2010	10,000	10	10	Transfer	0.08%	3 Years
March 30, 2012	15,000	10	100	Further Allotment	0.12%	3 Years
March 30, 2013	14,700	10	100	Further Allotment	0.12%	3 Years
March 31, 2014	20,340	10	100	Further Allotment	0.16%	3 Years
January 06, 2015	2,500	10	100	Right Issue	0.02%	3 Years
March 04, 2015	10,000	10	100	Right Issue	0.08%	3 Years
September 15, 2015	15,000	10	100	Right Issue	0.12%	3 Years
December 08, 2016	3,76,160	10	Not Applicable	Bonus Issue	2.97%	3 Years
<b>Kantadevi Laddha</b>						
December 21, 2009	500	10	100	Further Allotment	0.00%	3 Years
March 30, 2012	4,600	10	100	Further Allotment	0.04%	3 Years
March 30, 2013	11,800	10	100	Further Allotment	0.09%	3 Years
March 31, 2014	10,400	10	100	Further Allotment	0.08%	3 Years
January 06, 2015	10,500	10	100	Right Issue	0.08%	3 Years
September 15, 2015	20,000	10	100	Right Issue	0.16%	3 Years
December 08, 2016	2,31,200	10	Not Applicable	Bonus Issue	1.82%	3 Years
<b>Maheshchandra Laddha</b>						
December 21, 2009	500	10	100	Further Allotment	0.00%	3 Years
May 17, 2010	10,000	10	10	Transfer	0.08%	3 Years
March 30, 2012	18,550	10	100	Further Allotment	0.15%	3 Years
March 30, 2013	4,000	10	100	Further Allotment	0.03%	3 Years
January 06, 2015	19,100	10	100	Right Issue	0.15%	3 Years
September 15, 2015	30,000	10	100	Right Issue	0.24%	3 Years
December 08, 2016	3,28,600	10	Not Applicable	Bonus Issue	2.59%	3 Years
<b>Pramila Laddha</b>						
March 30, 2012	15,730	10	100	Further Allotment	0.12%	3 Years

Date of Allotment/ made fully paid up	No. of Shares Allotted/ Transfer red	Face Value	Issue Price	Nature of Allotment	% of Post Issue sharehold ing	Lock in Period
March 30, 2013	8,000	10	100	Further Allotment	0.06%	3 Years
March 31, 2014	39,150	10	100	Further Allotment	0.31%	3 Years
January 06, 2015	19,700	10	100	Right Issue	0.16%	3 Years
March 04, 2015	5,000	10	100	Right Issue	0.04%	3 Years
September 15, 2015	10,000	10	100	Right Issue	0.08%	3 Years
December 08, 2016	3,90,320	10	Not Applicable	Bonus Issue	3.08%	3 Years
<b>Yogesh Laddha</b>						
December 21, 2009	500	10	100	Further Allotment	0.00%	3 Years
March 30, 2012	2,750	10	100	Further Allotment	0.02%	3 Years
March 30, 2013	5,500	10	100	Further Allotment	0.04%	3 Years
March 31, 2014	3,500	10	100	Further Allotment	0.03%	3 Years
January 06, 2015	3,500	10	100	Right Issue	0.03%	3 Years
December 08, 2016	63,000	10	Not Applicable	Bonus Issue	0.50%	3 Years
<b>Pallavi Laddha</b>						
March 30, 2011	11,000	10	100	Further Allotment	0.09%	3 Years
March 30, 2012	18,100	10	100	Further Allotment	0.14%	3 Years
March 30, 2013	45,000	10	100	Further Allotment	0.35%	3 Years
March 31, 2014	15,000	10	100	Further Allotment	0.12%	3 Years
December 08, 2016	3,56,400	10	Not Applicable	Bonus Issue	2.81%	3 Years
<b>Kailashchandra Hiralal Laddha HUF</b>						
March 30, 2011	5,200	10	100	Further Allotment	0.04	3 Years
March 30, 2012	9,050	10	100	Further Allotment	0.07	3 Years
March 30, 2013	5,000	10	100	Further Allotment	0.04	3 Years
March 04, 2015	10,000	10	100	Right Issue	0.08	3 Years
September 15, 2015	18,000	10	100	Right Issue	0.14	3 Years
December 08, 2016	1,89,000	10	Not Applicable	Bonus Issue	1.49	3 Years
<b>Maheshchandra Kailashchandra Laddha HUF</b>						
March 30, 2011	5,000	10	100	Further Allotment	0.04	3 Years
March 30, 2012	7,200	10	100	Further Allotment	0.06	3 Years
March 30, 2013	5,000	10	100	Further Allotment	0.04	3 Years
January 06, 2015	5,800	10	100	Right Issue	0.05	3 Years
March 04, 2015	10,000	10	100	Right Issue	0.08	3 Years
December 08, 2016	1,32,000	10	Not Applicable	Bonus Issue	1.04	3 Years
<b>Total</b>	<b>25,83,350</b>				<b>20.37%</b>	

The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI (ICDR) Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI ICDR Regulations. In connection, we confirm the following:

- a) The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the three years preceding the date of this Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- b) The minimum Promoters' contribution does not include Equity Shares acquired during the one year preceding the date of this Red Herring Prospectus at a price lower than the Issue Price;
- c) No equity shares have been issued to our promoter upon conversion of a partnership firm during the preceding one year at a price less than the issue price.
- d) The Equity Shares held by the Promoter and offered for minimum Promoters' contribution are not subject to any pledge;
- e) All the Equity Shares of our Company held by the Promoter are in the process of being dematerialized; and
- f) The Equity Shares offered for Promoter's contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoter's contribution subject to lock-in.

### **iii. Details of Share Capital locked in for one year**

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the balance remaining pre-Issue equity share Capital shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

### **iv. Other requirements in respect of lock-in:**

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoter, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' Contribution for 3 years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Further, pursuant to Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI (ICDR) Regulations has ended, subject to compliance with the Takeover Code, as applicable.

We further confirm that our Promoters' Contribution of 20.37% of the Post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

- 7. Except as mentioned below, there were no shares/purchased/sold by the Promoter and Promoter Group, directors and their immediate relatives during last six months.

Date of Allotment	Name of the Allottee/Transferee	Party Category	No. of Shares Allotted/ Transferred	Face Value	Issue / Transfer Price	Nature of Allotment
November 08, 2016	Kamlesh Kailashchandra Laddha HUF	Promoter Group	25,000	10	20	Transfer
November 08, 2016	Pramila Laddha	Promoter	20,000	10	20	Transfer
November 08, 2016	Yogesh Kailashchandra Laddha (HUF)	Promoter Group	25,000	10	20	Transfer
November 08, 2016	Maheshchandra Laddha	Promoter	20,000	10	20	Transfer
November 08, 2016	Kailashchandra Laddha	Promoter	25,000	10	20	Transfer
November 08, 2016	Maheshchandra Laddha	Promoter	25,000	10	20	Transfer
November 08, 2016	Kailashchandra Hiralal Laddha (HUF)	Promoter	25,000	10	20	Transfer
November 08, 2016	Kailashchandra Laddha	Promoter	15,000	10	20	Transfer
November 08, 2016	Kantadevi Laddha	Promoter	25,000	10	20	Transfer
November 08, 2016	Maheshchandra Laddha	Promoter	15,000	10	20	Transfer
December 08, 2016	Kailashchandra Laddha	Promoter	7,06,560	10	Not applicable	Bonus Issue
December 08, 2016	Maheshchandra Laddha	Promoter	7,42,200	10	Not applicable	Bonus Issue
December 08, 2016	Kantadevi Laddha	Promoter	3,71,200	10	Not applicable	Bonus Issue
December 08, 2016	Yogesh Laddha	Promoter	1,29,000	10	Not applicable	Bonus Issue
December 08, 2016	Kamlesh Laddha	Promoter Group	2,84,600	10	Not applicable	Bonus Issue
December 08, 2016	Pallavi Laddha	Promoter	3,96,400	10	Not applicable	Bonus Issue
December 08, 2016	Kailashchandra Hiralal Laddha (HUF)	Promoter	2,89,000	10	Not applicable	Bonus Issue
December 08, 2016	Maheshchandra Kailashchandra Laddha (HUF)	Promoter	1,32,000	10	Not applicable	Bonus Issue
December 08, 2016	Pramila Laddha	Promoter	4,70,320	10	Not applicable	Bonus Issue
December 08, 2016	Kamlesh Kailashchandra Laddha (HUF)	Promoter Group	2,98,000	10	Not applicable	Bonus Issue

Date of Allotment	Name of the Allottee/Transferee	Party Category	No. of Shares Allotted/ Transferred	Face Value	Issue / Transfer Price	Nature of Allotment
December 08, 2016	Yogesh Kailashchandra Laddha (HUF)	Promoter Group	1,53,000	10	Not applicable	Bonus Issue
December 08, 2016	Kailashchandra Birla	Promoter Group	12,000	10	Not applicable	Bonus Issue
December 08, 2016	Mangidevi Birla	Promoter Group	40,000	10	Not applicable	Bonus Issue
December 08, 2016	Balmukund Birla	Promoter Group	47,000	10	Not applicable	Bonus Issue
December 08, 2016	Everstrong Marketing Private Limited	Promoter Group	18,48,000	10	Not applicable	Bonus Issue
December 08, 2016	Ashish Laddha	Promoter Group	4,000	10	Not applicable	Bonus

## 8. Our Shareholding Pattern

The table below presents the shareholding pattern of our Company as per Regulation 31, of the SEBI Listing Regulations, 2015

**Summary of Shareholding Pattern** as on the date of this Red Herring Prospectus:-

Category	Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No. of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII = IV + V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
A	Promoter and Promoter Group	16	74,04,100	-	-	74,04,100	83.39	74,04,100	83.39	-	83.39	-	-	-	-	[●]
B	Public	24	14,75,250	-	-	14,75,250	16.61	14,75,250	16.61	-	16.61	-	-	-	-	[●]
C	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>40</b>	<b>88,79,350</b>	<b>-</b>	<b>-</b>	<b>88,79,350</b>	<b>100.00</b>	<b>88,79,350</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>[●]</b>

\*As on the date of this Red Herring Prospectus 1 Equity Shares holds 1 vote.

\*\*All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to Listing of Shares on BSE SME Platform.





# I. Shareholding Pattern of Promoter and Promoter Group

	Category of Shareholder	PAN	Nos. of shares held	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)  As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percent age of diluted share capital)  As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No. of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	I	II	III	IV	V	VI	VII IV+V+VI	VIII	IX		X	XI VII + X	XII		XIII		XIV
1	Indian																
(a)	Individuals/Hindu undivided Family		15	50,94,100	-	-	50,94,100	57.37	50,94,100	57.37	-	57.37	-	-	-	-	[●]
(b)	Central Government/ State Government(s)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (Body		1	23,10,000	-	-	23,10,000	26.02	23,10,000	26.02	-	26.02	-	-	-	-	[●]

	Category of Shareholder	PAN	Nos. of shares held	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)  As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percent age of diluted share capital)  As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No. of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
	corporate)																
	<b>Sub-total (A) (1)</b>		<b>16</b>	<b>74,04,100</b>	-	-	<b>74,04,100</b>	<b>83.39</b>	<b>74,04,100</b>	<b>83.39</b>	-	<b>83.39</b>	-	-	-	-	<b>[•]</b>
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



	Category of Shareholder	PAN	Nos. of shares held	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)  As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)  As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No. of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
	Investor																
(f)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>		<b>16</b>	<b>74,04,100</b>	-	-	<b>74,04,100</b>	<b>83.39</b>	<b>74,04,100</b>	<b>83.39</b>	-	<b>83.39</b>	-	-	-	-	<b>[•]</b>

## II. Shareholding pattern of the Public shareholder

	Category of Shareholder	P A N	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares under lying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)  As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)  As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
									No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
(1)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions /	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



	Category of Shareholder	P A N	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares under lying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)  As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)  As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
									No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
	Banks																
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B) (1)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government/State Government(s) / President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B) (2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	<b>Non-</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Category of Shareholder	P A N	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares under lying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)  As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)  As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
									No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
	<b>Institutions</b>																
(a)	Individuals																
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs		2	32,500	-	-	32,500	0.37	32,500	0.37	-	0.37	-	-	-	-	[●]
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs		22	14,42,750	-	-	14,42,750	16.25	14,42,750	16.25	-	16.25	-	-	-	-	[●]
(b)	NBFCs registered with RBI		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-





	Category of Shareholder	P A N	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)  As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)  As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
									No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
	Trusts																
(d)	Overseas Depositories (holding DRs) (balancing figure)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)			-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (B)(3)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Public (B)= (B)(1)+(B)(2) + (B)(3)</b>		24	14,75,250	-	-	14,75,250	16.61	14,75,250	16.61	-	16.61	-	-	-	-	●

### III. Shareholding pattern of the Non Promoter- Non Public shareholder

Sr No	Category of Shareholder	P A N	Nos. of shareh olders	No. of fully paid up equi ty shar es held	No. of Part ly paid -up equi ty shar es held	No. of shares underly ing Deposi tory Receipt s	Total nos. shares held	Sharehold ing as a % of total no. of shares (calculate d as per SCRR, 1957) As a % of (A+B+C2 )	Number of Voting Rights held in each class of securities		No. of Shares Underlyi ng Outstand ing convertib le securities (includin g Warrant s)	Shareholdin g , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in demateriali zed form***
									No of Voti ng Righ ts	Total as a % of (A+B+ C)			N o. (a)	As a % of total Sha res held (b)	No. (a)	As a % of total Share s held (b)	
	I	I I	III	IV	V	VI	VII = IV+V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
(1)	Custodian / DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Name of DR Holder (if applicable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub total (C)(1)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub total (C)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Sr No	Category of Shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)  As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)  As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
									No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
	Total Non-Promoter Non-Public Shareholding (C) = (C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

*Note: PAN of shareholders will be provided to the Stock Exchange by our Company prior to listing of its Equity Shares on the Stock Exchange.*

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of BSE before commencement of trading of such Equity Shares.

\*\*\* In terms of SEBI Listing Regulations, our Company shall ensure that the Equity Shares held by the Promoter / members of the Promoter Group shall be dematerialised prior to listing of Equity shares.

9. The details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category Promoter and Promoter Group are as under:

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	<b>Promoter</b>				
1.	Kailashchandra Laddha	8,83,200	9.95	8,83,200	6.96
2.	Maheshchandra Laddha	9,27,750	10.45	9,27,750	7.31
3.	Yogesh Laddha	1,61,250	1.82	1,61,250	1.27
4.	Pallavi Laddha	4,95,500	5.58	4,95,500	3.91
5.	Kantadevi Laddha	4,64,000	5.23	4,64,000	3.66
6.	Pramila Laddha	5,87,900	6.62	5,87,900	4.64
7.	Kailashchandra Hiralal Laddha (HUF)	3,61,250	4.07	3,61,250	2.85
8.	Maheshchandra Kailashchandra Laddha (HUF)	1,65,000	1.86	1,65,000	1.30
	<b>Sub total (A)</b>	<b>40,45,850</b>	<b>45.56</b>	<b>40,45,850</b>	<b>31.90</b>
	<b>Promoter Group</b>				
9.	Everstrong Marketing Private Limited	23,10,000	26.02	23,10,000	18.21
10.	Kamlesh K Laddha (HUF)	3,72,500	4.20	3,72,500	2.94
11.	Kamlesh Laddha	3,55,750	4.01	3,55,750	2.80
12.	Yogesh Kailashchandra Laddha (HUF)	1,91,250	2.15	1,91,250	1.51
13.	Balmukund Birla	58,750	0.66	58,750	0.46
14.	Mangidevi Birla	50,000	0.56	50,000	0.39
15.	Kailashchandra Birla	15,000	0.17	15,000	0.12
16.	Ashish Laddha	5,000	0.06	5,000	0.04
	<b>Sub total (B)</b>	<b>33,58,250</b>	<b>37.82</b>	<b>33,58,250</b>	<b>26.48</b>
	<b>Total (A+B)</b>	<b>74,04,100</b>	<b>83.39</b>	<b>74,04,100</b>	<b>58.38</b>

11. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Kailashchandra Laddha	8,83,200	14.85
Kantadevi Laddha	4,64,000	15.69
Maheshchandra Laddha	9,27,750	14.83
Pramila Laddha	5,87,900	17.28
Yogesh Laddha	1,61,250	20.00
Pallavi Laddha	4,95,500	20.00
Kailashchandra Hiralal Laddha HUF	3,61,250	14.46
Maheshchandra Kailashchandra Laddha HUF	1,65,000	20.00



12. Except as stated below, no persons belonging to the category “Public” holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares.

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
1.	Seema Laddha	6,57,750	7.41	6,57,750	5.19
	<b>Total</b>	<b>6,57,750</b>	<b>7.41</b>	<b>6,57,750</b>	<b>5.19</b>

13. The lists of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, ten days before the date of filing and two years before the date of filing of this Red Herring Prospectus are set forth below:

a) Particulars of the top ten shareholders as on the date of filing this Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Everstrong Marketing Private Limited	23,10,000	26.02
2.	Maheshchandra Laddha	9,27,750	10.45
3.	Kailashchandra Laddha	8,83,200	9.95
4.	Seema Laddha	6,57,750	7.41
5.	Pramila Laddha	5,87,900	6.62
6.	Pallavi Laddha	4,95,500	5.58
7.	Kantadevi Laddha	4,64,000	5.23
8.	Kamlesh Kailashchandra Laddha (HUF)	3,72,500	4.20
9.	Kailashchandra Hiralal Laddha (HUF)	3,61,250	4.07
10.	Kamlesh Laddha	3,55,750	4.01
	<b>Total</b>	<b>74,15,600</b>	<b>83.52</b>

b) Particulars of the top ten shareholders as on ten days prior to the date of filing of this Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
11.	Everstrong Marketing Private Limited	23,10,000	26.02
12.	Maheshchandra Laddha	9,27,750	10.45
13.	Kailashchandra Laddha	8,83,200	9.95
14.	Seema Laddha	6,57,750	7.41
15.	Pramila Laddha	5,87,900	6.62
16.	Pallavi Laddha	4,95,500	5.58
17.	Kantadevi Laddha	4,64,000	5.23
18.	Kamlesh Kailashchandra Laddha (HUF)	3,72,500	4.20
19.	Kailashchandra H Laddha (HUF)	3,61,250	4.07
20.	Kamlesh Laddha	3,55,750	4.01
	<b>Total</b>	<b>74,15,600</b>	<b>83.52</b>



**c) Particulars of the top ten shareholders two years prior to the date of filing of this Red Herring Prospectus:**

Sr. No	Name of the Shareholders	Number of Equity Shares	% of then existing Total Paid-Up Capital
1.	Everstrong Marketing Pvt. Ltd.	4,62,000.00	42.98
2.	Cityfab Suiting (Pallavi Laddha)	89,100.00	8.29
3.	Pramila Laddha	82,580.00	7.68
4.	Kailashchandra Laddha	69,040.00	6.42
5.	Kamlesh Laddha	61,150.00	5.69
6.	Maheshchandra Laddha	52,150.00	4.85
7.	Seema Laddha	50,550.00	4.70
8.	Kantadevi Laddha	37,800.00	3.52
9.	Kamlesh Laddha (HUF)	35,500.00	3.30
10.	Smoothly Vinimay Private Limited	26,000.00	2.42
	<b>Total</b>	<b>9,65,870</b>	<b>89.86</b>

14. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
15. Neither the Book Running Lead Manager viz. Pantomath Capital Advisors Private Limited, nor their associates hold any Equity Shares of our Company as on the date of this Red Herring Prospectus.
16. Under-subscription in the net issue, if any, in any 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 in consultation with the Book Running Lead Manager and the SME Platform of BSE.
17. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
18. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
19. There are no Equity Shares against which depository receipts have been issued.
20. Other than the Equity Shares, there is no other class of securities issued by our Company.
21. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares have been listed. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split / consolidation of the denomination of Equity Shares. However our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.





22. None of the persons/Entities comprising our Promoter Group, or our Directors or 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 any such entity/individual or otherwise during the period of six months immediately preceding the date of filing of this Red Herring Prospectus.
23. Our Company, our Promoters, our Directors and the Book Running Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
24. There are no safety net arrangements for this public issue.
25. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock- in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.
26. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
27. As on date of this Red Herring Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
28. All the Equity Shares of our Company are fully paid up as on the date of the Red Herring Prospectus. Further, since the entire issue price in respect of the Issue is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this issue shall be fully paid-up.
29. As per RBI regulations, OCBs are not allowed to participate in this Issue.
30. Our Company has not raised any bridge loans against the proceeds of the Issue.
31. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
32. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
33. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
34. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
35. Our Company has 40 shareholders as on the date of filing of this Red Herring Prospectus.
36. Our Promoters and the members of our Promoter Group will not participate in this Issue.
37. Our Company has not made any public issue since its incorporation.
38. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.



39. For the details of transactions by our Company with our Promoter Group, Group Companies for the period ended September 30, 2016 and during the financial years ended March 31, 2016, 2015, 2014, 2013 and 2012. Please refer to paragraph titled “Details of Related Parties Transactions as Restated” in the chapter titled “*Financial Statements as restated*” on page 220 of the Red Herring Prospectus.
40. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “Our Management” beginning on page 192 of the Red Herring Prospectus.



## OBJECTS OF THE ISSUE

Our Company proposes to utilize the net proceeds from the Issue towards funding the following objects and achieve the benefits of listing on the SME Platform of BSE.

The objects of the Issue are:

1. Working Capital requirement
2. General Corporate Purposes.

We believe that the listing of Equity Shares will enhance our Company's corporate image, brand name and create a public market for our Equity Shares in India.

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

### Issue Proceeds

The details of the issue proceeds are summarised below:

Particulars	Amount (Rs in Lakhs)*
Gross Proceeds from the Issue*	[●]
Less: Issue expenses	[●]
<b>Net Proceeds of the Issue ("Net Proceeds")</b>	<b>[●]</b>

*\* To be finalised upon determination of Issue Price.*

### Utilisation of Net Proceeds

We intend to utilise the Net Proceeds in the manner set below:

Sr. No.	Particulars	Amount (Rs in Lakhs)	Percentage of Net Proceeds
1.	Working capital requirement	<b>850.00</b>	[●]%
2.	General Corporate Purpose*	[●]	[●]%
	Total	[●]	[●]%

*\*To be finalized upon determination of the Issue Price.*

## FUND REQUIREMENTS

The fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

In view of the dynamic nature of the sector and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.

### Means of Finance

The requirements of the objects detailed above are intended to be funded from the proceeds of the issue, bank borrowings and internal accruals. Accordingly, we confirm that there is no requirement for us 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 proposed fresh Issue.

While we intend to utilise the Issue Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements. In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if



any, available in respect of the other purposes for which funds are being raised in this Issue. In the event of any shortfall in the Net Proceeds, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders.

### Working Capital Requirement

Our business is working capital intensive. We finance our working capital requirements from bank borrowings, internal accruals and other sources. As on date of the Red Herring Prospectus, our Company's working capital facilities consisted of an aggregate fund based limit of Rs.1,350.00 lakhs. For further information, see "Financial Indebtedness" on page 279

As on March 31, 2015 and March 31, 2016 our Company's net working capital consisted of Rs. 1,190.40 Lakhs and Rs. 2,333.81 Lakhs respectively, based on the restated financial statements.

The total working capital requirement for the year 2016-17 is expected to be Rs. 3,321.96 lakhs. The incremental working capital requirement for the year ending March 31, 2017 will be Rs. 988.15 lakhs which will be met through the Net Proceeds to the extent of Rs. 850.00 lakhs collectively, and the balance portion will be met through bank borrowings and internal accruals.

### Basis of estimation of working capital requirement

The details of our Company's working capital requirement and funding of the same based on the restated standalone financial statements as at March 31, 2015 and March 31, 2016 are as set out in the table below:

*Amount (Rs. In Lakhs)*

Particulars	As on March 31	
	2015	2016
<b>Current Assets</b>		
Inventories		
Raw material	405.04	749.94
Finished goods	232.81	471.92
Packing material and consumables	52.82	58.89
Trade receivables	1,074.44	2,403.92
Cash and bank balance	266.33	397.39
Short term loans & advances & other current assets	274.17	298.82
<b>Total (A)</b>	<b>2,305.62</b>	<b>4,380.87</b>
<b>Current Liabilities</b>		
Trade payables	1,038.81	1,907.69
Other current liabilities & short term provisions	76.42	139.37
<b>Total (B)</b>	<b>1,115.23</b>	<b>2,047.07</b>
<b>Net Working Capital (A)-(B)</b>	<b>1,190.40</b>	<b>2,333.81</b>



The details of our Company's expected working capital requirement as at March 31, 2017 is set out in the table below:

Amount (Rs. in lakhs)

Particulars	2016-17 (Estimated)
<b>Current Assets</b>	
Inventories	
Raw material	1,050.00
Work in progress	150.00
Finished goods	700.00
Packing material and consumables	62.00
Trade receivables	2,644.84
Cash and bank balance	520.36
Short term loans & advances and other current assets	395.39
<b>Total (A)</b>	<b>5,522.58</b>
<b>Current Liabilities</b>	
Trade payables	2,088.92
Other current liabilities & short term provisions	111.70
<b>Total (B)</b>	<b>2,200.62</b>
<b>Net Working Capital (A)-(B)</b>	<b>3,321.96</b>
<b>Proposed Funding Pattern</b>	
<b>Existing Working Capital Funding from Banks</b>	1,260.00
<b>Internal Accruals/Owned Funds</b>	1,211.96
<b>Net Proceeds from the Issue</b>	850.00
<b>Total Source</b>	<b>3,321.96</b>

#### Assumption for working capital requirements

Assumptions for Holding Levels\*

(In months)

Particulars	Holding Level as of March 31, 2015	Holding Level as of March 31, 2016	Holding Level as of March 31, 2017 (Estimated)
<b>Current Assets</b>			
Inventories*			
Raw material	0.41	0.59	0.70
Work in Progress	-	-	0.10
Finished Goods	0.17	0.27	0.35
Packing material and consumables	0.04	0.03	0.03
Trade Receivables	0.78	1.32	1.27
<b>Current Liabilities</b>			
Trade Payables	1.04	1.50	1.39

Our Company proposes to utilize Rs. 850.00 lakhs of Net Proceeds towards short term working capital requirements for meeting our business requirements.

The incremental working capital requirements are based on historical Company data and estimation of the future requirements in Financial Year 2016-17 considering the growth in activities of our Company. Our Company has assumed raw material inventory of 0.70 month, work in progress inventory of 0.10 month and finished goods inventory of 0.35 month for the Financial Year 2016-2017.



Our Debtors cycle was of about 0.78 months and 1.32 months in Financial Year 2014-15 and 2015-2016. We have assumed that our debtor's cycle will be 1.27 months for Financial Year 2016-17. Similarly we have estimated current assets, trade payables, current liabilities and short term provisions in line with working capital employed in past years and expected to be employed in Financial Year 2016-17.

#### ***Justification for "Holding Period" levels***

**The justifications for the holding levels mentioned in the table above are provided below:**

<b>Assets- Current Assets</b>	
Inventories	In FY 2016-17 we have assumed raw material, work in progress and finished goods inventory of around 0.70 month, 0.10 month and 0.35 month respectively which is slightly higher than for F.Y. 2015-16 as we expanded our production capacity and thereby increase our operations.
Trade receivables	In FY 2016-17 the trade receivable holding period is estimated to slightly reduce from 1.32 months in F.Y. 2015-16 to 1.27 months in F.Y. 2016-17 as we strive to maintain stringent debtor management policy.
<b>Liabilities- Current Liabilities</b>	
Trade Payables	In FY 2016-17, the credit period is expected to be 1.39 months as compared to 1.50 months in FY 2015-16, as the Company will strive to adhere to stricter credit policy to achieve better and favourable pricing terms and to ensure continued relation with the existing suppliers.

Pursuant to the certificate dated February 10, 2017, M/s B.Maheshwari & Co, Chartered Accountants, have compiled the working capital estimates from the Restated Financial Statements and the working capital projections as approved by the Board by the resolution dated January 31, 2017.

#### **GENERAL CORPORATE PURPOSES**

Our Company proposes to deploy the balance Net Proceeds aggregating Rs [●] lakhs towards general corporate purposes, subject to such utilisation not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations, including but not limited to strategic initiatives, partnerships and joint ventures, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilising any surplus amounts.

#### **ISSUE RELATED EXPENSES**

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. [●] Lakhs.

<b>Expenses</b>	<b>Expenses (Rs. in Lakhs)*</b>	<b>Expenses (% of total Issue expenses)</b>	<b>Expenses (% of Gross Issue Proceeds)</b>
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc.	[●]	[●]	[●]
Regulatory fees	[●]	[●]	[●]
Marketing and Other Expenses	[●]	[●]	[●]
<b>Total estimated Issue expenses</b>	[●]	[●]	[●]

***\*As on date of the Red Herring Prospectus, our Company has incurred Rs. [●] Lakhs towards Issue Expenses out of internal accruals.***



*\*\*SCSBs will be entitled to a processing fee of Rs. [●]/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them.*

*Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be [●]% on the Allotment Amount# or Rs [●]/- whichever is less on the Applications wherein shares are allotted.*

*The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.*

*#Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

#### **SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS:**

Our Company proposes to deploy the Net Proceeds in the aforesaid objects in the financial year 2016-17.

Activity	Total Amount (Rs in Lakhs)	Amount incurred till date	Estimated deployment of the Issue Proceeds FY 2016-2017
Working Capital Requirements	850.00	[●]	[●]
General Corporate Purposes	[●]	[●]	[●]

M/s. [●], Chartered Accountants vide their certificate dated [●] have confirmed that the following funds have been deployed towards issue expenses.

Amount (Rs in Lakhs)

Source	Amount
[●]	[●]

Our Management, in accordance with the policies setup by the Board, will have flexibility in deploying the Net Proceeds.

#### **BRIDGE FINANCING**

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an over arrangement / cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue. Any amount that is drawn down from the over arrangement / cash credit facility during this period to finance additional working capital needs will be repaid from the Net Proceeds.

#### **APPRAISAL BY APPRAISING AGENCY**

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

#### **INTERIM USE OF FUNDS**

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.



## **MONITORING UTILIZATION OF FUNDS**

As the size of the Fresh Issue does not exceed Rs. 50,000 lakhs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Red Herring Prospectus.

## **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue 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 (the "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 the vernacular language of the jurisdiction where the Registered Office is situated. 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, as may be prescribed by SEBI, in this regard.

Investors may note that the Selling Shareholders are not liable under Section 27 of the Companies Act or any other applicable law or regulation (including any direction or order by any regulatory authority, court or tribunal) for any variation of (i) terms of a contract referred to in this Red Herring Prospectus; and/or (ii) objects of the Issue.

## **OTHER CONFIRMATIONS**

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



## BASIS FOR ISSUE PRICE

The Issue Price of Rs. [●] per Equity Share will be determined by the Company in consultation with the BRLM on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is Rs.10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

### QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the price, are:

- Integrated Manufacturing Facility
- Our Experienced Management
- Locational Advantage
- Qualitative Products
- Existing relationship with the clients

For further details, refer to heading “*Our Competitive Strengths*” under chapter titled “*Our Business*” beginning on page 161 of this Red Herring Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2014, 2015 and 2016 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### 1. Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20

Year ended	EPS (Rs.)	Weight
March 31, 2014	(0.96)	1
March 31, 2015	0.28	2
March 31, 2016	1.56	3
<b>Weighted average</b>		<b>0.71</b>
<b>For the period ended September 30, 2016*</b>		<b>1.86</b>

\*Not Annualised

#### Note:-

- The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the period / year. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is Rs. 10/-
- For the purpose of calculating the EPS above, the number of Equity Shares has been adjusted for the following changes:

Date of Allotment	Particulars
December 08, 2016	Bonus issue of 71,03,480 Equity Shares of face value of Rs. 10/- each fully paid up in the ratio of 4 equity shares for every 1 equity share held

**2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. [●] to Rs. [●] per Equity Share of Rs. 10 each fully paid up.**

Particulars	P/E Ratio on Cap Price	PE Ratio on Floor Price
P/E ratio based on Basic EPS for FY 2015-16	[●]	[●]
P/E ratio based on Weighted Average EPS	[●]	[●]
<b>*Industry P/E</b>		
Lowest		23.33
Highest		23.33
Average		23.33

**3. Return on Net worth (RoNW)**

Return on Net Worth ("RoNW") as per restated financial statements

Year ended	RoNW (%)	Weight
March 31, 2014	(6.78)	1
March 31, 2015	1.60	2
March 31, 2016	6.68	3
<b>Weighted Average</b>		<b>2.74</b>
<b>For the period ended September 30, 2016*</b>		<b>7.46</b>

**\*Not Annualised**

**Note:** The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year/period excluding miscellaneous expenditure to the extent not written off.

**4. Minimum Return on Total Net Worth post issue needed to maintain Pre Issue EPS for the year ended March 31, 2016**

Particulars	Amount (in Rs.)
At Floor Price	[●]
At Cap Price	[●]

**5. Net Asset Value (NAV)**

Particulars	Amount (in Rs.)
Net Asset Value per Equity Share as of March 31, 2016	19.36
Net Asset Value per Equity Share as of September 30, 2016*	20.75
Net Asset Value per Equity Share after the Issue	[●]
Issue Price per equity share	[●]

**\*Not Annualised**

- Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares outstanding at the end of the period.
- For the purposes of calculating the Net Asset Value above, the number of equity shares has been adjusted for the following changes:

Date of Allotment	Particulars
December 08, 2016	Bonus issue of 71,03,480 Equity Shares of face value of Rs. 10/- each fully paid up in the ratio of 4 equity shares for every 1 equity share held

- Issue Price per Equity Share will be determined on conclusion of the Book Building Process.



## 6. Comparison with other listed companies

Companies	CMP	EPS	PE Ratio	RONW %	NAV (Per Share)	Face Value	Total Income (In Crores)
Manomay Tex India Limited	[●]	1.56	[●]	6.68%	19.36	10.00	218.19
<b>Peer Group*</b>							
R & B Denims Limited	23.10	0.99	23.33	4.57%	21.79	10.00	159.00

\*Source: [www.bseindia.com](http://www.bseindia.com)

### Notes:

- Considering the nature of business of the Company the peer are not strictly comparable. However same have been included for broad comparison.
- The figures for Manomay Tex India Limited are based on the restated results for the year ended March 31, 2016
- The figures for the peer group are based on standalone audited results for the respective year ended March 31, 2016
- Current Market Price (CMP) is the closing price of respective script as on March 01, 2017
- The Issue Price of Rs. [●]/- per equity share shall be determined by the company in consultation with the BRLM on the basis of assessment of market demand from investors for the Equity shares by way of Book Building and is justified based on the above accounting ratios.

For further details see section titled “*Risk Factors*” beginning on page 21 and the financials of the Company including profitability and return ratios, as set out in the section titled “*Financial Statements*” beginning on page 220 of this Red Herring Prospectus for a more informed view.



## STATEMENT OF POSSIBLE TAX BENEFITS

To

The Board of Directors  
**Manomay Tex India Limited**  
32, Heera panna Market  
Pur Road Bhilwara

Dear Sirs,

**Sub: Statement of possible special tax benefits (“the Statement”) available to Manomay Tex India Limited (“the Company”) and its shareholders prepared in accordance with the requirements in Schedule VIII-Clause (VII) (L) of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended (“the Regulations”)**

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (‘Act’) as amended by the Finance Act, 2016 (i.e. applicable to Financial Year 2016-17 relevant to Assessment Year 2017-18), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India.

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

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met.

The contents of this annexure are based on 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 provision of the tax laws.

\*No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume any responsibility to update the view, consequent to such change.



We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

The enclosed annexure is intended for your information and for inclusion in the Red Herring Prospectus / Red Herring Prospectus / Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

**For M/s BIRANI & ASSOCIATES**  
**Chartered Accountants**  
**Firm Reg no: 003616C**

**R.C. Somani**  
**Membership No.: 008107**

Place: Bhilwara

Date: January 20, 2017

**ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS  
AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2015-16.

**A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961  
(THE “ACT”)**

The Company is not entitled to any special tax benefits under the Act.

**B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX  
ACT, 1961 (THE “ACT”)**

The Shareholders of the Company are not entitled to any special tax benefits under the Act.





## SECTION IV – ABOUT THE COMPANY

### OUR INDUSTRY

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have 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 and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 21 and 220 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.*

### INTRODUCTION TO TEXTILES INDUSTRY

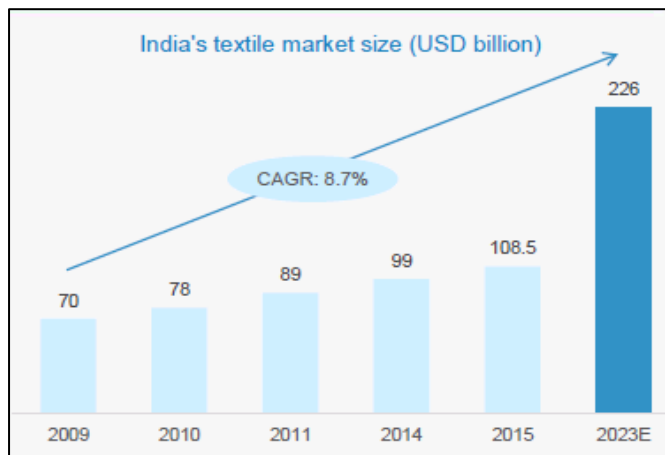
The textile and apparel industry can be broadly divided into two segments - yarn and fibre, and processed fabrics and apparel. India accounts for ~14 per cent of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fibre). India has the highest loom capacity (including hand looms) with 63 per cent of the world's market share.

The domestic textile and apparel industry in India is estimated to reach US\$ 141 billion by 2021 from US\$ 67 billion in 2014. Increased penetration of organised retail, favourable demographics, and rising income levels are likely to drive demand for textiles. India is the world's second largest exporter of textiles and clothing. Textile and apparel exports from India are expected to increase to US\$ 82 billion by 2021. Readymade garments remain the largest contributor to total textile and apparel exports from India, contributing 40 per cent to total textile and apparel exports. Cotton and man-made textiles were the other major contributors with shares of 31 per cent and 16 per cent, respectively.

Rising government focus and favourable policies is leading to growth in the textiles and clothing industry. The Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS). To promote apparel exports, 12 locations have been approved by the government to set up apparel parks for exports. As per the 12th Five Year Plan, the Government plans to provide a budgetary support of US\$ 4.25 billion to textiles. Free trade with ASEAN countries and proposed agreement with European Union will also help boost exports.

*(Source: Indian Textiles and Apparel Industry Analysis, India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))*

### STATISTICAL OVERVIEW OF TEXTILES INDUSTRY



Textile plays a major role in the Indian economy. It contributes 14 per cent to industrial production and 4 per cent to GDP. With over 45 million people, the industry is one of the largest sources of employment generation in the country.

The industry accounts for nearly 15 per cent of total exports. The size of India's textile market in 2015 was around USD108.5 billion, which is expected to touch USD226 billion market by 2023, growing at a CAGR of 8.7 per cent between 2009-23E.

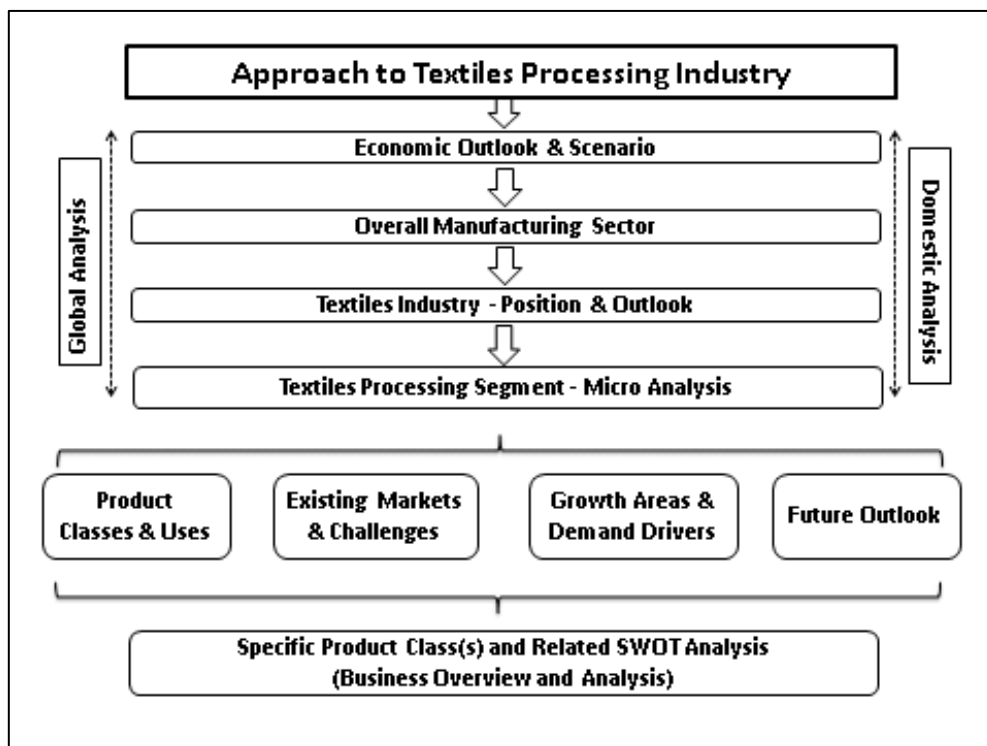
*(Source: Textile and Apparel Report January 2017 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))*

## APPROACH TO TEXTILES INDUSTRY ANALYSIS

Analysis of Textiles Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Textiles Industry forms part of Manufacturing Sector at a macro level. Hence, broad picture of manufacturing Sector should be at preface while analysing the Textiles Industry.

Manufacturing sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Manufacturing sector is Textiles Industry, which in turn encompasses various components such as Textiles Ginning, Textiles Spinning, Textiles Weaving/Knitting, Textiles Processing, Apparel Industry etc.

Thus, Textiles Processing Industry should be analysed in the light of Textiles Industry at large. An appropriate view on Textiles Processing Industry, then, calls for the overall economy outlook, performance and expectations of manufacturing Sector, position and outlook of overall Textiles Industry and segment wise micro analysis.



*This Approach Note is developed by Pantomath Capital Advisors (P) Ltd ('Pantomath') and any unauthorized reference or use of this Note, whether in the context of Textiles industry and / or any other industry, may entail legal consequences.*

## GLOBAL ECONOMIC ENVIRONMENT

### INTRODUCTION

Since the Economic Survey and Budget were presented a year ago, the Indian economy has continued to consolidate the gains achieved in restoring macro-economic stability. Inflation, the fiscal deficit, and the current account deficit have all declined, rendering India a relative haven of macro stability in these turbulent times. Economic growth appears to be recovering, albeit at varying speeds across sectors.

At the same time, the upcoming Budget and 2016-17 (FY-2017) economic policy more broadly, will have to contend with an unusually challenging and weak external environment. Although the major international institutions are yet again predicting that global growth will increase from its current subdued level, they assess that risks remain tilted to the downside. This uncertain and fragile outlook will complicate the task of economic management for India.



The risks merit serious attention not least because major financial crises seem to be occurring more frequently. The Latin American debt crisis of 1982, the Asian Financial crisis of the late 1990s, and the Eastern European crisis of 2008 suggested that crises might be occurring once a decade. But then the rapid succession of crises, starting with Global Financial Crisis of 2008 and proceeding to the prolonged European crisis, the mini-crises of 2013, and the China provoked turbulence in 2015 all hinted that the intervals between events are becoming shorter.

This hypothesis could be validated in the immediate future, since identifiable vulnerabilities exist in at least three large emerging economies—China, Brazil, Saudi Arabia—at a time when underlying growth and productivity developments in the advanced economies are soft. More flexible exchange rates, however, could moderate full-blown eruptions into less disruptive but more prolonged volatility.

One tail risk scenario that India must plan for is a major currency re-adjustment in Asia in the wake of a similar adjustment in China; as such an event would spread deflation around the world. Another tail risk scenario could unfold as a consequence of policy actions—say, capital controls taken to respond to curb outflows from large emerging market countries, which would further moderate the growth impulses emanating from them.

In either case, foreign demand is likely to be weak, forcing India—in the short run—to find and activate domestic sources of demand to prevent the growth momentum from weakening. At the very least, a tail risk event would require Indian monetary and fiscal policy not to add to the deflationary impulses from abroad. The consolation would be that weaker oil and commodity prices would help keep inflation and the twin deficits in check.

(Source-Economic Survey 2015-16-Volume I; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **GLOBAL ECONOMIC OVERVIEW**

The global macroeconomic landscape is currently charting a rough and uncertain terrain characterized by weak growth of world output. The situation has been exacerbated by; (i) declining prices of a number of commodities, with reduction in crude oil prices being the most visible of them, (ii) turbulent financial markets (more so equity markets), and (iii) volatile exchange rates. These conditions reflect extreme risk-aversion behaviour of global investors, thus putting many, and in particular, commodities exporting economies under considerable stress.

One important positive outcome in 2015 is the modest pickup in the growth of some of the advanced economies. However, growth in emerging market and developing economies declined for the fifth consecutive year. As a result, overall global economic activity remained subdued in 2015. In its latest Update of the World Economic Outlook (WEO), published on 19 January 2016, the IMF projected growth in the global economy to improve from 3.1 per cent in 2015, to 3.4 per cent in 2016 and further to 3.6 per cent in 2017. Growth in advanced economies is projected at 2.1 per cent in 2016 and to continue through 2017 at the same rate.

The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large Emerging Market and Developing economies (EMDE) are likely to continue to weigh on their growth prospects in 2016–17. Assessments indicate that mixed inflation developments in the EMDEs reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year. The WEO update also indicated that India and the rest of emerging Asia are bright spots, with some other countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness. World trade volume growth projections have been placed at 2.6 per cent and 3.4 per cent respectively for 2015 and 2016, which is much lower than what was estimated earlier in WEO in October 2015.

(Source-Economic Survey 2015-16-Volume II; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **GLOBAL OUTLOOK FOR GROWTH**

One important positive outcome in 2015 was the modest pick-up in growth in some of the advanced economies. It might be recalled that after falling in 2009 due to the 2008 global financial crisis, growth in emerging and developing economies rebounded in 2010 and 2011. While advanced economies also exhibited a recovery in 2010 thanks to the large stimuli, global growth continued to be tepid relative to the average of the decade ending 2006, largely on account of the slowdown in advanced economies. Spill over effects of the crisis may have been large, prolonged and bi-directional, given that the global integration is far greater than in the prior decade. This has made the task of projecting global economic outlook arduous. This uncertainty has led to the International Monetary Fund (IMF) revising the global growth outlook in its World Economic Outlook (WEO) four times a year since 2009.

In its latest WEO Update, published on 19 January 2016, the IMF has projected growth in the global economy to go up from 3.1 per cent in 2015 to 3.4 per cent in 2016 and further to 3.6 per cent in 2017, slightly lower than the projection published in October 2015. Growth in advanced economies is revised by 0.2 percentage points in 2016 to 2.1 per cent, to continue through 2017. Growth in the US is expected to remain resilient owing to strengthening of the housing and labour markets. Growth in the euro area is expected to increase due to stronger private consumption supported by lower oil prices and easy financial conditions is expected to outweigh the weakening in net exports. Growth in Japan is also expected to consolidate in 2016, on the back of fiscal support, lower oil prices, accommodative financial conditions, and rising incomes.

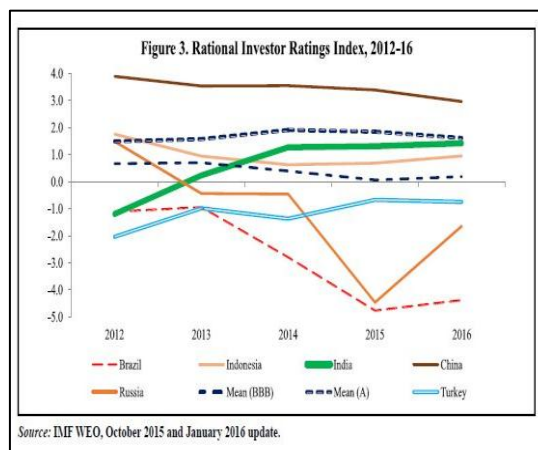
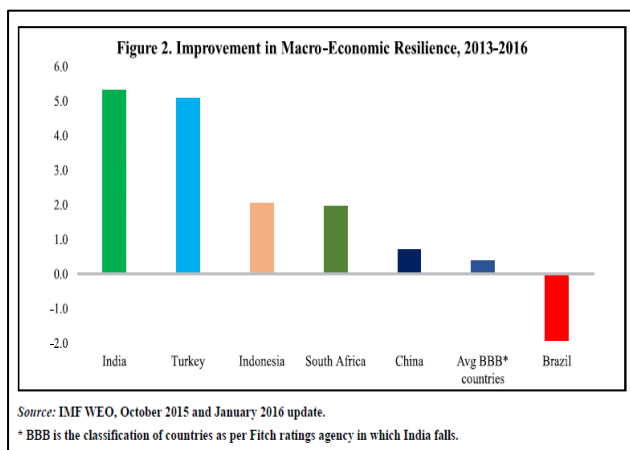
Overall global economic activity remained subdued in 2015, as growth in emerging market and developing economies (EMDE) declined for the fifth consecutive year and recovery in advanced economies was modest. This is also attributable to the changing composition of the global economy and relative point contributions to global growth. The fall in the contribution of the EMDEs is not being made good by the advanced economies. A recent feature is that the Chinese economy is gradually slowing down and is transitioning from investment demand to consumption demand and from manufacturing to services. The concern over the spill overs of subdued global growth to other economies through trade channels and weaker commodity prices is manifest in diminishing confidence and increasing volatility in financial markets. In addition, a dual monetary policy—a gradual tightening in monetary policy in the US in the backdrop of its resilient recovery and easy monetary policy in several other major advanced economies has led to continued uncertainties and poses challenges for the year ahead. In the case of EMDEs, growth remained subdued at 4 per cent in 2015, but is projected to increase to 4.3 per cent in 2016 and 4.7 per cent in 2017. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17. Assessments indicate that mixed inflation developments in EMDEs reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year.

The 19 January WEO Update also indicated that India and the rest of emerging Asia are bright spots, albeit with some countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness. The IMF's growth forecast for India is 7.5 per cent in 2016 and 2017 and this surpasses the projection of 6.3 per cent and 6.0 per cent respectively for China. The level of global economic activity has a significant and direct bearing on the growth prospects of the emerging economies through trade channels. As per the Update, world trade volume growth projections have been placed at 3.4 per cent and 4.1 per cent respectively for 2016 and 2017 lower by 0.7 percentage points to 0.5 percentage point respectively from WEO, October 2015. The World Bank's Report on Global Economic Prospects (January 2016) also estimated that India will grow by a robust 7.8 per cent in 2016 and 7.9 per cent in the following two years. Compared to other major developing countries, the report maintained that India is well positioned to withstand near-term headwinds and volatility in global financial markets due to reduced external vulnerabilities, a strengthening domestic business cycle, and a supportive policy environment.

*(Source-Economic Survey 2015-16-Volume II; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))*

## THE INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. A sense of this turnaround is illustrated by a cross-country comparison. In last year's Survey, we had constructed an overall index of macroeconomic vulnerability, which adds a country's fiscal deficit, current account deficit, and inflation. This index showed that in 2012 India was the most vulnerable of the major emerging market countries. Subsequently, India has made the most dramatic strides in reducing its macro-vulnerability. Since 2013, its index has improved by 5.3 percentage points compared with 0.7 percentage points for China, 0.4 percentage points for all countries in India's investment grade (BBB), and a deterioration of 1.9 percentage points in the case of Brazil (Figure 2).



If macro-economic stability is one key element of assessing a country's attractiveness to investors, its growth rate is another. In last year's Survey we had constructed a simple Rational Investor Ratings Index (RIRI) which combined two elements, growth serving as a gauge for rewards and the macro-economic vulnerability index proxying for risks. The RIRI is depicted in Figure 3; higher levels indicate better performance. As can be seen, India performs well not only in terms of the change of the index but also in terms of the level, which compares favourably to its peers in the BBB investment grade and even its "betters" in the A grade<sup>1</sup>. As an investment proposition, India stands out internationally.

(Source-Economic Survey 2015-16-Volume I, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

In the Advance Estimates of GDP that the Central Statistics Office (CSO) released recently, the growth rate of GDP at constant market prices is projected to increase to 7.6 per cent in 2015-16 from 7.2 per cent in 2014-15, mainly because private final consumption expenditure has accelerated. Similarly, the growth rate of GVA for 2015-16 is estimated at 7.3 per cent vis-à-vis 7.1 per cent in 2014-15. Although agriculture is likely to register low growth for the second year in a row on account of weak monsoons, it has performed better than last year. Industry has shown significant improvement primarily on account of the surprising acceleration in manufacturing (9.5 per cent vis-à-vis 5.5 per cent in 2014-15). Meanwhile, services continue to expand rapidly.

- Even as real growth has been accelerating, nominal growth has been falling, to historically low levels, an unusual trend highlighted in the Mid-Year Economic Analysis (MYEA), 2015-16.
- According to the Advance Estimates, nominal GDP (GVA) is likely to increase by just 8.6 (6.8) per cent in 2015-16.
- In nominal terms, construction is expected to stagnate, while even the dynamic sectors of trade and finance are projected to grow by only 7 to 7 3/4 percent.
- Inflation remains under control The CPI-New Series inflation has fluctuated around 51/2 percent, while measures of underlying trends—core inflation, rural wage growth and



minimum support price increases—have similarly remained muted. Meanwhile, the WPI has been in negative territory since November 2014, the result of the large falls in international commodity prices, especially oil. As low inflation has taken hold and confidence in price stability has improved, gold imports have largely stabilized, notwithstanding the end of a period of import controls

- Similarly, the external position appears robust. The current account deficit has declined and is at comfortable levels; foreign exchange reserves have risen to US\$351.5 billion in early February 2016, and are well above standard norms for reserve adequacy; net FDI inflows have grown from US\$21.9 billion in April-December 2014-15 to US\$27.7 billion in the same period of 2015-16; and the nominal value of the rupee, measured against a basket of currencies, has been steady. India was consequently well-positioned to absorb the volatility from the U.S. Federal Reserve actions to normalize monetary policy that occurred in December 2015. Although the rupee has declined against the dollar, it has strengthened against the currencies of its other trading partners.
- The fiscal sector registered three striking successes: on-going fiscal consolidation, improved indirect tax collection efficiency; and an improvement in the quality of spending at all levels of government.
- Government tax revenues are expected to be higher than budgeted levels. Direct taxes grew by 10.7 per cent in the first 9 months (9M) of 2015-16. Indirect taxes were also buoyant. In part, this reflected excise taxes on diesel and petrol and an increase in the Swachh Bharat cess. The central excise duty collection from petroleum products during April to December 2015-16 recorded a growth of 90.5 per cent and stood at Rs.1.3 lakh crore as against Rs. 0.7 lakh crore in the same period last year. Tax performance also reflected an improvement in tax administration because revenues increased even after stripping out the additional revenue measures (ARMs). Indirect tax revenues grew by 10.7 per cent (without ARMs) and 34.2 per cent (with ARMs).
- The main findings are that a welcome shift in the quality of spending has occurred from revenue to investment, and towards social sectors. Aggregate public investment has increased by about 0.6 per cent of GDP in the first 8 months of this fiscal year, with contributions from both the Centre (54 per cent) and states (46 per cent).

(Source - Economic Survey 2015-16-Volume I, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **DEVELOPMENTS IN THE CAPITAL MARKET**

### **PRIMARY MARKET**

In 2015-16 (April-December), resource mobilization through the public and right issues has surged rapidly as compared to the last financial year. During 2015-16 (April- December), 71 companies have accessed the capital market and raised Rs.51,311 crore, compared to Rs.11,581 crore raised through 61 issues during the corresponding period of 2014-15.

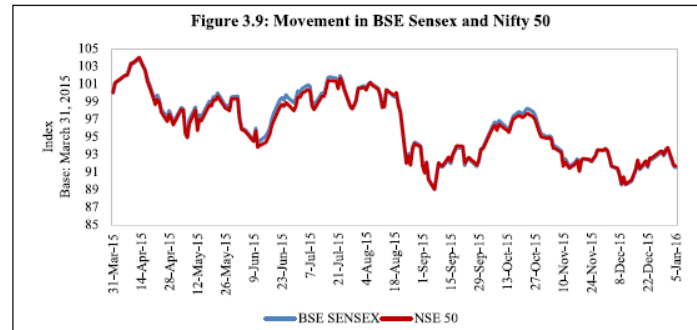
The small and medium enterprises (SME) platform of the stock exchange is intended for small and medium sized companies with high growth potential, whose post issue paid-up capital is less than or equal to Rs. 25 crore. During 2015-16 (April- December), 32 companies were listed on the SME platform, raising a total amount of Rs.278 crore as compared to Rs.229 crore raised through 28 issues in the corresponding period of 2014-15.

Resources mobilized by mutual funds during April-December 2015 also increased substantially to Rs.1,61,696 crore from Rs.87,942 crore mobilized during the same period of the previous year.

### **SECONDARY MARKET**

During 2015-16 so far, the Indian securities market has remained subdued (Figure 3.9). The Bombay Stock Exchange (BSE) Sensex declined by 8.5 per cent (up to 5 January 2016) over end-March 2015, mainly on account of turmoil in global equity markets in August 2015 following slowdown in China and its currency devaluation and slump in stocks. On 4 January 2016, weak Chinese manufacturing data again led to a global sell-off which caused the BSE Sensex also to decline by 538 points (2.1 per cent). The downward trend in the Indian stock market was also guided by mixed corporate earnings for

Q1 and Q2 of 2015- 16, FPIs' concern over minimum alternative tax (MAT), weakening of the rupee against the US dollar, investor concern over delay in passage of the Goods and Services Tax (GST) Bill, uncertainty over interest rate hike by US Fed and selling by FPIs. However, the Indian equity market has been relatively resilient during this period compared to the other major EMEs. The Indian stock market withstood the US Fed increase in interest rates in December 2015.



Source: SEBI

(Source-Economic Survey 2015-16-Volume II, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## INDUSTRIAL PERFORMANCE

The Index of Industrial Production (IIP) which provides quick estimates of the performance of key industrial sectors has started showing upward momentum (Figure 6.1). As per IIP, the industrial sector broadly comprising mining, manufacturing and electricity attained 3.1 per cent growth during April-December 2015-16 as compared to 2.6 per cent during the same period of 2014- 15 due to the higher growth in mining and manufacturing sectors (Table 6.1). The mining, manufacturing and electricity sectors grew by 2.3 per cent, 3.1 per cent, and 4.5 per cent respectively during April-December 2015-16. The mining sector growth was mainly on account of higher coal production. The manufacturing sector was propelled by the higher production by the industry groups like furniture; wearing apparel, dressing and dyeing of fur; motor vehicles, trailers & semitrailers; chemicals and chemical products; refined petroleum products & nuclear fuel; and wood & products of wood. The growth in electricity is mainly contributed by higher growth in generation of thermal and nuclear sector.

In terms of use based classification, consumer durable goods have witnessed a remarkable growth at 12.4 per cent during April-December 2015-16. Basic goods and capital goods have registered 3.4 per cent and 1.7 per cent growth with intermediate goods by 1.9 per cent (Table 6.1).

The eight core infrastructure supportive industries, coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity that have a total weight of nearly 38 per cent in the IIP, registered a cumulative growth of 1.9 per cent during April-December 2015-16 as compared to 5.7 per cent during April-December 2014-15. Month-wise performance of the eight core sectors shows that the production of coal and fertilizers have increased substantially, while that of crude oil, natural gas and steel have mostly been negative. Refinery products, cement and electricity have attained moderate growth. Clearances for coal projects have facilitated production of coal. Crude oil and natural gas production declined because of a fall in production by Oil and Natural Gas Corporation (ONGC), Oil India Limited (OIL) and also private/joint venture (JV) companies in different months. In electricity generation, while the thermal and nuclear sectors have registered higher growth, the hydro sector has not performed well.



	Weight	2013-14	2014-15	2014-15				2015-16			
				Q1	Q2	Q3	Apr.-Dec.	Q1	Q2	Q3	Apr.-Dec.
General	100.00	-0.1	2.8	4.5	1.3	2.0	2.6	3.3	4.8	1.5	3.1
Sectoral											
Mining	14.16	-0.6	1.5	3.0	0.5	2.1	1.8	0.4	3.1	3.3	2.3
Manufacturing	75.53	-0.8	2.3	3.9	0.4	1.1	1.8	3.7	4.7	0.9	3.1
Electricity	10.32	6.1	8.4	11.3	9.4	9.4	10.0	2.3	6.8	4.4	4.5
Use Based											
Basic goods	45.68	2.1	7.0	8.7	7.0	8.3	8.0	4.7	4.4	1.3	3.4
Capital goods	8.83	-3.6	6.4	13.6	-0.5	3.2	5.1	2.0	13.4	-10.0	1.7
Intermediate goods	15.69	3.1	1.7	3.1	1.6	0.8	1.8	1.6	2.2	1.9	1.9
Consumer goods	29.81	-2.8	-3.4	-3.2	-5.4	-6.4	-4.9	2.5	2.7	6.8	4.0
Consumer durables	8.46	-12.2	-12.6	-9.5	-15.5	-20.9	-15.2	3.7	11.9	23.4	12.4
Consumer non-durables	21.35	4.8	2.8	1.4	2.3	3.2	2.3	1.7	-3.0	-1.6	-1.0

Source: CSO

Figure 6.1 depicts three months moving average month-on-month (M-o-M) growth of the IIP, manufacturing and eight core industries. The growth in industrial production, manufacturing sector and the eight core sectors started picking up again in December 2015. It is expected that the uptick in growth rate will be maintained due to revival in manufacturing production.

While the overall IIP has shown recovery, there is variation in the performance of some of the major industries during April-December 2015. While some sectors like electricity, coal, fertilizers, cement and passenger cars have shown positive growth, sectors like steel and aluminium have shown negative growth during April-December 2015.

(Source-Economic Survey 2015-16-Volume-II, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## MICRO SMALL AND MEDIUM ENTERPRISES SECTOR

With 3.6 Crore units spread across the country, that employ 8.05 crore people, Micro, Small and Medium Enterprises (MSME) have a contribution of 37.5 per cent to the country's GDP. The sector has huge potential for helping address structural problems like unemployment, regional imbalances, unequal distribution of national income and wealth across the country. Due to comparatively low capital costs and their forward-backward linkages with other sectors, MSMEs will play a crucial role in the success of the Make in India initiative.

Realizing the importance of the MSME sector, the government has undertaken a number of schemes/programmes like the Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE), Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Up gradation, Scheme of Fund for Regeneration of Traditional Industries (SFURTI), and Micro and Small Enterprises- Cluster Development Programme (MSECDP) for the establishment of new enterprises and development of existing ones. Some of the new initiatives undertaken by the government for the promotion and development of MSMEs, are as follows:

- **Udyog Aadhar Memorandum (UAM):** The UAM scheme, which was notified in September 2015 under section 8 of the MSME Development Act 2006, is a path-breaking step to promote ease of doing business for MSMEs. Under the scheme, MSME entrepreneurs just need to file an online entrepreneurs' memorandum to instantly get a unique Udyog Aadhaar Number (UAN). The information sought is on self-certification basis and no supporting documents are required. This marks a significant improvement over the earlier complex and cumbersome procedure.
- **Employment Exchange for Industries:** To facilitate match making between prospective job seekers and employers an employment exchange for industries was launched on June 15, 2015 in line with Digital India. More than 3.42 lakh job seekers have been registered on the portal as on December 30, 2015.

- **Framework for Revival and Rehabilitation of MSMEs:** Under this framework, which was notified in May 2015, banks have to constitute a Committee for Distressed MSME enterprises at zonal or district level to prepare a Corrective Action Plan (CAP) for these units.
- **A scheme for Promoting Innovation and Rural Entrepreneurs (ASPIRE):** ASPIRE was launched on March 16, 2015 with the objective of setting up a network of technology centres and incubation centres to accelerate entrepreneurship and promote start-ups for innovation and entrepreneurship in rural and agriculture based industry.

In addition, the government intends to provide more credit to MSME sectors, especially in the rural areas, focusing on skill development, encouraging entrepreneurial activities with optimistic mind set among rural youth and creating job opportunities among rural women, for high, inclusive and sustained industrial growth.

(Source - Economic Survey 2015-16-Volume II, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## OUTLOOK FOR GROWTH

Real GDP growth for 2015-16 is expected to be in the 7 to 7<sup>3/4</sup> range, reflecting various and largely offsetting developments on the demand and supply sides of the Indian economy. Before analysing these factors, however, it is important to step back and note one important point. India's long-run potential GDP growth is substantial, about 8-10 percent. But its actual growth in the short run will also depend upon global growth and demand. After all, India's exports of manufactured goods and services now constitute about 18 percent of GDP, up from about 11 percent a decade ago.

Reflecting India's growing globalization, the correlation between India's growth rate and that of the world has risen sharply to reasonably high levels. For the period 1991-2002 this correlation was 0.2. Since then, the correlation has doubled to 0.42. In other words, a 1 percentage point decrease in the world growth rate is now associated with a 0.42 percentage point decrease in Indian growth rates.

Accordingly, if the world economy remains weak, India's growth will face considerable headwinds. For example, if the world continues to grow at close to 3 percent over the next few years rather than returning to the buoyant 4-4½ per cent recorded during 2003-2011, India's medium-term growth trajectory could well remain closer to 7-7½ per cent, notwithstanding the government's reform initiatives, rather than rise to the 8-10 per cent that its long-run potential suggests. In other words, in the current global environment, there needs to be a recalibration of growth expectations and consequently of the standards of assessment.

Turning to the outlook for 2016-17, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government.

- To measure the demand for India's exports, we calculate a proxy-weighted average GDP growth rate of India's export partners. The weights are the shares of partner countries in India's exports of goods and services. We find that this proxy for export demand growth declined from 3.0 percent in 2014 to 2.7 per cent in 2015, which helps explain the deceleration in India's non-oil exports, although the severity of the slowdown—in fact, a decline in export volume—went beyond adverse external developments. Current projections by the IMF indicate that trading partner growth this demand will improve marginally this year to about 2.8 percent. But the considerable downside risks suggest that it would be prudent not to count on a big contribution to GDP growth from improving export performance.
- On the domestic side, two factors could boost consumption. If and to the extent that the Seventh Pay Commission (7th PC) is implemented, increased spending from higher wages and allowances of government workers will start flowing through the economy. If, in addition, the monsoon returns to normal, agricultural incomes will improve, with attendant gains for rural consumption, which over the past two years of weak rains has remained depressed.
- Against this, the disappearance of much of last year's oil windfall would work to reduce consumption growth. Current prospects suggest that oil prices (Indian crude basket) might

average US\$ 35 per barrel next fiscal year compared with US\$ 45 per barrel in 2015-16. The resulting income gain would amount roughly equivalent to 1 percentage point of GDP – an 18 per cent price decline times a share of net oil imports in GDP of 6 percent. But this would be half the size of last year's gain, so consumption growth would slow on this account next year.

- According to analysis done by Credit Suisse, (non-financial) corporate sector profitability has remained weak, falling by 1 percent in the year to December 2015. This decline reflected a sharp deterioration in the financial health of the metals—primarily steel—companies, which have now joined the ranks of companies under severe financial stress. As a result, the proportion of corporate debt owed by stressed companies, defined as those whose earnings are insufficient to cover their interest obligations, has increased to 41 percent in December 2015, compared to 35 percent in December 2014.<sup>3</sup> In response to this stress, companies have once again been compelled to curb their capital expenditures substantially.
- Finally, the path for fiscal consolidation will determine the demand for domestic output from government. The magnitude of the drag on demand and output will be largely equal to the size of consolidation, assuming a multiplier of about 1.
- There are three significant downside risks. Turmoil in the global economy could worsen the outlook for exports and tighter financial conditions significantly. Second, if contrary to expectations oil prices rise more than anticipated, this would increase the drag from consumption, both directly, and owing to reduced prospects for monetary easing. Finally, the most serious risk is a combination of the above two factors. This could arise if oil markets are dominated by supply-related factors such as agreements to restrict output by the major producers.
- The one significant upside possibility is a good monsoon. This would increase rural consumption and, to the extent that it dampens price pressures, open up further space for monetary easing.
- Putting these factors together, we expect real GDP growth to be in the 7 to 7 <sup>3/4</sup> per cent range, with downside risks because of on-going developments in the world economy. The wider range in the forecast this time reflects the range of possibilities for exogenous developments, from a rebound in agriculture to a full-fledged international crisis; it also reflects uncertainty arising from the divergence between growth in nominal and real aggregates of economic activity.

(Source - Economic Survey 2015-16-Volume I, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## INDIA'S INCREASING IMPORTANCE TO GLOBAL GROWTH

Despite global headwinds and a truant monsoon, India registered robust growth of 7.2 per cent in 2014-15 and 7.6 per cent in 2015-16, thus becoming the fastest growing major economy in the world. As per the estimates of the International Monetary Fund (IMF), global growth averaged 3.1 per cent in 2015, declining from 3.4 per cent registered in 2014. While growth in advanced economies has improved modestly since 2013, the emerging economies have witnessed a consistently declining trend in growth rate since 2010. It is against this background that the recent Indian growth story appears particularly bright.

India has made striking progress in its contribution to the global growth of Gross Domestic Product (GDP) in Purchasing Power Parity (PPP) terms. PPP represents the number of units of a country's currency required to purchase the same amount of goods and services in the domestic market as the US dollar would purchase in the United States, thus adjusting for purchasing power differentials between currencies in relevant markets. India's contribution to global growth in PPP terms increased from an average of 8.3 per cent during the period 2001 to 2007 to 14.4 per cent in 2014. During the 1990s, the US's contribution to the global GDP growth in PPP terms was, on an average, around 16 percentage points higher than India's. The picture changed dramatically in 2013 and 2014 when India's contribution was higher than that of the US by 2.2 and 2.7 percentage points respectively. During 1991-2014, low growth in Japan (0.9 per cent annually) resulted in its low contribution (1.5

per cent) to global growth. India and China constitute 42.5 per cent and 53.2 per cent respectively of the total PPP measure of the lower-middle income countries and upper-middle income countries; and hence those country groups largely reflect India's and China's patterns.

The global economy—in particular the global growth powerhouse, China—is rebalancing, leading to an increasing role for India. After the onset of the multiple crises in different parts of the world, India's contribution has become much more valuable to the global economy.

India's share in world GDP has increased from an average of 4.8 per cent during 2001-07 to 6.1 per cent during 2008-13 and further to an average of 7.0 per cent during 2014 to 2015 in current PPP terms (IMF). India's resilience and current levels of reasonably strong growth should, thus, be appreciated in the light of its increasing contribution to global growth.

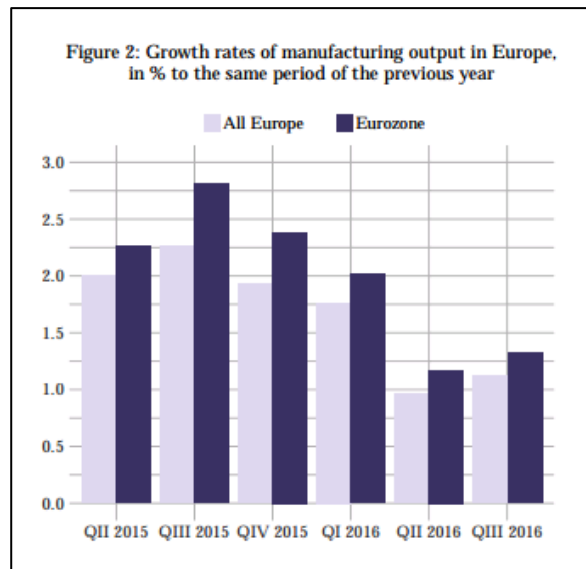
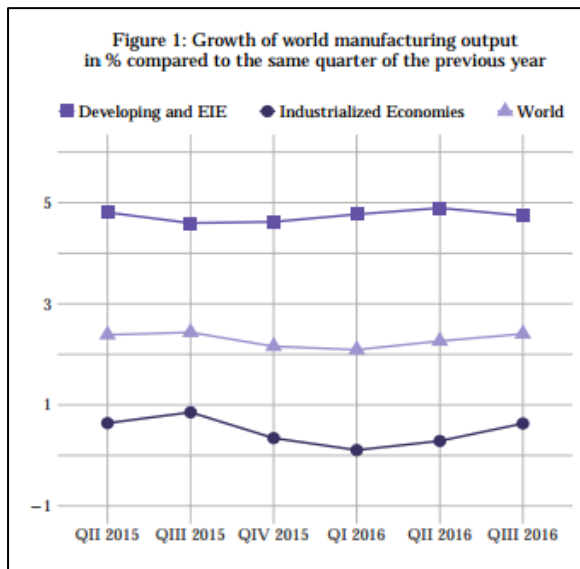
(Source - Economic Survey 2015-16-Volume II, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## GLOBAL MANUFACTURING SECTOR

### World Manufacturing Growth

World manufacturing output growth remained low during the third quarter of 2016, reflecting a prolonged yet fragile recovery process in industrialized economies and weakened growth prospects in developing and emerging industrial economies. Although the world manufacturing growth trend has been relatively stable with a lower degree of volatility, there is no clear indication yet that the current period of low growth will end any time soon. On the contrary, the uncertainty accompanying the political developments in trans-Atlantic relations with a potential impact on global trade arrangements may create new risks.

World manufacturing output rose by 2.4 per cent in the third quarter of 2016 compared to the same period of the previous year. The positive trends with some improvement in growth figures since the last quarter were observed across all country groups (Figure 1), including industrialized countries and the world average.



In response to the persistently low growth in manufacturing, enterprises and policymakers have introduced some structural reforms. However, the results of these reforms are yet to be seen. Major industrialized economies with significant contributions to global manufacturing output, namely the United States, Japan and Germany, continue to record low growth rates. In China, the world's largest manufacturer, comparably lower growth rates have now become more prevalent, thus pushing the average industrial growth of emerging industrial economies downward. The manufacturing output of industrialized economies increased slightly to 0.6 per cent in the third quarter of 2016 from 0.3 per cent in the previous quarter. This rise is primarily attributable to the performance of East Asia, which registered a low, but positive growth rate at 0.8 per cent in the third quarter of 2016 following several

consecutive slumps that have lasted for nearly two years. The main force driving this upturn is Japan, East Asia's major manufacturer – its manufacturing sector seems to have withstood sluggish external demand fairly well amid a soaring yen in the third quarter of this year. Production increase in Europe had a positive impact on the manufacturing growth of industrialized countries as a whole. By contrast, the growth of North America's manufacturing output slowed in the third quarter of 2016 to a negligible gain of 0.1 per cent.

The manufacturing growth rate in developing and emerging industrial economies has remained below 5.0 per cent since the beginning of 2015. Manufacturing output in these countries rose by 4.7 per cent in the third quarter of 2016. The region's growth performance varied considerably: Asian economies maintained a relatively higher growth rate, while Latin America's manufacturing output decreased. Brazil's manufacturing output fell, affecting the growth performance of the entire region. Some improvement was seen in Africa, primarily due to the strengthening of South Africa's manufacturing output. Rising growth rates were also recorded in other African countries, though data for sub-Saharan African countries is generally limited. Despite some improvements, the threat of another slowdown looms over developing economies as long as economic and political instability persists in industrialized countries. As depicted in Figure 1, the level of growth in developing economies has been consistently higher than in industrialized countries. The pace of growth exhibits similar trends in both country groups, with a slightly more positive picture for industrialized countries as their growth performance moves upward.

*(Source: World Manufacturing Production- Statistics for Quarter III, 2016; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org))*

### **Industrialized Economies**

The manufacturing output of industrialized countries maintained a positive growth rate in the third quarter of 2016. However, as mentioned above, the pace of growth over the observed period has been too slow. The quarterly growth rate increased slightly to 0.6 per cent from 0.3 per cent in the previous quarter, when comparing the year-to-year development. When looking at the quarter-to-quarter development, a growth rate of 0.4 per cent was observed, following several quarters in which nearly no change was recorded. Growth in industrialized economies in the third quarter of 2016 was characterized by an overall moderate, albeit noticeable slowdown in Europe and North America, and an upward trend in East Asia, following a period of several consecutive slumps.

Among the industrialized country group, Europe's manufacturing output grew by merely 1.1 per cent in the third quarter of 2016. The eurozone registered a growth rate of 1.3 per cent. At the peak of the financial crisis, UNIDO's Quarterly Reports presented disaggregated data for the eurozone economies to differentiate their growth rates from those of the rest of Europe. This difference seems to have narrowed in recent quarters. In more general terms, manufacturing growth in European countries continues to be affected by the uncertainty generated by Brexit and the political developments in the United States, which may influence the established global and regional trade arrangements.

When comparing year-to-year developments among the leading eurozone economies, Italy registered a 2.8 per cent growth followed by Germany with a growth rate of nearly 1.0 per cent. No growth was observed in France. The growth figures for the majority of eurozone countries were positive, with strong growth performances observed in Slovenia, Cyprus and Greece. Manufacturing output rose by more than 2.2 per cent in the Netherlands, Spain, Lithuania and Belgium, but Ireland and Portugal witnessed a lower growth rate at 1.2 per cent and 1.5 per cent, respectively. The decrease in Ireland's manufacturing output reflected post-Brexit volatility, but was also attributable to a high comparison threshold based on the country's remarkable manufacturing expansion in 2015.

Beyond the eurozone, manufacturing output growth in the third quarter in the United Kingdom dropped to a marginal rate of 0.5 per cent in the aftermath of Brexit. The pace of growth also slowed in some industrialized Central European countries such as the Czech Republic and Hungary. Industrial production in Switzerland grew 2.4 per cent, reversing the decline registered in previous periods.





The manufacturing output of East European countries achieved relatively higher growth. Manufacturing output rose by 4.6 per cent in Poland and Romania, 4.1 per cent in Bulgaria and 4.9 per cent in Serbia. Among the Nordic economies, Norway's manufacturing sector has taken a long-term hit due to falling oil prices and continued its downward trajectory in the third quarter of 2016. Manufacturing output in the Russian Federation grew by a moderate rate of 0.7 per cent, continuing its shaky recovery after the country's economy was severely hit by the drop in oil prices.

Overall manufacturing production in North America grew by 0.1 per cent compared to the third quarter of the previous year. Despite some signs of improvement in the United States, the manufacturing sector recorded only weak export growth due to a still strong dollar and subdued global demand. When comparing year-to-year development, total manufacturing output of the United States remained flat in the third quarter of 2016. A number of manufacturing industries in the United States reported a decline compared to the same quarter in the previous year. At the same time, positive growth was reported in the production of motor vehicles, computers, electronic and optical products and textiles. In Canada, manufacturing growth in the third quarter of 2016 varied considerably by industry. While the production of pharmaceuticals, petroleum products and basic metals coke remained strong, production dropped in textiles, wearing apparel and fabricated metal products. Aggregated growth of manufacturing output in Canada was below 1.0 per cent in the third quarter of 2016.

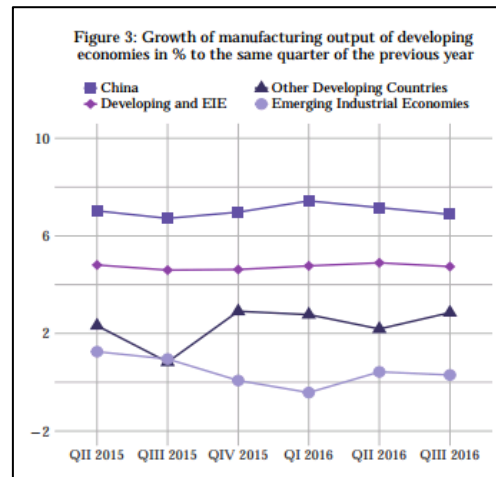
The industrialized economies of East Asia managed to break a long period of consecutive contraction with a 0.8 per cent growth in the third quarter compared to the same period of the previous year. A major contributor to this change was Japan, which recorded a positive growth rate of 0.5 per cent following a nearly two-year period of consecutive slumps. This upswing is primarily attributable to the boost in the automotive industry. Despite this improvement, the uncertain global outlook and a strong yen remain a concern for Japan's manufacturing sector. Manufacturing output in Malaysia, the Republic of Korea and Singapore witnessed a gain of 3.9 per cent, 0.9 per cent and 1.2 per cent, respectively; in Malaysia and Singapore, this increase was attributable to the significant growth in the production of computers, electronics and optical products.

*(Source: World Manufacturing Production- Statistics for Quarter III, 2016; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org))*

### **Developing and Emerging Industrial Economies**

A slowdown in China and a downturn in Latin America have affected the overall growth of manufacturing output in developing and emerging industrial economies. In the third quarter of 2016, manufacturing production in China rose by 6.9 per cent over the same period of the previous year, but reflected a slowdown from the 7.2 per cent growth rate recorded in the previous quarter. Following an uninterrupted downward trajectory since late 2013, the trend in China now seems to be towards stabilization at a relatively lower pace. The deceleration in the third quarter of 2016 was mainly driven by weak external demand and a weakened growth of the production of basic metals, China's strongest industry. The closure of a number of factories ahead of the G-20 Summit held at the beginning of September also negatively impacted the manufacturing sector. However, due to strong domestic demand, China's manufacturing sector has proven resilient to external shocks.

Latin American economies, on the other hand, were not as resilient as China's. Nonetheless, data for the third quarter of 2016 indicate some signs of improvement. Manufacturing output in Latin America, which has recently faced severe decline due to subdued global demand, low commodity prices and domestic political turbulence, has reduced the declining rate to 2.0 per cent. This development could be a break with the downward trend. This shift is attributable to Brazil, where the drop in manufacturing output was below 5.0 per cent in a year-to-year comparison. Some other larger Latin American manufacturers, namely Mexico, Colombia and Peru, recorded a positive growth of 1.2 per cent, 2.7 per cent and 2.0 per cent, respectively, while Argentina and Chile experienced contraction. Growth performance was much higher in Asian economies, where manufacturing output rose by 6.3 per cent in the third quarter of 2016. Viet Nam maintained its position of one of the fastest growing Asian economies with a double-digit growth in eight consecutive quarters.



At present, its manufacturing sector is benefitting from export-oriented industries such as computers, electronics and optical products. Indonesia's expansion of manufacturing output by 5.5 per cent continued in the third quarter, confirming its recent entry to the top 10 largest global manufacturers. However, India's manufacturing output, which achieved impressive growth rates in the last quarters, contracted with a much lower growth rate of 0.9 per cent in the third quarter. Positive developments were observed in other Asian economies. Manufacturing output in Saudi Arabia rose by 4.0 per cent and by 1.9 per cent in Mongolia. Estimates based on the limited available data indicate that manufacturing output in Africa increased by 0.5 per cent, the same pace of manufacturing growth measured in South Africa, the region's most industrialized economy. South Africa's manufacturing production was mainly driven by increasing output in refined petroleum products, the automotive industry and chemical products. Manufacturing production in Cote d'Ivoire registered a 4.9 per cent gain while Tunisia's manufacturing output grew by 1.3 per cent. Egypt's manufacturing output fell by 2.1 per cent according to UNIDO estimates.

(Source: World Manufacturing Production- Statistics for Quarter III, 2016; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org))

### Key Findings

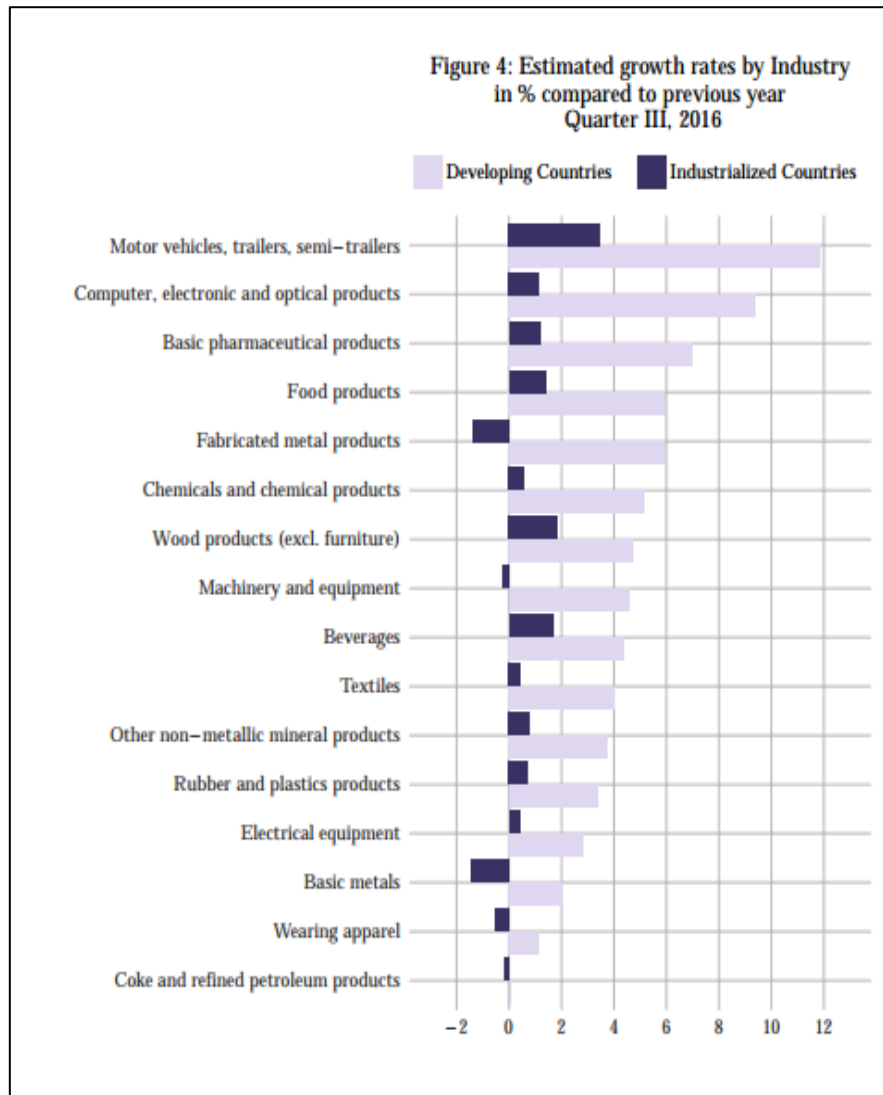
The growth rates for selected industries are presented below.

Global manufacturing production maintained a positive growth in nearly all industries in the third quarter of 2016. High and medium-high manufacturing industries held top positions – the manufacture of motor vehicles rose by 6.4 per cent, the production of computers, electronics and optical products grew by 4.6 per cent and the production of pharmaceutical products by 3.4 per cent. Among other fast growing industries, the production of textiles increased by 3.1 per cent. By contrast, the largest loss was recorded by the tobacco industry, with its global production declining by 8.0 per cent.

As regards durable and capital goods, the manufacture of non-metallic mineral products, which essentially supply construction materials, registered a growth figure of 2.5 per cent worldwide. The manufacture of furniture, the production of machinery and equipment and of fabricated metal products rose at a moderate pace by 1.6 per cent, 1.4 per cent and 1.0 per cent, respectively. The pace of the growth of the global manufacturing of basic metals slowed to below 1.0 per cent, mostly due to a significant slowdown reported by China and a visibly decreased production of basic metals in the Russian Federation in the third quarter of 2016.

Global manufacturing output maintained relatively high growth rates in the production of basic consumer goods. The manufacture of food products rose by 3.3 per cent, beverages by 2.9 per cent and wearing apparel by 0.8 per cent. As regards other low-technology manufacturing sectors, the global production of wood products rose by 2.9 per cent, while the manufacturing of paper products only increased by 1.0 per cent.





As illustrated in Figure 4, the growth performance of developing and emerging industrial economies outperformed industrialized economies in all manufacturing industries, including a number of high-technology industries. Disaggregated data by industrialized economies indicate that the performance of industrialized countries was evenly split among all manufacturing industries according to technological intensity. The fastest growing industry in both country groups was the automotive industry, reflecting strong growth of automobile production in China as well as in European countries.

(Source: *World Manufacturing Production- Statistics for Quarter III, 2016*; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org))

## MANUFACTURING SECTOR IN INDIA

### Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy.

India's ranking among the world's 10 largest manufacturing countries has improved by three places to sixth position in 2015<sup>#</sup>. The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25 per cent of Gross Domestic Product (GDP) by 2025, from 16 per cent currently.

## **Market Size**

India's manufacturing sector has the potential to touch US\$ 1 trillion by 2025. There is potential for the sector to account for 25-30 per cent of the country's GDP and create up to 90 million domestic jobs by 2025. Business conditions in the Indian manufacturing sector continue to remain positive.

## **Investments**

In a major boost to the 'Make in India' initiative, the Make in India week which was held in Mumbai between February 13 and 18, 2016, received an overwhelming response from investors. The fair had closed with INR 15.2 trillion (US\$ 225.32 billion) in investment commitments.

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power.

In September 2016, Foreign Direct Investment (FDI) in electronic manufacturing has reached an all-time high of Rs 123,000 crore (US\$ 18.36 billion) in 2016, from Rs 11,000 crore (US\$ 1.65 billion) in 2014; on the back of enabling policies of the government and its Make in India initiative.

India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- Huawei, the China-based smartphone manufacturer, has entered into an agreement with solutions provider Flextronics Technologies (India) Private Limited, to manufacture its smartphones in India. Flextronics would start by making 3 million smart phones at its facility in Chennai and is expected to generate additional 1,500 jobs.
- Tristone Flowtech Group, the Germany-based flow technology systems specialist, has set up a new facility in Pune, which will manufacture surge tank as well as engine cooling and aircharge hose for the Indian market. The company plans to start the production at the plant in the fourth quarter of 2017.
- Tata Power has partnered with US-based Javelin Joint Venture, which is a partnership between Raytheon Company and Lockheed Martin, for its Strategic Engineering Division (SED), in order to create a strategy to co-develop and produce the Javelin missile system and integrate platform mounts to meet Indian requirements.
- LeEco, a Chinese technology company, has entered into a partnership with Compal Technologies and invested US\$ 7 million to set up manufacturing facility at Greater Noida in order to start manufacturing Le2 smartphones in India.
- Zopo Mobile, a China-based smartphone manufacturer, plans to invest Rs 100 crore (US\$ 15 million) to set up a manufacturing plant in Noida by the end of 2016, which will have a monthly production capacity of 100,000 units.
- Honda Motorcycle & Scooter India plans to invest around Rs 600 crore (US\$ 88.94 million) to add a new line at its Narsapura facility at Karnataka, and launch at least 10-15 products during FY 2016-17 in the country.
- Force Motors, a utility and commercial vehicles manufacturer, inaugurated its Rs 100 crore (US\$ 14.82 million) manufacturing facility in Pune, which will supply engines and axles to the Germany-based automobile manufacturer Mercedes-Benz.
- Boeing Company, an American plane maker, and Tata Advanced Systems Ltd (TASL), a fully owned subsidiary of Tata Sons, have entered into a joint venture to set up a new facility in Hyderabad to manufacture Boeing AH-64 Apache helicopter fuselages.
- Panasonic Corporation plans to set up a new manufacturing plant for refrigerators in India with an investment of Rs 250 crore (US\$ 37 million), and also invest around Rs 20 crore (US\$ 3 million)



on an assembly unit for lithium ion batteries at its existing facility in Jhajjar in the next 8-10 months.

- Vital Paper Products, one of the major supply chain players in the paper and paper products industry, plans to set up a packaging product unit in the Special Economic Zone (SEZ) of Sri City, Andhra Pradesh, at an investment of Rs 60 crore (US\$ 8.89 million), which will be operational from April 2017.
- Isuzu Motors, the Japan-based utility vehicle manufacturer, has inaugurated its greenfield manufacturing unit in Sri City, Andhra Pradesh, which was set up for Rs 3,000 crore (US\$ 444.72 million), with an annual production capacity of 50,000 units and is estimated to generate around 2,000-3,000 jobs.
- Airbus has procured more than US\$ 500 million worth of supplies from India in 2015, registering a growth of 15 per cent annually and has targeted a cumulative procurement of more than US\$ 2 billion over a period of five years up to 2020.
- Havells India Limited, one of the top Indian consumer electrical equipment producer, plans to set up a new manufacturing unit near Bengaluru by making an investment of Rs 1,059 crore (US\$ 156.99 million), which would be its twelfth plant in India and its first outside north India.
- Global beverage company Pepsi plans to invest Rs 500 crore (US\$ 74 million) to set up another unit in Maharashtra to make mango, pomegranate and orange-based citrus juices, while biotechnology giant Monsanto plans to set up a seed plant in Buldhana district of Maharashtra.
- Hindustan Coca-Cola Beverages plans to set up a bottling plant with an investment of Rs 750 crore (US\$ 111.2 million) in phases at the first industrial area being developed by Government of Madhya Pradesh under the public private partnership in Babai village of Hoshangabad, Bhopal.
- Canada's Magna International Incorporated has started production at two facilities in Gujarat's Sanand, which will supply auto parts to Ford Motor Co in India and will employ around 600 people at both units.

### **Government Initiatives**

In a bid to push the 'Make in India' initiative to the global level, Mr Narendra Modi, Prime Minister of India, pitched India as a manufacturing destination at the World International Fair in Germany's Hannover in 2015. Mr Modi showcased India as a business friendly destination to attract foreign businesses to invest and manufacture in the country.

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- The National Institution for Transforming India (NITI Aayog), after its recent push for Rs 6,000 crore (US\$ 889 million) textile sector package, aims to persuade the Government for similar support in the manufacturing sectors with large-scale employment generation opportunities, such as electrical and electronics engineering, footwear and light manufacturing segments, which also have export potential.
- The Ministry of Labour and Employment plans to relax compliance measures for MSMEs by exempting them from inspections related to key labour laws in order to encourage entrepreneurs to help promote manufacturing in India.
- The Government of India plans to give a big boost to local manufacturing by introducing the new 'Make in India green channel', which will reduce the time taken for cargo clearance at ports from about a week to a few hours without any upfront payment of duties.
- Gujarat government is planning to set up an electronics products manufacturing hub in the state, through its newly announced Electronics Policy 2016, which will generate about 500,000 jobs in the electronics sector in the next five years.

- The Ministry of Heavy industries and Public Enterprises, in partnership with industry associations, has announced creation of a start-up centre and a technology fund for the capital goods sector to provide technical, business and financial resources and services to start-ups in the field of manufacturing and services.
- The Government of India plans to implement a new Defence Procurement Policy (DPP) by April, 2016 under which priority will be given to the indigenously made defence products and 25 per cent share of defence production will be open to private firms.
- The Government plans to organise a 'Make in India week' in Mumbai between February 13-18, 2016 to boost the 'Make in India' initiative and expects 1,000 companies from 10 key sectors to participate in the exhibition of innovative products and processes, a hackathon and sessions on urban planning, among other events.
- NITI Aayog plans to release a blueprint for various technological interventions which need to be incorporated by the Indian manufacturing economy, with a view to have a sustainable edge over competing neighbours like Bangladesh and Vietnam over the long term.
- Ms Nirmala Sitharaman, Minister of State (Independent Charge) for Commerce and Industry, has launched the Technology Acquisition and Development Fund (TADF) under the National Manufacturing Policy (NMP) to facilitate acquisition of Clean, Green and Energy Efficient Technologies, by Micro, Small & Medium Enterprises (MSMEs).
- The Government of India has asked New Delhi's envoys in over 160 countries to focus on economic diplomacy to help government attract investment and transform the 'Make in India' campaign a success to boost growth during the annual heads of mission's conference. Prime Minister, Mr Modi has also utilised the opportunity to brief New Delhi's envoys about the Government's Foreign Policy priority and immediate focus on restoring confidence of foreign investors and augmenting foreign capital inflow to increase growth in manufacturing sector.
- The Government of Uttar Pradesh has secured investment deals valued at Rs 5,000 crore (US\$ 741.2 million) for setting up mobile manufacturing units in the state.
- Government of India has planned to invest US\$ 10 billion in two semiconductor plants in order to facilitate electronics manufacturing in the country.
- Entrepreneurs of small-scale businesses in India will soon be able to avail loans under Pradhan Mantri MUDRA Yojana (PMMY). The three products available under the PMMY include: Shishu - covering loans up to Rs 50,000 (US\$ 735), Kishor - covering loans between Rs 50,000 (US\$ 735) to Rs 0.5 million (US\$ 7,340), and Tarun - covering loans between Rs 0.5 million (US\$ 7,340) and Rs 1 million (US\$ 14,700).

### **Road Ahead**

The Government of India has an ambitious plan to locally manufacture as many as 181 products. The move could help infrastructure sectors such as power, oil and gas, and automobile manufacturing that require large capital expenditure and revive the Rs 1,85,000 crore (US\$ 27.42 billion) Indian capital goods business.

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US\$ 0.0149 as on September 30, 2016

References: *Media Reports, Press Releases, Press Information Bureau, McKinsey & Company*



Notes:- According to 'The Yearbook' a report by United Nations Industrial Development Organization (UNIDO)

(Source: Manufacturing Sector in India - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## TEXTILE INDUSTRY IN INDIA

### Introduction

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 11 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The textile industry employs about 40 million workers and 60 million indirectly. India's overall textile exports during FY 2015-16 stood at US\$ 40 billion.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

### Market Size

The Indian textiles industry, currently estimated at around US\$ 108 billion, is expected to reach US\$ 223 billion by 2021. The industry is the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly. The Indian Textile Industry contributes approximately 5 per cent to India's Gross Domestic Product (GDP), and 14 per cent to overall Index of Industrial Production (IIP).

The Indian textile industry has the potential to reach US\$ 500 billion in size according to a study by Wazir Advisors and PCI Xylenes & Polyester. The growth implies domestic sales to rise to US\$ 315 billion from currently US\$ 68 billion. At the same time, exports are implied to increase to US\$ 185 billion from approximately US\$ 41 billion currently.

### Investments

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 1.85 billion during April 2000 to March 2016.

Some of the major investments in the Indian textiles industry are as follows:

- Trident Group, one of the leading manufacturers and exporters of terry towel, home textile, yarn and paper in India, has entered into a partnership with French firm Lagardere Active Group, to launch a premium range of home textiles under the renowned French lifestyle brand Elle Décor in India.
- Raymond Group has signed a Memorandum of Understanding (MoU) with Maharashtra government for setting up a textile manufacturing plant with an investment of Rs 1,400 crore (US\$ 208.76 million) in Maharashtra's Amravati district.
- Reliance Industries Ltd (RIL) plans to enter into a joint venture (JV) with China-based Shandong Ruyi Science and Technology Group Co. The JV will leverage RIL's existing textile business and distribution network in India and Ruyi's state-of-the-art technology and its global reach.



- Giving Indian saris a 'green' touch, Dupont has joined hands with RIL and Vipul Sarees for use of its renewable fibre product Sorona to make an 'environment-friendly' version of these ethnic ladies wear.
- Snapdeal has partnered with India Post to jointly work on bringing thousands of weavers and artisans from Varanasi through its website. "This is an endeavour by Snapdeal and India Post to empower local artisans, small and medium entrepreneurs to sustain their livelihood by providing a platform to popularise their indigenous products," said Mr Kunal Bahl, CEO and Co-Founder, Snapdeal.
- Welspun India Ltd (WIL), part of the Welspun Group has unveiled its new spinning facility at Anjar, Gujarat - the largest under one roof in India. The expansion project reflects the ethos of the Government of Gujarat's recent 'Farm-Factory-Fabric-Fashion-Foreign' Textile Policy, which is aimed at strengthening the entire textile value-chain.

### **Government Initiatives**

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

Some of initiatives taken by the government to further promote the industry are as under:

- India's first integrated textiles city, which will largely cater to the export market and build brand for Indian textiles abroad, is likely to be set up in the state of Andhra Pradesh.
- The Clothing Manufacturers' Association of India (CMAI) has signed a memorandum of understanding (MOU) with China Chamber of Commerce for Import and Export of Textiles (CCCT) to explore potential areas of mutual co-operation for increasing apparel exports from India.
- The Department of Handlooms and Textiles, Government of India, has tied up with nine e-commerce players and 70 retailers to increase the reach of handlooms products in the Indian market, which will generate better prices and continuous business, besides facilitating direct access to markets and consumers for weavers.
- The Union Ministry of Textiles, which has set a target of doubling textile exports in 10 years, plans to enter into bilateral agreements with Africa and Australia along with working on a new textile policy to promote value addition, apart from finalising guidelines for the revised Textile Up gradation Fund Scheme (TUFFS).
- The Government of India has started promotion of its 'India Handloom' initiative on social media like Facebook, Twitter and Instagram with a view to connect with customers, especially youth, in order to promote high quality handloom products.
- Subsidies on machinery and infrastructure
  - The Revised Restructured Technology Up gradation Fund Scheme (RRTUFFS) covers manufacturing of major machinery for technical textiles for 5 per cent interest reimbursement and 10 per cent capital subsidy in addition to 5 per cent interest reimbursement also provided to the specified technical textile machinery under RRTUFFS.
  - Under the Scheme for Integrated Textile Parks (SITP), the Government of India provides assistance for creation of infrastructure in the parks to the extent of 40 per cent with a limit up to Rs 40 crore (US\$ 6 million). Under this scheme the technical textile units can also avail its benefits.
  - The major machinery for production of technical textiles receives a concessional customs duty list of 5 per cent.
  - Specified technical textile products are covered under Focus Product Scheme. Under this scheme, exports of these products are entitled for duty credit scrip equivalent to 2 per cent of freight on board (FOB) value of exports

- The Government of India has implemented several export promotion measures such as Focus Market Scheme, Focus Product Scheme and Market Linked Focus Product Scheme for increasing share of India's textile exports.
- Under the Market Access Initiative (MAI) Scheme, financial assistance is provided for export promotion activities on focus countries and focus product countries.
- Under the Market Development Assistance (MDA) Scheme, financial assistance is provided for a range of export promotion activities implemented by Textiles Export Promotion Councils.
- The government has also proposed to extend 24/7 customs clearance facility at 13 airports and 14 sea ports resulting in faster clearance of import and export cargo.
- The Ministry of Textiles has approved a 'Scheme for promoting usage of geotechnical textiles in North East Region (NER)' in order to capitalise on the benefits of geotechnical textiles. The scheme has been approved with a financial outlay of Rs 427 crore (US\$ 63.67 million) for five years from 2014-15.

### **Road Ahead**

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The organised apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period.

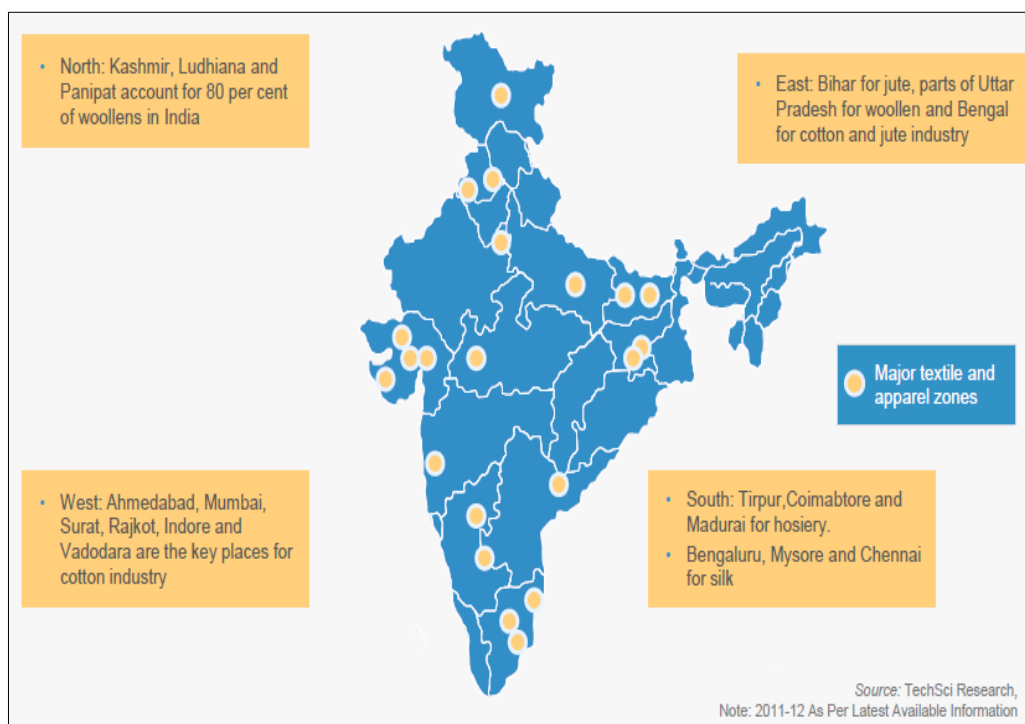
Exchange Rate Used: INR 1 = US\$ 0.0149 as on September 21, 2016

References: Media Reports, Press Releases, Press Information Bureau, McKinsey & Company

Notes: # - According to 'The Yearbook' a report by United Nations Industrial Development Organization (UNIDO)

(Source: Textiles Industry in India - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

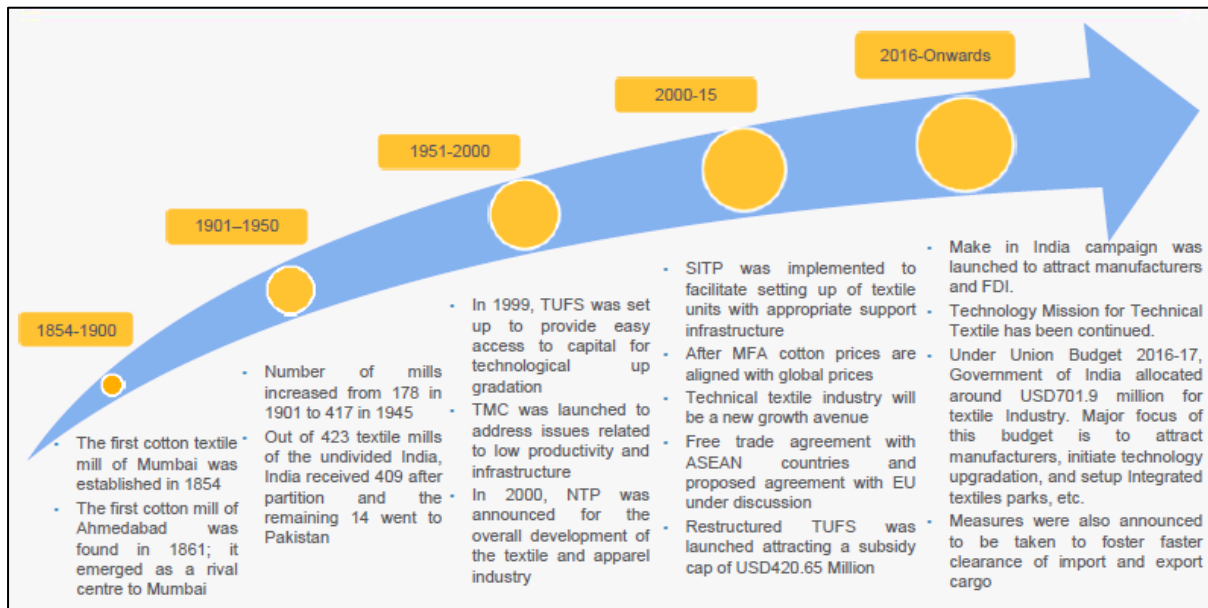
### **KEY TEXTILES AND APPAREL ZONES IN INDIA**





(Source: Textiles and Apparel Report, January 2017 - India Brand Equity Foundation, [www.ibef.org](http://www.ibef.org))

## EVOLUTION OF TEXTILES INDUSTRY IN INDIA



(Source: Textile and Apparel Report January 2017 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## KEY FACTS: TEXTILES INDUSTRY

- The fundamental strength of the textile industry in India is its strong production base of wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool to synthetic /man-made fibres like polyester, viscose, nylon and acrylic
- India accounts 63 per cent of the market share of textiles and garments
- With production of 5,984 million kg, India was the largest producer of cotton in 2015-16.
- Indian textile industry accounts for about 24 per cent of the world's spindle capacity and 8 per cent of global rotor capacity
- India has the highest loom capacity (including hand looms) with 63 per cent of the world's market share
- India accounts for about 14 per cent of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton; and third largest in cellulosic fibre)
- India is the second largest producer of Manmade Fibre and Filament, globally, with production of around 2,511 million kg in 2015-16.

(Source: Textile and Apparel Report January 2017 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## NOTABLE TRENDS IN INDIA'S TEXTILES SECTOR

- Increasing investment in TUFS**  
Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS) and cluster development activities. TUFS for the textile sector to continue in the 12th Five Year plan with an investment target of USD24.8 billion
- Multi-Fibre Arrangement (MFA)**  
With the expiry of MFA in January 2005, cotton prices in India are now fully integrated with international rates. In 2014, the government has cleared 13 proposals of new textile parks in different states.



- **Public-Private Partnership (PPP)**

The Ministry of Textiles commenced an initiative to establish institutes under the Public-Private Partnership (PPP) model to encourage private sector participation in the development of the industry

- **Technical textiles**

Technical textiles, which has been growing at around twice the rate of textiles for clothing applications over the past few years, is now expected to post a CAGR of 20 per cent over FY11-17. USD70.83 million has been allocated to promote the use of geotechnical textiles in the North East states.

(Source: Textile and Apparel Report January 2017 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## **OPPORTUNITIES IN TEXTILES INDUSTRY**

- **Immense growth potential**

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The sector is expected to be reached to USD226 billion by FY2023. Population is expected to reach to 1.34 billion by FY2019. Urbanisation is expected to support higher growth due to change in fashion and trends

- **Private sector participation in silk Production**

The Central Silk Board sets targets for raw silk production and encourages farmers and private players to grow silk. To achieve these targets, alliances with the private sector, especially major agro-based industries in pre-cocoon and post-cocoon segments has been encouraged

- **Proposed FDI in multi-brand retail**

For the textile industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers. It will also bring in greater investments along the entire value chain – from agricultural production to final manufactured goods. With global retail brands assured of a domestic foothold, outsourcing will also rise significantly

- **Retail sector offers growth Potential**

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with several international players like Marks & Spencer, Guess and next having entered Indian market. The organised apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period.

- **Centers of Excellence (CoE) for research and technical training**

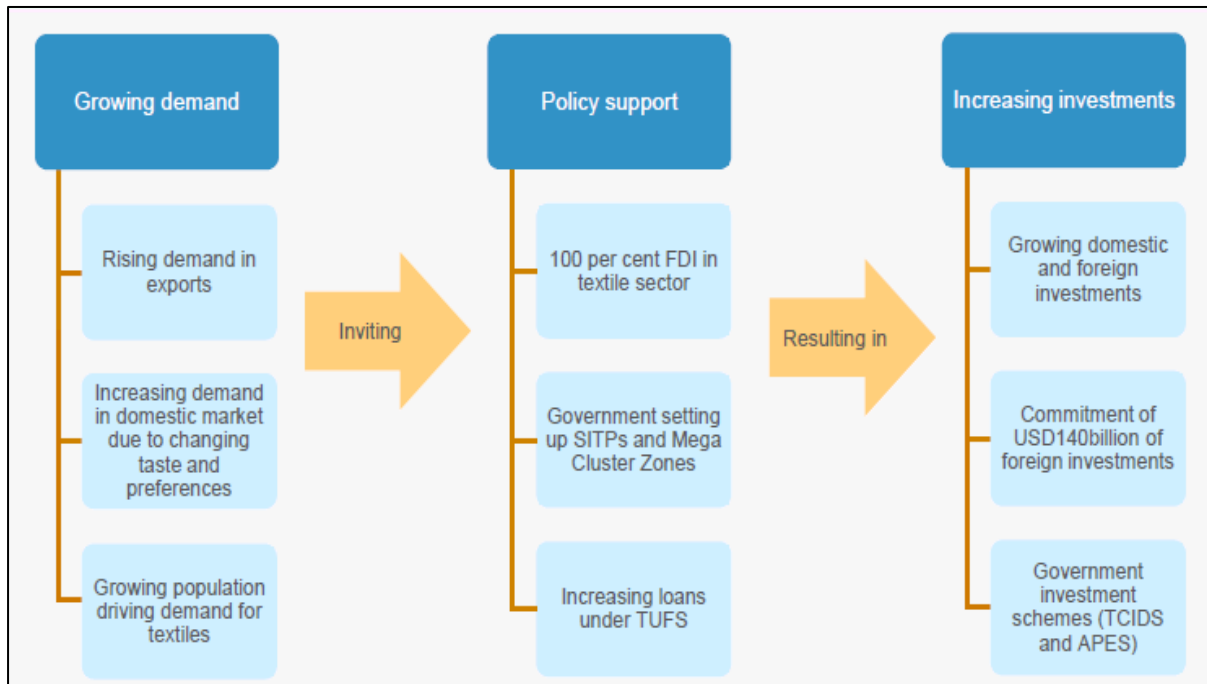
The CoEs are aimed at creating testing and evaluation facilities as well as developing resource centres and training facilities. Existing four CoEs, BTRA for Geotech, SITRA for Meditech, NITRA for Protech and SASMIRA for Agrotech, would be upgraded in terms of development of incubation centre and support for development of prototypes. Fund support would be provided for appointing experts to develop these facilities

- **Foreign investments**

The government is taking initiatives to attract foreign investments in the textile sector through promotional visits to countries such as Japan, Germany, Italy and France. According to the new Draft of the National Textile Policy, the government is planning to attract foreign investments thereby creating employment opportunities to 35 million people

(Source: Textile and Apparel Report January 2017 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## GROWTH DRIVERS OF TEXTILES & APPAREL SECTOR



(Source: Textile and Apparel Report January 2017 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## POLICY SUPPORT HAS BEEN A KEY INGREDIENT TO GROWTH OF THE SECTOR

- **Technology Up gradation Fund Scheme (TUFS)**

Investment was made to promote modernisation and up-gradation of the textile industry by providing credit at reduced rates. USD0.23 billion has been allocated for ATUFS scheme for FY16-17, under Union Budget 2016-17

- **National Textile Policy -2000**

The policy was introduced for the overall development of textile industry. Key areas of focus include technological upgrades, enhancement of productivity, product diversification and financing arrangements. New draft for this policy ensures to employ 35 million by attracting foreign investments. It also focuses on establishing a modern apparel garment manufacturing centre in every North Eastern state for which Government has invested an amount of USD3.27 million

- **Foreign Direct Investment**

FDI of up to 100 per cent is allowed in the textile sector through the automatic route

- **Scheme for Integrated Textiles Parks (SITP)**

SITP was set up in 2005 to provide necessary infrastructure to new textile units; under SITP, 40 projects (worth USD678 million) have been sanctioned. Out of these 40 projects, 27 have started production. 16 projects has been completed and as on November 2014, Government has invested a total of USD21.96 million for 21 new textile parks and the remaining 13 textile parks has been given the in-principle approval under SITP. In 2015, textile parks set up under the Scheme for Integrate Textile Park (SITP) attracted an investment of USD4.58 billion.

- **Technical textile industry**

Government of India has planned an increase in the fund outlay for technical textiles industry to more than USD117 million during the current 12th Five Year Plan (2012-17)

(Source: Textile and Apparel Report January 2017 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))



## TEXTILE INDUSTRY: ADVANTAGE INDIA

- **Robust demand**

Increased penetration of organised retail, favourable demographics and rising income levels to drive textile demand. Growth in building and construction will continue to drive demand for non clothing textiles

- **Increasing investments**

Huge investments are being made by Government under Scheme for Integrated Textile Parks (SITP)- (USD184.98 Million) and Technology Up gradation Fund Scheme (TUFS)- (term loan sanctioned in Feb, 2015- USD2198.45 Million) to encourage more private equity and to train workforce.

- **Competitive advantage**

Abundant availability of raw materials such as cotton, wool, silk and jute. India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to major textile producers

- **Policy Support**

100 per cent FDI (automatic route) is allowed in the Indian textile sector. Under Union Budget 2015-16, government has allocated USD39.81 million for integrated parks in India. Free trade with ASEAN countries and proposed agreement with European Union will boost exports

2015 Market Value: USD108.5 billion

2023F Market Value: USD226 billion

(Source: Textile and Apparel Report January 2017 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))



## OUR BUSINESS

### OVERVIEW

Our Company was originally incorporated on April 13, 2009 as a private limited Company under the name Manomay Tex India Private Limited and subsequently was converted to a public limited Company with effect from January 6, 2017. We are majorly engaged in manufacturing and sale of denim fabrics in domestic and international markets having an integrated manufacturing unit based in Rajasthan. We are known and identified in textile industry by the brand name “Manomay”.

Our Company started its commercial production by setting up a fabric weaving unit in Ichalkaranji by installing eight air-jet looms. Thereafter in 2011, the Company set up its integrated manufacturing unit for production of denim fabric in Jojron Ka Khera near Bhilwara. The unit is spread over 2.03 hectares and is equipped with dyeing, weaving and finishing facilities of yarn/ fabric. The denim manufactured by us ranges from 9 to 14 Oz/ Sq. yd with different blends of cotton, polyester, etc. with foam and wet finishes. The unit is equipped with adequate facilities and machineries. We have also enhanced our installed production capacity in FY15-16 to 225 lakh metres by addition of new plant & machinery. At Ichalkaranji unit, we are focused on manufacturing of suiting fabrics of different qualities as per the market demand. We procure the raw materials i.e. yarn from the local suppliers and weave to form fabric cloth. The process of sizing, dyeing and finishing is outsourced to the third parties.

Our promoters have experience in the line of business and looks after strategic as well as day to day business operations. Over the years our Company has carved its foot prints in the industry which can be witnessed by the growth in our total revenue from Rs. 576.93 lakhs in 2010 to Rs. 21,819.00 lakhs in 2016. As on date of the Red Herring Prospectus, we have employee strength of more than 200 employees.

Recently our Company has also ventured into international markets and at present our customer base is spread over different regions in India as well as in countries like Guatemala and Mexico. Our customers are mostly traders of fabrics who in turn sell products to industrial users. Our integrated manufacturing facility and our relationship with our traders are key factors of success in the industry.



Our brand has been well received and we shall, continue to strengthen our brand by supplying qualitative products at competitive prices.

#### **Our Company's location and manufacturing facilities are as below:**

- **Our Registered Office:** 32, Heera Panna Market, Pur Road, Bhilwara, Rajasthan – 311001, India
- **Manufacturing/ Weaving Unit:**
- **Rajasthan Unit** - Aaraji No. 5, 6 & 7, Near Toll Plaza, Gram - Jojro ka Khera, Tehsil - Gangrar- Chittorgarh - 312901, Rajasthan, India
- **Ichalkaranji Unit** – Gate no. 755 & 756, H No 3068 & 3069, Village - Tardal, Ichalkaranji, District - Kolhapur, Maharashtra, India.
- **Marketing Office:** Plot No 11/ 296, Near Arvind Process Industrial Estate, Ichalkaranji, Taluka - Hatkalangle, District – Kolhapur - 416115, Maharashtra, India



## OUR PRODUCTS

Sr.No.	Product	Image	Description
1.	Suiting's		<p>Suiting refers to any material made of interlacing fibers. A suiting is a material made through weaving, knitting, spreading, crocheting, or bonding that may be used in production of further goods (garments, etc.). Cloth may be used synonymously with suiting but is often a finished piece of fabric used for a specific purpose.</p>
2.	Denims		<p>Denim is sturdy cotton warp-faced in which the weft passes under two or more warp threads. This twill weaving produces a diagonal ribbing that distinguishes it from cotton duck.</p> <p>The most common denim is indigo denim, in which the warp thread is dyed, while the weft thread is left white. As a result of the warp-faced twill weaving, one side of the textile is dominated by the blue warp threads and the other side is dominated by the white weft threads.</p>

## PRODUCT RANGE

Following are the list of various types of Denim Textile manufactured and sold by us.

Sr.No.	Particulars					
	Sort No	Blend	Weight	Width	Weave	Colour
1.	13016	Cotton x Poly	10.00 OZ/sq yd.	60"-61"	Broken	Deep Blue
2.	13021	Cotton x Poly	09.00 OZ/sq yd.	56"-57"	4/1 Satin	Deep Blue
3.	13895	Cotton x Poly	10.00 OZ/Sq Yd.	60"-61"	Twill	Deep Blue
4.	93780	Cotton x Poly	10.00 OZ/Sq Yd.	60" ( + - 1" )	Twill	Deep Blue
5.	13893	Cotton x Poly	10.00 OZ/Sq Yd.	60"-61"	2/1 RHT	Deep Blue
6.	13311	Cotton x Poly	10.50 OZ/Sq Yd.	60"-61"	Dobby	Deep Blue
7.	13901	Cotton x Poly	10.00 OZ/Sq Yd.	65"-66"	Satin	Deep Blue
8.	13902	Cotton x Poly	10.50 OZ/Sq Yd.	65"-66"	Satin	Deep Blue
9.	13305	Cotton x Poly	11.00 OZ/Sq Yd.	56"-58"	Dobby	Deep Blue

Sr.No.	Particulars					
10.	13306	Cotton x Poly	11.00 OZ/Sq Yd.	58"-59"	Towel Dobby	Deep Blue
11.	13307	Cotton x Poly	11.00 OZ/Sq Yd.	60"-61"	Dobby	Deep Blue
12.	13313	Cotton x Poly	10.00 OZ/Sq Yd.	61"-62"	Dobby	Deep Blue
13.	13121	Cotton x Poly	10.00 OZ/Sq Yd.	60"-61"	Satin	Deep Blue
14.	13221	Cotton x Poly	10.50 OZ/sq yd.	60"-61"	Satin laycra	Deep Blue
15.	13220	Cotton x Poly	10.00 OZ/sq yd.	58"-59"	Satin	Deep Blue
16.	93778	Cotton x Poly	10.00 OZ/sq yd.	59"-60"	2/1 RHT	Deep Blue
17.	13331	Cotton x Poly	10.00 OZ/Sq Yd.	60"-61"	Satin	Deep Blue
18.	13332	Cotton x Poly	10.00 OZ/Sq Yd.	60"-61"	Satin	Deep Blue
19.	13310	Cotton x Poly	10.00 OZ/Sq Yd.	60"61"	Dobby	Deep Blue
20.	13135	Cotton x Poly	10.00 OZ/Sq Yd.	60"-61"	Satin	Deep Blue
21.	13022	Cotton x Poly	09.00 OZ/sq yd.	57"-58"	Satin	Deep Blue & black
22.	13301	Cotton x Poly	10.00 OZ/Sq Yd.	60"-61"	Dobby	Deep Blue
23.	13315	Cotton x Poly	09.00 OZ/Sq Yd	58"-59"	Dobby	Dark Indigo
24.	13316	Cotton x Poly	12.50 OZ/Sq Yd	64"-65"	Dobby	Dark Indigo
25.	13184	Cotton x Poly	11.00 OZ/Sq Yd.	65"-66"	Satin	Deep Blue
26.	13023	Cotton x Poly	09.50 OZ/sq yd.	60"-62"	Satin	Deep Blue
27.	14101	Cotton x Poly	11.00 OZ/Sq Yd.	65"-66"	Broken	Deep Blue
28.	14102	Cotton x Poly	10.50 OZ/Sq Yd.	66"-67"	Twill	Deep Blue
29.	14103	Cotton x Poly	10.50 OZ/Sq Yd	65"-66"	Dobby	Dark Indigo
30.	14104	Cotton x Poly	09.00 OZ/Sq Yd	65"-66"	Dobby	Dark Indigo
31.	14105	Cotton x Poly	09.50 OZ/Sq Yd	66"-67"	Dobby	Dark Indigo
32.	14106	Cotton x Poly	09.50 OZ/Sq Yd	65"-66"	Dobby	Dark Indigo
33.	14109	Cotton x Poly	10.00 OZ/Sq Yd	67"-68"	Satin	Dark Indigo
34.	14111	Cotton x Poly	10.50 OZ/Sq Yd	65"-66"	Dobby	Dark Indigo
35.	14112	Cotton x Poly	10.00 OZ/Sq Yd	65"-66"	Satin	Dark Indigo
36.	13027	Cotton x Poly	08.00 OZ/Sq Yd	58"-59"	Satin	Dark Indigo
37.	13028	Cotton x Poly	10.00 OZ/Sq Yd	67" ( + - 1" )	Drill	Dark Indigo
38.	13035	Cotton x Poly	11.00 OZ/Sq Yd	58"-59"	Dobby	Dark Indigo
39.	13033	Cotton x Poly Lycra	08.50 OZ/Sq Yd	58" (+/- 1")	Satin	S.B.I.T.
40.	13034	Cotton x Poly Lycra	09.00 OZ/Sq Yd	57" (+/- 1")	Satin	S.B.I.T.
41.	13322	Cotton x Poly	09.50 OZ/Sq Yd	59"-60"	Dobby	Dark Indigo
42.	30150	Cotton x Poly	5.00 OZ/Sq Yd.	67" ( + - 1" )	Twill	Deep Blue
43.	20150	Cotton x Poly	6.50 OZ/Sq Yd.	67"-68"	Twill	Deep Blue
44.	30151	Cotton x Cotton	05.00 OZ/Sq Yd	65"-66"	Twill	Dark Indigo
45.	13123	Cotton x Poly Str.	8.75 OZ/Sq Yd	59" ( + - 1" )	Satin	Indigo
46.	13038	Cotton x Poly Str.	08.75 OZ/Sq Yd	54" ( + - 1" )	Satin	Dark Indigo
47.	13036	Cotton x Poly	10.00 OZ/Sq Yd	61" ( + - 1" )	Satin	Dark Indigo
48.	13135/D	Cotton x Poly Lycra	10.00 OZ/Sq Yd	60" (+/- 1 )	Satin	Dark Indigo
49.	12104	Cotton x Poly	10.50 OZ/Sq Yd.	59"-60"	Dobby	Deep Blue
50.	13503	Cotton x Poly	10.00 OZ/Sq Yd.	66"-67"	Twill	Z Black

Following are the list of various types of fabrics manufactured and sold by us.



Sr.No.	Particulars					
	Sort No	Blend	Weight	Width	Weave	Colour
1.	Dhoom Dhadaka	Cotton x Cotton	5.5 OZ/sq yd.	58"	Satin	Finish Fabric
2.	Satino	Cotton x Cotton	05.50 OZ/sq yd.	58"	4/1SATIN	Finish Fabric
3.	16000 Series	Cotton x Poly	7.50 OZ/Sq Yd.	63"	Twill	NBlue
4.	9216 Series	Cotton x Poly	7.00 OZ/Sq Yd.	62"	Dobby	NBlue
5.	200 Series	Cotton x Poly	7.00 OZ/Sq Yd.	62"	Dobby	NBlue
6.	Alto	Cotton x Cotton	05.60 OZ/Sq Yd.	58"	4/1SATIN	Finish Fabric
7.	Sony	Cotton x cotton Lycra	6.00 OZ/Sq Yd.	55"-56"	4/1SATIN	Gents Colour
8.	Satin Print	Cotton x Cotton	05.50 OZ/sq yd.	58"	4/1SATIN	Multy Colour print
9.	Super Silky	Cotton x Poly	04.50 OZ/Sq Yd.	57"-58"	Twill	Blue Piching

## RAW MATERIALS



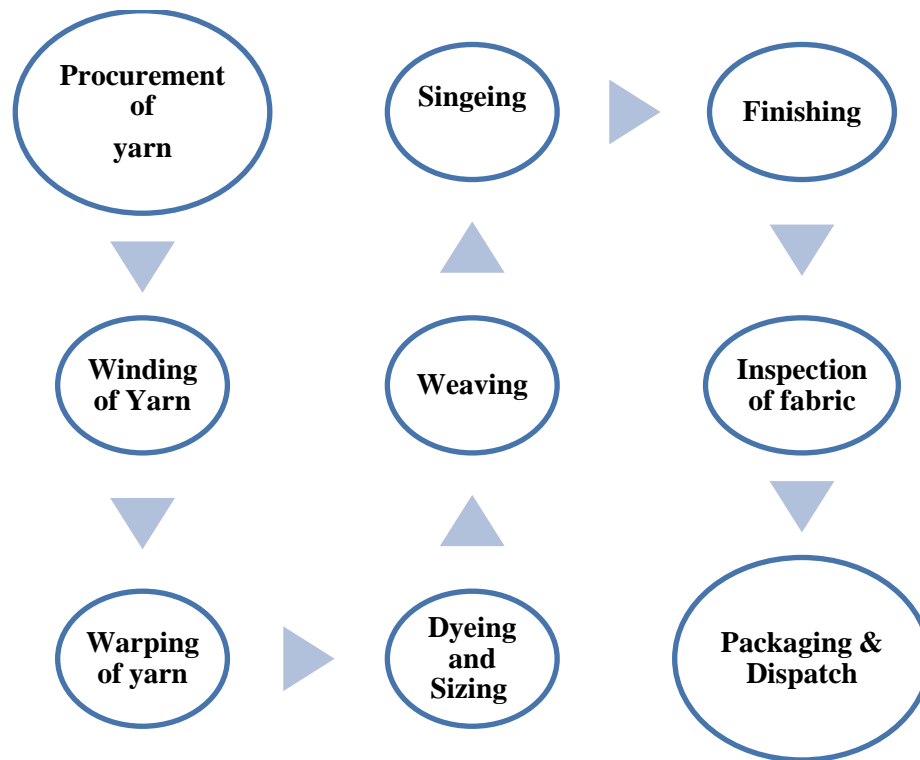
Our Company requires yarns which is a major raw material for our manufacturing process. We meet our raw material requirement by procuring such material mainly from local markets.

Depending upon requirements and market situation, we at times also procure gray cloth and carry further processing

## OUR PRODUCTION PROCESS

Our Company is majorly in the business of manufacturing denim textile. Denim is made from a vat dye, the Indigo dye, which is applied to cotton fabric in loosely held form in layers. The manufacturing process of denim is similar to that of Grey fabric up to the process of weaving with the only difference that in case of Denim Fabric, it is dyed at the stage of sizing where as in case of Grey Fabric, the decision regarding dyeing stage depends upon the finished product. We provide the parties with the different samples of designs and quality and such parties on basis of the market demand place orders with us. After approval of sample, we manufacture and supply in accordance with the request raised.

Our production process is briefed as per the details mentioned below:



#### **Procurement of yarn:**

Our Company requires yarns which is a major raw material for our manufacturing process. We procure the raw materials directly from the local suppliers. Bhilwara being one of the textile hubs, we have locational advantage with respect to availability and price of raw materials.

#### **Winding of yarn:**

Winding is the process of transferring yarn or thread from one type of package to another to facilitate subsequent processing. The process is helpful in inspecting the yarn, clearing the defects and making larger wound packages.

#### **Warping of yarn:**

After winding, warping process is done for making a weavers beam. The parallel winding of warp ends from many cones on to a warp beam is called warping. It includes arranging of yarn threads in long parallel lengths of equal tension, onto a beam in preparation for weaving. During the warping process cones of yarn are placed onto a rack called a creel. From this creel yarn passes through tension and spacing devices and through a leasing reed which separates the yarn threads and keeps them in the correct order before being wound onto a warping balloon.

#### **Dyeing and sizing:**

Dyeing and sizing is done in two stages. In the first stage, beams are dyed, oxidized, dried and wound on a batch roll. The batch roll is then sized, dried and wound on a weaver's beam. The object of Sizing is to improve the strength of yarn by chemically binding the fibres with each other and also improve upon its friction resistance capacity by chemically coating the surface of yarn.

#### **Weaving:**

The weaving process consists of interlacing straight yarns at right angles to one another. Warp yarns are supplied from a large reel, called a warp beam, mounted at the back of the weaving machine. The warp thread is in the form of sheet. The weft thread is inserted between two layers of warp sheets by means of a suitable carrier, such as Shuttle, Projectile, Rapier, Air current, Water current, etc.



### **Singeing:**

The process is usually to pass one or both sides of a fabric over a gas flame to burn off the protruding fibres. It is usually done in order to obtain a clean fabric surface which allows the structure of the fabric to be clearly seen. The process is usually treated on the cotton fabric only.

### **Finishing:**

The woven fabric not only contains impurities, including warp size, etc. and requires further treatment in order to develop its full textile potential. Furthermore, it may receive considerable added value by applying one or more finishing processes such as softness, shrinkage, etc.

#### *Wet Finishing:*

In wet finishing line fabric passes through cylinder drier and with the help of moisture controller provided, moisture content in the fabric is brought down to the required level before entry in to the rubber belt unit which is of heavy duty construction to handle denim fabrics.

#### *Foam finishing:*

Moisture along with various finishing agent are applied with foam, of foam generator. The foam is laid on the rubber conveyor, evenly across the width on the conveyor by oscillating feed pipe system. It ensures uniform layer of foam across width, which is sucked uniformly by vacuum pump and manages uniform pick - up on the width & length of the fabric.

### **Inspection of fabric:**

Company attaches utmost importance to the quality of our final product. Hence it is ensured that the fabric material is individually checked and ensured that it is free from any defects. It is ensured that the material manufactured is as per the required quality standards. Any product having variation beyond acceptable limits is sold below the industry rates. Finishing of products involves removal of loose and unwanted threads, conformity of design and size as per the standard rage, etc.

### **Packaging & Dispatch:**

The finished products are stacked in plastic packaging and are sent to the stockroom facility for labelling and from thereon it is dispatched to the buyers.

## **OUR COMPETITIVE STRENGTHS**



### **1) Integrated Manufacturing Facility**

Our manufacturing facility at Bhilwara is an integrated facility allowing us to carry on all the facilities in house i.e from winding and warping of yarn to dispatch of the fabric. We have also enhanced our production capacity by installing new plant and machineries during last financial year. Further the unit has adequate utilities and infrastructure facilities like fuel, water, power and human resources to carry uninterrupted production process.

### **2) Our Experienced Management**

We have an experienced management team with some of our promoters having more than a decade experience in textile industry. It is through the constant efforts and experience of our management team that we have been able to build a sustainable business model. We also have employed people in different areas of work who have required technical competence and qualifications. We strongly believe that the success of our organization lies in the efforts of our human resources.

### **3) Locational Advantage**

We have our main manufacturing facility located at Jojro ka Khera which is 30 kms from Bhilwara. The city of Bhilwara is well connected with the national highways and railway station. Also, Bhilwara is one of the hubs in textile industry that enables to procure the raw materials at easy availability with cost efficiency. Such location also boosts our marketing activities and adds value to our revenues due to established market for textiles.

### **4) Qualitative Products**

Our Company focuses on maintaining quality in all aspects of its manufacturing process. We strive to have least tolerance for any manufacturing defect which has helped us in retaining our existing customers and will help us in developing new customers. Our Company believes that quality of textiles decides its future. The growth of our organization is directly proportional to the quality of our supplies. Our Company attempts to supply qualitative products at competitive prices. We are specific about the quality of products manufactured by us and take adequate measures to maintain good quality levels.

### **5) Existing relationship with the clients**

We focus on building long-term client relationships and constantly try to cater customer needs with product in demand. Since we are engaged in B2B business model, our existing client being traders provides us repeated orders. We trust that our existing relationship and goodwill amongst our traders serves as a competitive advantage in gaining new clients and increasing our business with existing clients.

## **UTILITIES & INFRASTRUCTURE FACILITIES**

### **Infrastructure Facilities**

Our registered office at Bhilwara, Rajasthan is well equipped with computer systems, internet connectivity, other communications equipment, security and other facilities, which are required for our business operations to function smoothly. Our manufacturing units located at Jojron ka Khera, Rajasthan and Ichalkaranji, Maharashtra are equipped with requisite utilities and facilities including the following:

#### **Power**

##### **Bhilwara Unit:**

Our Company meets its power requirements by purchasing electricity from Ajmer Vidyut Vitran Nigam Limited. The current sanction limit provided at our manufacturing unit located in Rajasthan is 2450.00 KVA



### Maharashtra Unit:

The power consumption Maharashtra Unit is procured from Maharashtra State Electricity Distribution Co. Ltd. The current sanction limit provided is 105.00 KW

### Water

Our Company has 3 (three) bore well at Rajasthan manufacturing unit to meet our water requirements and it is used for domestic and dyeing purpose. Since we have only weaving facility at our Maharashtra unit, there are no water requirements for production process.

### CAPACITY UTILIZATION

Our manufacturing unit located at Rajasthan is majorly engaged in manufacturing and sale of denim fabrics. The production and utilized capacities of our Company for these products for the past three years and also the projected capacities and utilizations for the subsequent three years are set forth in the following table:

Particulars		Unit	Existing				Projected		
			2013-14	2014-15	2015-16	Estimated 2016-17	2017-18	2018-19	2019-20
Product : Denim									
Total Production Capacity	Mtrs	1,17,13,464	1,17,13,464	2,25,13,464	2,25,13,464	2,46,03,116	2,46,03,116	2,46,03,116	
Capacity Utilization	Mtrs	90,96,699	98,69,031	1,23,12,196	1,84,61,040	2,21,00,000	2,21,00,000	2,21,00,000	
Outside production on job basis	Mtrs	51,34,494	62,58,216	7329493	4558574	70,00,000	70,00,000	75,00,000	
Capacity Utilization (%)	Mtrs	78%	84%	55%	82%	90%	90%	90%	

### Plant and Machinery

The major plant and machinery of our Company is as follows:-

Name of Major Machinery	Qty	Vendor
Indigo Dying Machine	2	Jupiter Comptex Pvt Ltd
Warping Machine	3	Jupiter Comptex Pvt Ltd
Roolling machine	5	Shree Bhagwati Textile
Airjet Looms Old	61	Picanol Omeni and Airjet
Airjet Looms New	54	Tsudakoma Airjet
Finishing Machine	2	Thakur Export Ahmedabad
Boiler	2	Rajdeep Boiler
ETP tank	1	Civil Work
RO	2	Decnomat
Singing Machine	1	Gaytri industries
MEE Plant	1	Unitop
33 KV line	1	Tower work and line work
Hymothiction Plant	1	Wild water wark and c con



## COLLABORATIONS

As on the date of this Red Herring Prospectus, our Company has not entered into any technical or other collaboration

## EXPORT AND EXPORT OBLIGATION

EPCG	Export Obligation (In USD/ Euro)	Duty Saved (Rs. in Lakhs)	Balance Export Obligation to be completed (Rs. in Lakhs)	Period to which Export Obligation to be completed
1330004438/3/12/00	USD 17,23,148.17	181.50	2,323.94	April 17, 2019
1330002708/3/11/00	USD 24,314.25	5.93		September 10, 2017
1330004590/3/12/00	USD 19,97,359.03	213.38		March 31, 2021
1330003637/3/11/00	USD 10,09,222.43	70.01		September 10, 2017
1330004796/3/12/00	Euro 35,123.99	4.37		March 31, 2021

## HUMAN RESOURCES

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As on January 31, 2017 we have 204 employees at our manufacturing facility and registered office, who look after our business operations, factory management, administrative, secretarial, legal, marketing and accounting functions in accordance with their respective designated goals. Apart from these we also employ casual labour or temporary labour on need basis. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work progress and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

## MARKETING

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with the traders who have been associated with our Company. Our team through their vast experience and good rapport with these traders owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. Export Marketing is handled by Yogesh Kumar Laddha. We believe our relationship with the traders is strong and established as we receive repeated orders. To retain our customers, our team, which comprises of people with adequate experience regularly interacts with them and focuses on gaining an insight into the additional needs of customers.

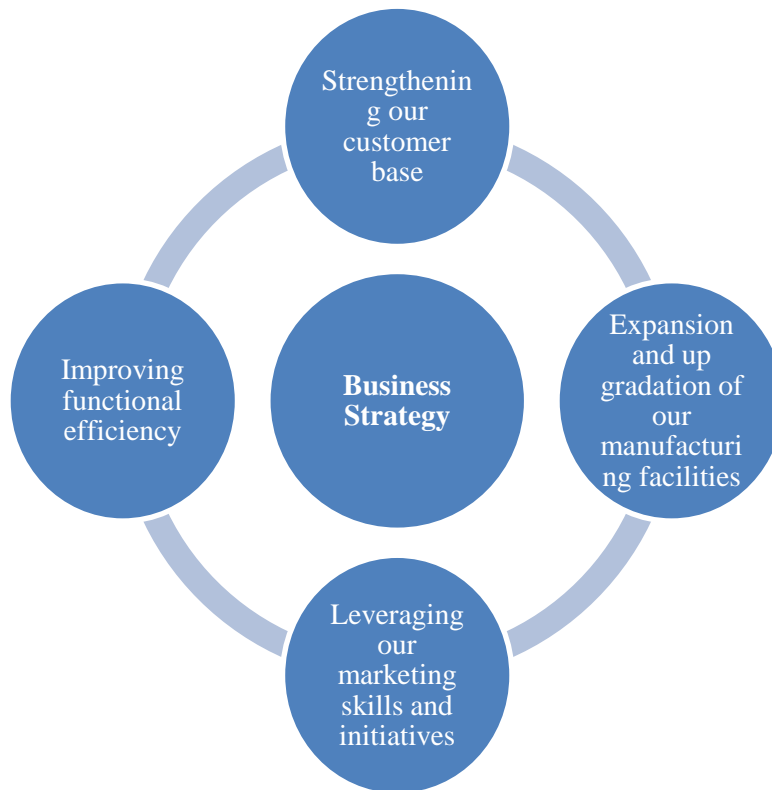
We intend to expand our existing customer base by reaching out to other geographical areas. Our marketing team is ready to take up challenge so as to scale new heights.

## END USERS

We sell our products to the traders engaged in the textile industry. They further sale the fabric to the units engaged in manufacture of apparel.



## BUSINESS STRATEGY



### 1) Widening our reach

Our client base includes traders engaged in the business of textile who generally provides us with repeated orders. We intend to grow in the business continuously by adding new customers. We also export our textile in few countries and want to rigorously target the unexplored international markets for exports of our existing products line.

### 2) Expansion and up gradation of our manufacturing facilities

Our Company procures raw material i.e. yarns from the established suppliers available in Bhilwara. We further have certain unutilized land at our manufacturing unit located at Jojron Ka Khara. We intend to integrate and foray in setting up our spinning unit in near future which will enable us to meet our raw material requirements internally thereby reducing our dependence on third parties.

### 3) Leveraging our marketing skills and initiatives

Leveraging our marketing skills and relationship is a continuous process in our organisation. We believe in imparting training to our employees for enhancing their marketing skills. Further we aim to undertake some marketing initiatives as well to increase our brand visibility. Such initiatives shall include print and electronic advertisements, sponsorships, visual merchandising, etc.

### 4) Improving functional efficiency

Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, customer service and technology development. We continue to invest in operational excellence through the organization. We ensure a strong quality commitment by our employees.



## 5) Brand image

We would continue to associate ourselves with good quality customers and execute projects to their utmost satisfaction. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers

## SWOT ANALYSIS

<b>Strengths</b> <ul style="list-style-type: none"> <li>➤ Integrated Manufacturing Facility</li> <li>➤ Our Experienced Management</li> <li>➤ Locational Advantage</li> <li>➤ Qualitative Products</li> <li>➤ Existing relationship with the clients</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>➤ High Competition</li> <li>➤ Change in Fashion</li> <li>➤ Striking a balance between the quality and price of products</li> </ul>
<b>Weakness</b> <ul style="list-style-type: none"> <li>➤ Labour intensive industry</li> <li>➤ Huge dependency of the industry on cotton</li> </ul>	<b>Opportunities</b> <ul style="list-style-type: none"> <li>➤ Expanding Export Markets</li> <li>➤ Enhancing Functional Efficiency</li> </ul>

## COMPETITION

Textiles being a large and global industry, we face competition from various domestic and international players. The Industry which we cater to is highly competitive, unorganized and fragmented with many small and medium-sized companies and entities and we compete with organized as well as unorganized sector on the basis of availability of product, product quality and product range.

Most of our competitors in the regional level are from the unorganized sector of the textile industry.

We intend to continue competing vigorously to capture more market share and manage our growth in an optimal way.

We see ourself competing with R& B denims which is our comparable peer listed on SME Platform of BSE.

## INSURANCE

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards. Further, our contractual obligations to our lenders also require us to obtain specific insurance policies.

We have taken Standard Fire & Special Perils Policy for a substantial majority of our assets at our office and factory. These policies also insure us against the risk of earthquakes (fire and shock) and spontaneous combustion. We also have a Marine Cargo Open Policy that covers our products while in transit. Further we have Burglary Insurance to cover our raw materials stock in trade. Our policies are subject to customary exclusions and customary deductibles.

We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage is maintained.



## LAND AND PROPERTY

### Owned Properties:

We have our properties located at following:

### Owned properties:

Sr No	Address of the Property	Area of the Property	Current Usage
1.	Aaraji No. 5, 6 & 7, Near Toll Plaza, Gram - Jojro ka Khera, Tehsil - Gangrar-Chittorgarh - 312901, Rajasthan, India	2.03 Hectares	Manufacturing Unit
2.	Aaraji No.17, 18 & 19, Near Toll Plaza, Gram - Jojro ka Khera, Tehsil - Gangrar-Chittorgarh - 312901, Rajasthan, India	3.54 Hectares	Open Plot. No activity on the mentioned plot

### Rented Properties:


The following properties are taken on rent by our Company:

Sr. No.	Name of the Licensor	Address of the Property	Period of Agreement	Consideration	Usage
1.	Kailashchandra Laddha	32, Heera Panna Market, Pur Road Bhilwara - 311001, Rajasthan, India.	Eleven months commencing from January 01, 2017	Rs. 7000/- per month	Registered Office
2.	Sureshchandra Laddha & Maheshchandra Laddha	Gate no. 755 & 756, H No 3068 & 3069, Village - Tardal, Ichalkaranji, District - Kolhapur, Maharashtra, India.	Sixteen Years commencing from October 01, 2010 to September 30, 2026	Rs. 6000/- per annum	Manufacturing Unit at Ichalkaranji
3.	Kamleshchandra Laddha	Plot No 11/ 296, Near Arvind Process Industrial Estate, Ichalkaranji, Taluka - Hatkalangle, District - Kolhapur - 416115, Maharashtra, India	Ten Years commencing from December 01, 2015 to November 30, 2025	Rs. 10,000/- per month	Marketing Office



## INTELLECTUAL PROPERTY RIGHTS

We have applied for registration of the following Trademarks with the Trademarks Registry, Government of India. The details of trademark applications are as under:

Sr No	Description	Word/Label Mark	Applicant	Application Number	Date of Filing	Class	Status
1		Device-Word Mark	Manomay Tex India Private Limited	2472691	February 05, 2013	24	Abandoned

We confirm that no other type of intellectual property including trademarks/copyrights/patents etc. has been made by our Company



## **KEY INDUSTRY REGULATIONS AND POLICIES**

Except as otherwise specified in this Red Herring Prospectus, the Companies Act, 1956 / the Companies Act, 2013, We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in the business of manufacturing and selling of suiting's and denim fabric industry. Taxation statutes such as the Income Tax Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

### **APPROVALS**

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled "Government and Other Statutory Approvals" beginning on page number 297 of this ] Red Herring Prospectus.

### **APPLICABLE LAWS AND REGULATIONS**

#### **BUSINESS/TRADE RELATED LAWS/REGULATIONS**

##### **Technology Upgradation Fund Scheme (TUFS)**

Technology Upgradation Fund Scheme (TUFS), a flagship scheme of Ministry of Textiles, is a scheme for modernization and technology upgradation in the textiles sector. It aims at making funds available to the domestic textile industry for technology upgradation in the textile sector. It aims at making funds available to the domestic textile industry for technology upgradation of existing units as well as to set up new units.

##### **Amended Technology Up-Gradation Fund Scheme (ATUFS)**

Ministry of Textiles, Government of India has notified Amended Technology Up gradation Fund Scheme vide notification dated January 13, 2016. In order to promote ease of doing business, promote make in India and increase the employment, government will be providing credit linked Capital Investment Subsidy (CIS) under the ATUFS. The scheme would facilitate augmenting of investment, productivity, quality, employment and exports. It will also increase investment in textile industry (using benchmarked technology). Entities registered as Companies which have acknowledgment of Industrial Entrepreneur Memorandum (IEM) with DIPP except MSMEs units which will be as per ministry of MSME or units registered with the concerned Directorates of the State Government showing clearly the activity for which the unit is registered, will only be eligible to get benefits under the scheme. Only benchmarked machinery as specified will be eligible for the subsidy under the scheme. The maximum subsidy for overall investment by an individual entity under ATUFS will be restricted to Rs.30 Crore.

##### **National Textile Policy – 2000**

Subsequent to the announcement of the Textile Policy, the woven segment of readymade garment sector and the knitting sector have been de-reserved from the list of items reserved for exclusive manufacture in the small scale sector. The Textile Policy also targets the development of a strong multi-fibre base to facilitate product upgradation and diversification. The Textile Policy provides for government financing and venture capital funding for setting up textile plants. Particular emphasis is laid on exports with the proposal of multi-disciplinary institutional mechanisms to formulate policy and action plans, including the restructuring of Export Promotion Councils and operating a brand

equity fund exclusively for textile and apparel products. The Textile Policy also contains sector specific agendas. For the cotton sector, it designates the Technology Mission of Cotton as the nodal body to bring about increase in productivity and stability in prices. For the spinning and weaving sectors, decentralized modernizations is the thrust of the government policy and for the garments sector, the government proposes a number of measures in light of the WTO rules and regulations, including strategic alliances with leading global manufacturers and the establishment of textile/apparel parks. The Ministry of Textiles announced the formulation of the National Textile Policy, 2000 118 (“Textile Policy”) in November 2000 with the objective of enabling the textile industry to attain and sustain a preeminent global standing in the manufacture and export of clothing. The Textile Policy envisages a multi-pronged strategy to achieve these long term goals. The strategy aims at modernizing the equipment and technology that is used in the sector and simultaneously strengthening the traditional knowledge, skills and capabilities in this sector.

### **The Textiles Committee Act, 1963**

The Textiles Committee Act, 1963 (“TCA”) was enacted in 1963. The textiles committee has been established under the TCA (hereinafter referred to as the “Textile Committee”) with the primary objective of ensuring a standard quality of textiles both for domestic and export markets as well as standardization of the type of textile machinery used for production. The Textiles Committee’s functions include, among others, the promotion of Indian textiles and textile exports, researching in technical and economic fields, establishing standards for Indian textiles and textile machinery, setting up of laboratories, and data collection. Additionally, the Textile Committee regulates the imposition of cess on textile and textile machinery that is manufactured in India under the Textiles Committee Act. The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 prescribes and provides for the levy and collection of an additional excise duty on certain textiles and textile articles.

### **Textile (Development and Regulation) Order, 2001 (“Textile Order”)**

The Textile Order was brought into force by the Central Government under section 3 of the Essential Commodities Act, 1955 and repealed the Textile (Development and Regulation) Order, 1993. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner.

The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade and Merchandise Marks Act, 1958, except under and limited to the extent of specific authorization by the holder of or applicant for such brand or trade name.

### **Scheme for Integrated Textile Parks**

In 2005, during the Tenth Five Year Plan, the Government sponsored “Scheme for Integrated Textile Parks (“SITP”) was launched, by merging the two previously existing schemes namely, the Scheme for Apparel Parks for Exports and the Textile Centre Infrastructure Development Scheme. SITP is intended to provide the Indian textile industry with world-class infrastructure facilities for setting up textile units and to facilitate textile units to meet international standards and social standards. The SITP is now co-terminus with the Eleventh Five Year Plan (i.e. 2007-2012) and is continued in the twelfth Five Year Plan (i.e. 2012-17). The state government under the scheme, shall inter alia, provide requisite clearances, assistance in identification and procurement of suitable land, and participate in projects, by way of subscribing to equity of special purpose vehicles through various state government agencies. During the Tenth Five Year Plan, 30 textiles park projects were approved. Locations of these projects are: Andhra Pradesh-4, Gujrat-7, Maharastra-6, Tamil Nadu-6, Rajasthan-4, Karnataka-1, Punjab-1 and West Bengal-1.





### **The Micro, Small and Medium Enterprises Development Act, 2006**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as “micro enterprise”, where the investment in plant and machinery does not exceed twenty-five lakh rupees; “Small enterprise”, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, “Micro – enterprise”, where the investment in equipment does not exceed ten lakh rupees, “Small Enterprise” where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or “Medium Enterprise” where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

### **Legal Metrology Act, 2009**

An act 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 weight, measure or number and for matters incidental thereto. The part of metrology in relation to weighing and measuring units as well as methods of weighing and measuring instruments with the object of ensuring public guarantee and from the point of view of security and accuracy of weighing and measurement. Any weight or measure which conforms to the standard of such weight or measure and also conforms to such of the provisions of Sec. 7 as are applicable to it shall be the standard of weight or measure. Any numeral which conforms to the provisions of Sec. 6 shall be the standard numeral. It further provides that no weight, measure or numeral, other than the standard weight, measure or numeral shall be used as a standard weight, measure or numeral.

Every reference standard, secondary standard and working standard shall be verified and stamped in such manner and after payment of such fee as may be prescribed. Every reference standard, secondary standard and working standard which is not verified and stamped in accordance with the provisions shall not be deemed to be a valid standard. The provision relating to Use and Prohibition provides that no person shall, in relation to any goods, things or service quote, or make announcement of, whether by word of mouth or otherwise, any price or charge, or issue or exhibit any price list, invoice, cash memo or other document, or prepare or publish any advertisement, poster or other document, or indicate the net quantity of a pre-packaged commodity, or express in relation to any transaction or protection, any quantity or dimension, otherwise than in accordance with the standard unit of weight, measure or numeration.

No person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a license issued by the Controller. No license to repair shall be required by a manufacturer for repair of his own weight or measure in a State other than the State of manufacture of the same. The Controller shall issue a license in such form and manner, on such conditions, for such period and such area of jurisdiction and on payment of such fee as may be prescribed.

### **Anti-Trust Laws**

#### **Competition Act, 2002**

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

## **GENERAL CORPORATE COMPLIANCE**

### **The Companies Act 1956 and The Companies Act, 2013**

The consolidation and amendment in law relating to Companies Act, 1956 made way to enactment of Companies Act, 2013. The Companies act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lay down conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

## **EMPLOYMENT AND LABOUR LAWS**

### **Contract Labour (Regulation and Abolition) Act, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the CLRA applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.



### **Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act") and the Employees Provident Fund Scheme, 1952**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

### **Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

### **The Employees Pension Scheme, 1995**

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

### **Employees' State Insurance Act, 1948 (the "ESI Act")**

It is an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

### **Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year covered to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

### **Payment of Gratuity Act, 1972**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act

has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

### **Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 (“MWA”) came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

### **Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### **Equal Remuneration Act, 1976**

The Equal Remuneration Act 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against Female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

### **Child Labour Prohibition and Regulation Act, 1986**

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour is prohibited in Building and Construction Industries and as per Part A of the Schedule it is applicable to the Port and the vicinity of the port area.

### **Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

### **The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall



hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Inter-State Migrant Workmen (Regulation of Employment And Conditions of Service) Act, 1979**

This Act has been enacted with an aim to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. It is applicable to every establishment employing five or more inter-state migrant workmen or having employed in the past twelve months and to every contractor who employs or who employed five or more inter-state migrant workmen in the past twelve months. Every Principal Employer of the establishment employing inter-state migrant workmen has to make an application for the registration of the establishment in the prescribed manner and time. Also a contractor employing inter-state migrant workmen has to obtain a license for the same from the licensing officer appointed for the purpose by the Central or the state Government. The license is valid only for a specified period and requires to be renewed at its expiry. The Act levies some duties on the principal employer and the contractor. The contractor is to provide for adequate wages, medical facilities and other benefits while it is the responsibility of the principal employer to provide for the displacement allowance and journey allowance to the workmen.

### **Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957**

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment

## **TAX RELATED LEGISLATIONS**

### **Value Added Tax (“VAT”)**

VAT is a system of multi-point Levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT Liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons Liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

### **Rajasthan Value Added Tax Act, 2003 (“RVAT”)**

VAT is the most progressive way of taxing consumption rather than business. RVAT has come into effect from 1st January 2007. It is a multi-stage tax on goods that is levied across various stages of production and supply with credit given for tax paid at each stage of Value addition. VAT is a system of multi-point levy on each of the entities in the supply chain with the facility of set-off input tax whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by



a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is essentially a consumption tax applicable to all commercial activities involving the production and distribution of goods, and each State that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register themselves and obtain a registration number.

### **Maharashtra Value Added Tax Act, 2002 (“MVAT”)**

As per the provisions of MVAT, a dealer is liable to pay tax on the basis of turnover of sales within the State. The term dealer has been defined u/s. 2(8) of the Act. It includes all person or persons who buys or sells goods in the State whether for commission, remuneration or otherwise in the course of their business or in connection with or incidental to or consequential to engagement in such business. The term includes a Broker, Commission Agent, Auctioneer, Public Charitable Trusts, Clubs, Association of Persons, Departments of Union Government and State Government, Customs, Port Trusts, Railways, Insurance & Financial Corporations, Transport Corporations, Local authorities, Shipping and Construction Companies, Airlines, Advertising Agencies and also any corporation, company, body or authority, which is owned, constituted or subject to administrative control of the Central Government, any State Government or any local authority.

### **Service Tax**

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ‘taxable services’, as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5<sup>th</sup> / 6<sup>th</sup> of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by the 25<sup>th</sup> of the month immediately following the half year to which the return relates.

### **Central Sales Tax Act, 1956 (“CST”)**

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) When a sale or purchase takes place outside a State (c) When a sale or purchase takes place in the course of imports into or export from India, to provide for Levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance.

### **The Central Excise Act, 1944**

The Central Excise Act, 1944 (“Central Excise Act”) consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of



which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

### **The Rajasthan Tax on Professions, Trades, Callings and Employment Act, 2000**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

### **Maharashtra State Tax on Profession, Trades, Callings and Employments Act, 1975**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The State of Maharashtra, Karnataka, Tamil Nadu and Andhra Pradesh have their own professional tax structure and tax is levied on every person who exercises any profession or calling or is engaged in any trade or holds any appointment, public or private, or is employed in any manner in state is liable to pay the profession tax at the specified rate provided that no tax shall be payable by the person who have attained sixty five year of age and handicapped person with more than 40% disability or parent of a physically disabled or mentally retarded child. The tax payable under the State Acts as mentioned above by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

## **OTHER LAWS**

### **The Factories Act, 1948**

The Factories Act, 1948 ("Factories Act") aims at regulating labour employed in factories. A "factory" is defined as "any premises...whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on...". The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down



permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the “occupier”, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

### **Shops and establishments laws in various states**

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### **The Rajasthan Shops and Commercial Establishments Act, 1958 ("The Rajasthan Shops Act")**

The Rajasthan Shops Act is applicable to the state of Rajasthan and provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The State Government may, by notification in the

Official Gazette, exempt either permanently or for any specified period any establishment or class of establishments or person or class of persons, to which or to whom this Act applies, from all or any of its provisions subject to such conditions as the State Government may deem fit.

## **ENVIRONMENTAL LEGISLATIONS**

### **The Environment Protection Act, 1986 (“Environment Protection Act”)**

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

### **Air (Prevention and Control of Pollution) Act, 1981**

Air (Prevention and Control of Pollution) Act 1981(“the Act”) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.



### **Water (Prevention and Control of Pollution) Act, 1974**

The Water (Prevention and Control of Pollution) Act 1974 (“the Act”) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

### **The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)**

The Noise Regulation Rules regulate noise levels in industrial (75 decibels), commercial (65 decibels) and residential zones (55 decibels). The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

### **Hazardous Waste (Management and Handling) Rules, 1989**

The Hazardous Waste (Management and Handling) Rules, 1989, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

### **The Public Liability Insurance Act, 1991**

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

### **National Environmental Policy, 2006**

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

## **INTELLECTUAL PROPERTY LEGISLATIONS**

In general the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999

### **The Patents Act, 1970**

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

### **The Copyright Act, 1957**

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

### **Trade Marks Act, 1999**

The Trade Marks Act, 1999 (the “**Trade Marks Act**”) provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

## **GENERAL LAWS**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act, 1872, Specific Relief Act, 1963, Negotiable Instrument Act, 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act, 1986 are also applicable to the company.

## **OTHER LAWS:**

### **Foreign Trade (Development and Regulation) Act, 1992**

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (DGFT) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of all the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. Director General of Foreign Trade (herein after referred to as DGFT) is the main governing body in matters related to



the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

### **Foreign Exchange Management Act, 1999**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. The act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

### **FEMA Regulations**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India

### **THE FOREIGN DIRECT INVESTMENT**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), has issued consolidated FDI Policy Circular of 2016 ("FDI Policy 2016"), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. Further, DIPP has issued Press note 5, dated June 24, 2016 which introduces few changes in FDI Policy 2016. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2016 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India ("RBI") also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh



issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2016, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.



## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### CORPORATE PROFILE AND BRIEF HISTORY

Our Company was originally incorporated as Manomay Tex India Private Limited at Bhilwara, Rajasthan as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 13, 2009 bearing Corporate Identification Number U18101RJ2009PTC028647 issued by Registrar of Companies, Rajasthan. Subsequently, our Company was converted into Public Company pursuant to Shareholders resolution passed at the Extraordinary General Meeting of our Company held on January 02, 2017 and the name of our Company was changed to Manomay Tex India Limited and a fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company dated January 06, 2017 was issued by the Registrar of Companies, Jaipur. The Corporate Identification Number of our Company is U18101RJ2009PLC028647.

Kailashchandra Laddha, Kantadevi Laddha, Maheshchandra Laddha,, Pramila Laddha, Yogesh Laddha, Pallavi Laddha, Kailashchandra Hiralal Laddha HUF & Maheshchandra Kailashchandra Laddha HUF are the Promoters of our Company.

Our Company is majorly engaged in manufacturing and sale of denim fabrics in domestic and international markets having an integrated manufacturing unit based in Rajasthan which involves winding of yarn up to weaving and dispatch of garment. We are known and identified in textile industry by the brand name “Manomay”. For information on our Company’s profile, activities, market, products, etc., market of each segment, capacity built-up, exports due to foreign operations together with country wise analysis, standing of our Company in comparison with prominent competitors, with reference to its products, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to chapters titled “*Our Business*”, “*Financial Statements as Restated*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*”, “*Government and Other Statutory Approvals*” beginning on page 161, 220, 270 and 297 respectively of this Red Herring Prospectus.

### CHANGES OF REGISTERED OFFICE

There has been no change in registered office since Incorporation

### KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

YEAR	EVENTS
2009	Incorporation of our Company
2011	Purchased manufacturing unit in Rajasthan to foray its commercial production
2017	Conversion of Company from Private Limited to Public Limited

### MAIN OBJECTS OF OUR COMPANY

The main objects of our Company, as contained in our memorandum of Association, are as set forth below:

1. To carry on the business of spinners, weavers, manufacturers, traders, producers, ginners, pressers, packers, balers, liners, cleaners, drycleaners, processors, doublers, combers, wool combers, worsted spinners, wollen spinners, knitters, stichers, designers, crafts, printers, dyers, bleachers, calenderers, sellers, buyers, traders, brokers, stockists, importers, exporters, mercerisers, distributors, barterers, shippers and dealers in all kinds of textile goods, waste threads, fabric/cloth, yarn fibres, jeans, suitings, shirtings, sarees, dress materials, readymade garments of all fabrics including waste cotton, linen, hemp, jute, wool, polyester, acrylics, silk, artificial silk, rayon, manmade synthetic fibres, fibres, staple synthetic yarn and any other fibrous material.



2. To carry on the business of manufacturers, traders, processors, producers, jobbers including doing the job work for others and getting the job work done from others, designers, distributors, stockists, importers and exporters, buyers, sellers and dealers of all or any of the products of fabrics and textiles, industrial fabrics, non woven fabrics, sheets, tapes, ropes, cords, twines, canvas, territowels, durries, newar, parachutes, carpets rugs, blankets, namdas, tarpaulins, lines, worsted stuff and other products as are prepared or manufactured from nylon, polyesters, acrylics, rayon, silk, artificial silk, linen, cotton, wool, foam and any other synthetic, artificial and natural fibres and intermediates of all types, grades and formulations and including specifically plastics, polyester fibres, polyacrylonitrile, polyvinylacetate, polypropylene, nylon and rayon.
3. To carry on the business of manufacturers, producers, processors, importers, exporters, buyers, sellers and dealers in and as brokers, agents, stockists, distributors and suppliers of all kinds of waterproof fabrics, pavliners, floorclothes, carpets, tent clothes, tweed, patta, pashminas, blazer, gaberdine, drill, tapestry, georgetta, linen, velvet, tarpaulin, khaddar, lace and lining, surgical cotton, surgical bandages, lints, gauge, necessary for as are made from or with cotton, nylon, silk, polyester acrylics, jute, wool and all other kinds of fibres made under any process, whether natural or artificial and by mechanical or other means.

#### **AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION**

Since incorporation, the following amendments have been made to the Memorandum of Association of our Company:

<b>Date of AGM / EGM</b>	<b>Changes</b>
March 23, 2011	Increase of Authorised Capital from Rs. 5,00,000 consisting of 50,000 Equity Shares of Rs.10/- each to Rs. 10,00,000 consisting of 1,00,000 Equity Shares of Rs.10/- each
March 24, 2012	Increase of Authorised Capital from Rs. 10,00,000 consisting of 1,00,000 Equity Shares of Rs.10/- each to Rs. 25,00,000 consisting of 2,50,000 Equity Shares of Rs.10/- each
March 25, 2013	Increase of Authorised Capital from Rs. 25,00,000 consisting of 2,50,000 Equity Shares of Rs.10/- each to Rs. 1,05,00,000 consisting of 10,50,000 Equity Shares of Rs.10/- each
December 20, 2014	Increase of Authorised Capital from Rs. 1,05,00,000 consisting of 10,50,000 Equity Shares of Rs.10/- each to Rs. 2,00,00,000 consisting of 20,00,000 Equity Shares of Rs.10/- each
December 03, 2016	Increase of Authorised Capital from Rs. 2,00,00,000 consisting of 20,00,000 Equity Shares of Rs.10/- each to Rs. 13,00,00,000 consisting of 1,30,00,000 Equity Shares of Rs.10/- each
January 02, 2017	Clause III(B) and III(C) of Memorandum of Association be and are hereby deleted and new clause III(B) of Memorandum of Association is hereby inserted.
January 02, 2017	Clause I of the Memorandum of Association of the Company changed to reflect changed name of the Company from Manomay Tex India Private Limited to Manomay Tex India Limited as a result of Conversion from Private to Public Limited. A fresh certificate of incorporation pursuant to the change of name was granted by the ROC on January 06, 2017



## COUNTRY WISE EXPORT SALES FOR PERIOD ENDED SEPTEMBER 2016

Name of the Country	Amount (Rs. in Lakhs)
Guatemala	280.27
Mexico	56.61

## OUR HOLDING/ SUBSIDIARY COMPANY

Our Company neither has a holding Company nor any subsidiary Company as on date of filing of this Red Herring Prospectus.

## CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT

For details regarding our capital raising activities through equity and debt, please refer to the chapters titled “*Financial Information as Restated*” and “*Capital Structure*” beginning on page 220 and 85, respectively, of this Red Herring Prospectus.

## CHANGES IN THE ACTIVITIES OF OUR COMPANY IN THE LAST FIVE YEARS

There is no change in the activities of our Company during the last five years.

## INJUNCTIONS OR RESTRAINING ORDERS

Our Company is not operating under any injunction or restraining order

## MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY

Our Company has not merged / amalgamated itself nor has acquired any business / undertaking, since incorporation.

## STRIKES AND LOCK-OUTS

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of this Red Herring Prospectus, our employees are not unionized.

## SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of filing of this Red Herring Prospectus.

## OTHER AGREEMENTS

Our Company has not entered into any agreements / arrangement except under normal course of business of the Company, as on the date of filing of this Red Herring Prospectus.

## STRATEGIC / FINANCIAL PARTNERS

Our Company does not have any strategic / financial partner(s) as on the date of this Red Herring Prospectus.

## CONVERSION OF LOAN INTO EQUITY SHARES

There have been no incident of conversion of loans availed from financial institutions and banks into Equity Shares as on the date of this Red Herring Prospectus.



#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS**

There have been no defaults or rescheduling of borrowings with financial institutions/banks as on date of this Red Herring Prospectus.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares including bonus shares by capitalizing any revaluation reserves.

#### **TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

As on the date of this Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

#### **NUMBER OF SHAREHOLDERS**

Our Company has 40 shareholders as on date of this Red Herring Prospectus.



## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than 3 directors and not more than 15 directors, subject to the applicable provisions of the Companies Act. Our Company currently has eight directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Red Herring Prospectus:

Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Re-appointment	Other Directorship
1.	<b>Name:</b> Kailashchandra Laddha <b>Age:</b> 62 Years <b>Father's Name:</b> Hiralal Laddha <b>Designation:</b> Chairman and Whole Time Director <b>Address:</b> 10/140, Dhanlaxmi Sadan Behind Radhakrushna Talkies, Ichalkaranji Kolhapur 416115 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> Three years from January 16, 2017 <b>DIN:</b> 01880516	January 16, 2017	<b>Public Limited Company – Nil</b> <b>Private Limited Company – Nil</b>
2.	<b>Name:</b> Yogesh Laddha <b>Age:</b> 37 Years <b>Father's Name:</b> Kailashchandra Laddha <b>Designation:</b> Managing Director <b>Address:</b> 5-A-33, R.C. Vyas Colony Bhilwara 311001 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> Three years from January 16, 2017 <b>DIN:</b> 02398508	January 16, 2017	<b>Public Limited Company – Nil</b> <b>Private Limited Company –</b> Everstrong Marketing Private Limited
3.	<b>Name:</b> Kamlesh Laddha <b>Age:</b> 40 Years <b>Father's Name:</b> Kailashchandra Laddha <b>Designation:</b> Whole Time Director <b>Address:</b> Ward No 10, House No 140, DhanLaxmi Sadan, Behind Radhakrishna Theator, Ichalkaranji – 416115 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> Three years from January	January 16, 2017	<b>Public Limited Company – Nil</b> <b>Private Limited Company – Nil</b>

Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Re-appointment	Other Directorship
	16, 2017 DIN: 03520135		
4.	<b>Name:</b> Maheshchandra Laddha <b>Age:</b> 44 Years <b>Father's Name:</b> Kailashchandra Laddha <b>Designation:</b> Non Executive Director <b>Address:</b> 10-140, Radhakrishna Colony, Masoba Galli Area, Dist. Kolhapur Ichalkaranji - 416115 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> Liable to retire by rotation <b>DIN:</b> 02333125	January 16, 2017	<b>Public Limited Company – Nil</b>  <b>Private Limited Company –</b> <ul style="list-style-type: none"> <li>Everstrong Marketing Private Limited</li> </ul>
5.	<b>Name:</b> Pallavi Laddha <b>Age:</b> 36 years <b>Husband's Name:</b> Yogesh Kumar Laddha <b>Designation:</b> Whole Time Director <b>Address:</b> 5-A-33 R C Vyas Colony Bhilwara -311001 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> Three years from January 16, 2017 <b>DIN:</b> 06856220	January 16, 2017	<b>Public Limited Company – Nil</b>  <b>Private Limited Company – Nil</b>
6.	<b>Name:</b> Basant Porwal <b>Age:</b> 37 Years <b>Father's Name:</b> Kishangopal Porwal <b>Designation:</b> Independent Director <b>Address:</b> Lake Town Co- Op Hsg Soc. Ltd. Bldg E-8 F.N. 201 S.N. 11, Katraj Pune -411046. <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Term:</b> Five years from January 02, 2017 <b>DIN:</b> 06553480	January 02, 2017	<b>Public Limited Company – Nil</b>  <b>Private Limited Company – Nil</b>
7.	<b>Name:</b> Shriniwas Bhattad <b>Age:</b> 66 Years <b>Father's Name:</b> Shivraj Bhattad <b>Designation:</b> Independent Director <b>Address:</b> Ward No. 10, H. No. 139,	January 02, 2017	<b>Public Limited Company – Nil</b> <b>Private Limited Company – Nil</b>



Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Re-appointment	Other Directorship
	Radha Krishna Colony, Radha Krishna Tokij, Hatkanangale Ichalkaranji – 416115, Maharashtra <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> Five years from January 02, 2017 <b>DIN:</b> 07680278		
8.	<b>Name:</b> Dilip Porwal <b>Age:</b> 41 Years <b>Father's Name:</b> Balkishan Porwal <b>Designation:</b> Additional Director <b>Address:</b> Plot No.57, Building No.78A, Near Parinda Hotel Ichalkaranji 416115, Maharashtra, <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> Till Next Annual General Meeting <b>DIN:</b> 07694518	January 04, 2017	<b>Public Limited Company – Nil</b> <b>Private Limited Company –</b> Porwal Intexo Private Limited

#### BRIEF BIOGRAPHIES OF OUR DIRECTORS

##### Kailashchandra Laddha

Kailashchandra Laddha, aged 62 years is the Promoter, Chairman and Whole Time Director of our Company. He has been Director of our Company since incorporation and designated as Whole Time Director w.e.f. January 16, 2017. He has years of experience in the textile industry and has thorough knowledge of products of our Company. He looks after the strategic growth of our Company and is guiding force behind success of our Company.

##### Yogesh Laddha

Yogesh Laddha, aged 37 years is the Promoter and Managing Director of our Company. He is Chartered Accountant by qualification and member of the Institute of Chartered Accountants of India. His experience and dedication has contributed immensely in the development of our Company. He is the key person in formulating and implementation of business strategy for growth & expansion and looks after overall business operations. He also looks after the export operations of the Company.

##### Kamlesh Laddha

Kamlesh Laddha, aged 40 years, has been re-appointed as Whole time Director of our Company w.e.f. January 16, 2017.

##### Maheshchandra Laddha

Maheshchandra Laddha, aged 44 years, is the Promoter and Non Executive director of our Company. He has been re-appointed as Non Executive Director w.e.f. January 16, 2017. He strategizes the affairs of Ichalkaranji Unit and has been instrumental in formulating the overall business strategy and developing business relations of our Company.



**Pallavi Laddha**

Pallavi Laddha, aged 36 years, is the Promoter and Whole Time Director of our Company. She has been re-appointed as Whole Time Director w.e.f. January 16, 2017. She currently looks after the Human Resource Department of the Company and also manages the approvals required from the regulatory authorities from time to time.

**Basant Porwal**

Basant Porwal aged 37 years was appointed as Independent Director of our Company with effect from January 02, 2017. He is Chartered Accountant by qualification and member of The Institute of Chartered Accountants of India.

**Shriniwas Bhattad**

Shriniwas Bhattad aged 65 years was appointed as Independent Director of our Company with effect from January 02, 2017.

**Dilip Porwal**

Dilip Porwal, aged 41 years, has been appointed as Additional Director of our Company with effect from January 04, 2017.

**CONFIRMATIONS**

As on the date of this Red Herring Prospectus:

1. Except as stated below; none of the Directors of the Company are related to each other as per section 2(77) of the Companies Act, 2013

Name of the Director	Name of the Other Director	Relation
Kailashchandra Laddha	Mahesh Laddha Yogesh Laddha Kamlesh Laddha	Father-Son
Mahesh Laddha	Yogesh Laddha Kamlesh Laddha	Brother
Yogesh Laddha	Pallavi Laddha	Husband-Wife

2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of the above mentioned Directors are on the RBI List of willful defaulters.
5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies.
6. None of the Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

**REMUNERATION/COMPENSATION PAID TO DIRECTORS**

Except as mentioned below, no other current Directors have received remuneration during the last financial year ended on March 31, 2016.



Name of the Director	Amount (in Lakhs)
Kailashchandra Laddha	4.80
Yogesh Laddha	4.80
Kamlesh Laddha	4.80

**Terms and conditions of employment of our Director:**

**A. Kailashchandra Laddha**

The term of appointment for Kailashchandra Laddha as Chairman and Whole Time Director was authorised vide special resolution passed in the Extra-Ordinary General Meeting held on January 24, 2017 for a period of three years commencing from January 16, 2017. The terms and conditions of his employment are as follows:

Remuneration	Salary Rs. 1,00,000/- Per month in scale of (Rs. 1,00,000-1,20,000-1,40,000) which may be revised periodically based on the recommendation of the Board of the Directors of Nomination & Remuneration Committee
Term of Appointment	3 Years
Perquisites	<ol style="list-style-type: none"> <li>1. Reimbursement of medical expenses incurred in India or abroad including hospitalization nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.</li> <li>2. Reimbursement of membership fees for a maximum of two clubs.</li> <li>3. Personal accidents and Mediclaim Insurance policy</li> <li>4. Other benefits Gratuity, provident Fund, Leave encashment etc. as applicable to the employees of the Company.</li> </ol>
Other perquisites	<ol style="list-style-type: none"> <li>1. <i>Car with driver:</i> The Whole Time Director will be provide with a car and driver for use on Company's business. Use of Car for private purpose will be billed by the Company.</li> <li>2. The Company shall reimburse actual entertainment and travelling expenses incurred by the Whole Time Director in connection with the Company's business.</li> </ol>

**B. Yogesh Laddha**

The term of appointment for Yogesh Laddha as Managing Director was authorised vide special resolution passed in the Extra-Ordinary General Meeting held on January 24, 2017 for a period of Three years commencing from January 16, 2017. The terms and conditions of his employment are as follows:

Remuneration	Salary Rs. 1,50,000/- Per month in scale of (Rs. 1,50,000-1,75,000-2,00,000)
Perquisites	<ol style="list-style-type: none"> <li>1. Company's contribution towards provident fund as per rules of the company, but not exceeding 12% of salary and Company's contribution towards superannuation fund which shall not, together with Company's contribution to provident fund, exceed 12%</li> <li>2. Gratuity payable at the rate of half month's salary for each completed year of service with a service of six months or more being treated as a full year.</li> <li>3. Encashment of leave at the end of tenure, if any, as per the policy of the Company.</li> </ol>
Other perquisites	<ol style="list-style-type: none"> <li>1. <i>Car with driver:</i> The Managing Director will be provide with a car and driver for use on Company's business. Use of Car for private purpose will be billed by the Company.</li> </ol>

	2. The Company shall reimburse actual entertainment and travelling expenses incurred by the Managing Director in connection with the Company's business.
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### C. Kamlesh Laddha

The term of appointment for Kamlesh Laddha as Whole Time Director was authorised vide special resolution passed in Extra-Ordinary General Meeting held on January 24, 2017 for a period of Three years commencing from January 16, 2017. The terms and conditions of his employment are as follows:

Remuneration	Salary Rs. 1,00,00/- Per month in scale of (Rs. 1,00,00-1,20,000-1,40,000) which may be revised periodically based on the recommendation of the Board of the Directors of Nomination & Remuneration Committee
Perquisites	<ol style="list-style-type: none"> <li>1. Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.</li> <li>2. Reimbursement of membership fees for a maximum of two clubs.</li> <li>3. Personal accidents and Mediclaim Insurance policy</li> <li>4. Other benefits Gratuity, provident Fund, Leave encashment etc. as applicable to the employees of the Company.</li> </ol>
Other perquisites	<ol style="list-style-type: none"> <li>1. Car with driver: The Whole Time Director will be provided with a car and driver for use on Company's business. Use of Car for private purpose will be billed by the Company.</li> <li>2. The Company shall reimburse actual entertainment and travelling expenses incurred by the Whole Time Director in connection with the Company's business.</li> </ol>

### D. Pallavi Laddha

The term of appointment for Pallavi Laddha as Whole Time Director was authorised vide special resolution passed in Extra-Ordinary General Meeting held on January 24, 2017 for a period of Three years commencing from January 16, 2017. The terms and conditions of his employment are as follows:

Remuneration	Salary Rs. 1,00,00/- Per month in scale of (Rs. 1,00,00-1,20,000-1,40,000) which may be revised periodically based on the recommendation of the Board of the Directors of Nomination & Remuneration Committee
Perquisites	<ol style="list-style-type: none"> <li>1. Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.</li> <li>2. Reimbursement of membership fees for a maximum of two clubs.</li> <li>3. Personal accidents and Mediclaim Insurance policy</li> <li>4. Other benefits Gratuity, provident Fund, Leave encashment etc. as applicable to the employees of the Company.</li> </ol>
Other perquisites	<ol style="list-style-type: none"> <li>1. Car with driver: The Whole Time Director will be provided with a car and driver for use on Company's business. Use of Car for private purpose will be billed by the Company.</li> <li>2. The Company shall reimburse actual entertainment and travelling expenses incurred by the Whole Time Director in connection with the Company's business.</li> </ol>



### Sitting Fees

Non-Executive Directors and Independent Directors of the Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations.

### OTHER CONFIRMATIONS

As on the date on this Red Herring Prospectus:

1. There is no contingent or deferred compensation payable to any Director, Whole Time Director which has accrued for this year and payable in current or any future period.
2. No compensation was paid to any Director and Whole Time Director pursuant to bonus or profit sharing plan.

### SHAREHOLDING OF OUR DIRECTORS IN THE COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. Except as stated below no other directors have shareholding of our Company.

The following table details the shareholding of our Directors as on the date of this Red Herring Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Kailashchandra Laddha	8,83,200	9.95	6.96
2.	Yogesh Laddha	1,61,250	1.82	1.27
3.	Kamlesh Laddha	3,55,750	4.01	2.80
4.	Maheshchandra Laddha	9,27,750	10.45	7.31
5.	Pallavi Laddha	4,95,500	5.58	3.91

### INTERESTS OF DIRECTORS

#### Interest in promotion of our Company

Our Directors may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. For further details, refer to chapter titled “*Related Party Transactions*” beginning on page 218 of this Red Herring Prospectus.

#### Interest in the property of our Company

Our Directors do not have any other interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of filing of this Red Herring Prospectus

#### Interest as member of our Company

As on date of this Red Herring Prospectus, our Directors together hold 28,23,450 Equity Shares in our Company i.e. 31.81 % of the pre Issue paid up Equity Share capital of our Company. Therefore, our Directors are interested to the extent of their respective shareholding and the dividend declared, if any, by our Company.

#### Interest as a Creditor of our Company

As on the date of this Red Herring Prospectus, except as stated in the chapter titled “*Financial Indebtedness*” and heading titled “*Related Party Transactions*” under chapter titled “*Financial Statements as Restated*” our Company has not availed loans from the Directors of our Company.

#### Interest as Director of our Company

Except as stated in the chapters titled “*Our Management*”, “*Financial Statements as Restated*” and “*Capital Structure*” beginning on pages 192, 220 and 85 respectively, of this Red Herring Prospectus



our Directors, may deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and AoA of our Company.

### **Interest as Key Managerial Personnel of our Company**

Kailashchandra Laddha-Chairman and Whole Time Director, Yogesh Laddha-Managing Director, Kamlesh Laddha-Whole Time Director, Pallavi Laddha- Whole Time Director are the Key Managerial Personnel of our Company and may deemed to be interested to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreement entered into with our Company, if any and AoA of our Company and to the extent of Equity Shares held by them in our Company. They may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares. Other than as disclosed above, no other Director is interested as Key Managerial Personnel of the Company. For further details, please refer to heading titled “*Related Party Transactions*” under chapter titled “*Financial Statements as Restated*” beginning on page 220 of this Red Herring Prospectus.

### **Interest in transactions involving acquisition of land**

Our Directors are not currently interested in any transaction with our Company involving acquisition of land. Except as stated/referred to in the heading titled “*Land and Property*” under chapter titled “*Our Business*” beginning on page 161 of this Red Herring Prospectus, our Directors have not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

### **Other Indirect Interest**

Except as stated in chapter titled “*Financial Statements as Restated*” beginning on page 220 of this Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

### **Interest in the Business of Our Company**

Except as stated in “*Related Party Transactions*” in the chapter titled “*Financial Statements as Restated*” beginning on page 220 of this Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Red Herring Prospectus.

## **SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES**

Our Company does not have any Subsidiary Company or Associate Company as on date of filing Red Herring Prospectus.

## **CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS**

Following are the changes in directors of our Company in last three years prior to the date of this Red Herring Prospectus:

<b>Name</b>	<b>Date of event</b>	<b>Nature of event</b>	<b>Reason</b>
Pallavi Laddha	March 29, 2014	Appointment	Appointment as Director
Yogesh Kumar Laddha	January 16, 2017	Re-Designation	Designated as Managing Director
Maheshchandra Laddha	January 16, 2017	Re-appointment	Designated as Non-Executive Director
Pallavi Laddha	January 16, 2017	Re-appointment	Designated as Whole time Director
Shriniwas Bhattad	January 02, 2017	Appointment	Appointment as Independent Director



Name	Date of event	Nature of event	Reason
Basant Porwal	January 02, 2017	Appointment	Appointment as Independent Director
Dilip Porwal	January 04, 2017	Appointment	Appointment as Additional Director

## BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at the Extraordinary General Meeting of our Company held on January 24, 2017 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under and the Board of Directors (including committees) of the Company be and is hereby authorized to borrow money on such terms and conditions as may be considered and suitable by the Board of Directors up to a limit of Rs.150.00 Crore (Rupees One Hundred and Fifty Only) notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from the Temporary Loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Capital of the Company and its Free Reserves of the Company.

## CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be complied to the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The Corporate governance framework is based on an effective Independent Board, the Board's Supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full board or through the various committees constituted to oversee specific operational areas.

As on the date of this Red Herring Prospectus, there are 8 Directors on our Board out of which one third are independent Directors. Pallavi Laddha is the Woman Director of our Company. Our Company is in compliance with the corporate governance norms prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board-level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations, the Equity Listing Agreements and the Companies Act, 2013.

### **The following committees have been constituted in terms of SEBI Listing Regulations and the Companies Act, 2013.**

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee

#### **A) Audit Committee**

Our Company has constituted an audit committee ("**Audit Committee**"), as per section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; vide resolution passed at the meeting of the Board of Directors held on January 16, 2017

The terms of reference of Audit Committee adheres to the requirements of Regulation 18 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises the following three (3) directors:



Name of the Director	Status	Nature of Directorship
Basant Porwal	Chairman	Independent Director
Dilip Porwal	Member	Additional Director
Yogesh Laddha	Member	Managing Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The Audit Committee shall have following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The role of the Audit Committee not limited to but includes:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the draft audit report.
- Reviewing, with the management, the half yearly financial statements before submission to the board for approval.



6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. 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.
14. Discussion with internal auditors any significant findings and follow up there on.
15. 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.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look 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.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board.
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. To investigate any other matters referred to by the Board of Directors.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

#### **Meeting of Audit Committee and relevant Quorum**

The audit committee shall meet at least 4 times in a year and not more than 4 months shall elapse between 2 meetings. The quorum shall be either 2 members or one third of the members of the Audit Committee whichever is greater, but there shall be a minimum of 2 Independent Directors, who are members, present.

## B) Stakeholder's Relationship Committee

Our Company has constituted a shareholder / investors grievance committee ("*Stakeholders' Relationship Committee*") to redress complaints of the shareholders. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on January 16, 2017.

The Stakeholders' Relationship Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Maheshchandra Laddha	Chairman	Non Executive Director
Yogesh Laddha	Member	Managing Director
Kamlesh Laddha	Member	Whole-Time Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholder's Relationship Committee and its terms of reference shall include the following:

**A. Tenure:** The Stakeholder's Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder's Relationship Committee as approved by the Board.

**B. Meetings:** The Stakeholder's Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on quarterly basis regard the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

### C. Role of the Stakeholder's Relationship Committee:

The Committee shall consider and resolve grievances of security holders, including but not limited to:

1. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
3. Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances.
4. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
5. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
6. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting.
8. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

## C) Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee in accordance section 178 of Companies Act 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on January 16, 2017. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:



Name of Director	Designation in Committee	Nature of Directorship
Dilip Porwal	Chairman	Additional Director
Shriniwas Bhattad	Member	Independent Director
Basant Porwal	Member	Independent Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

**1) Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**2) Meetings:** The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Nomination and Remuneration Committee shall be called by at least seven day's notice in advance.

**3) Role of the Nomination and Remuneration Committee not limited to but includes:**

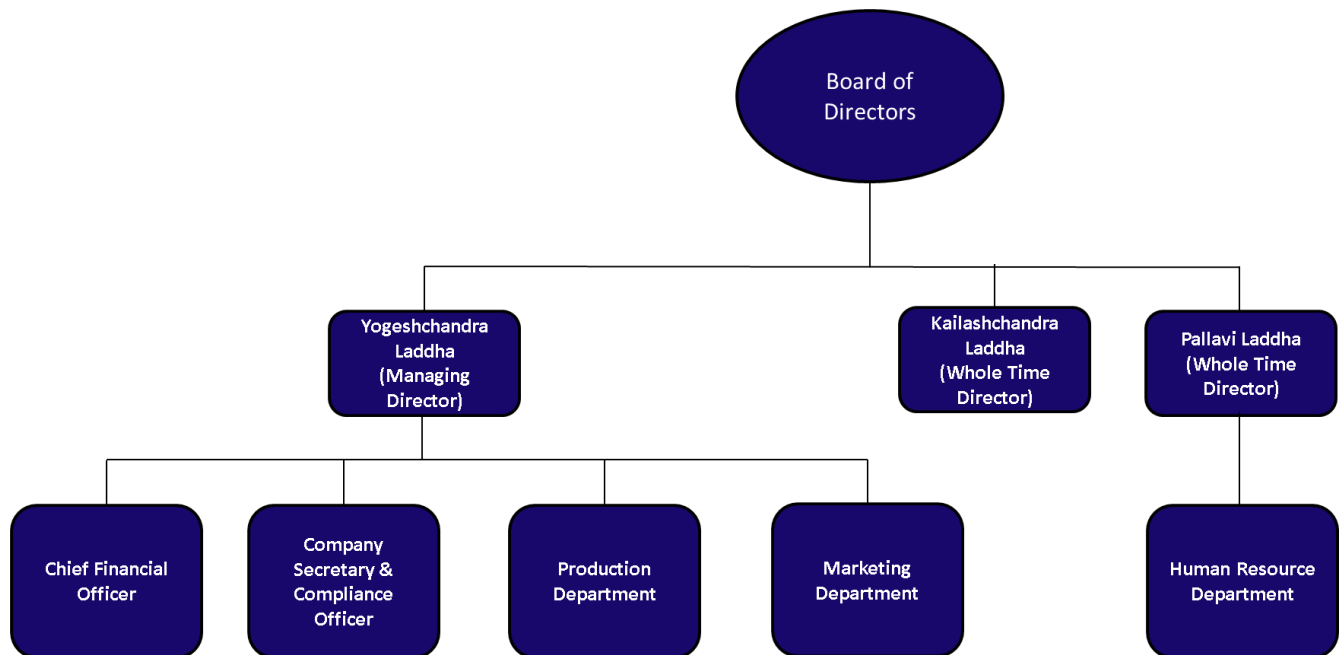
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration for directors, KMPs and other employees.
- Identifying persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Formulation of criteria for evaluation of performance of independent directors and Board of Directors
- Devising a policy on diversity of board of directors
- Deciding on, 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.
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Director / Managing Directors.
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- To formulate and administer the Employee Stock Option Scheme.

**Policy on Disclosures and Internal Procedure for Prevention of Insider Trading:**

The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. Further, Board of Directors at their meeting held on January 27, 2017 have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

Prateek Jain, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

## ORGANISATIONAL STRUCTURE



## KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

**The details of our Key Managerial Personnel are set out below:**

### **Kailashchandra Laddha, Promoter, Chairman & Whole Time Director**

Kailashchandra Laddha, aged 62 years is the Promoter, Chairman and Whole Time Director of our Company. He has been a Director of our Company since incorporation and designated as Whole Time Director w.e.f. January 16, 2017. He has years of experience in the Textile industry and has thorough knowledge of products of our Company. He looks after the strategic growth of our Company and is guiding force behind success of our Company.

### **Yogesh Laddha, Promoter & Managing Director**

Yogesh Laddha, aged 37 years is the Promoter and Managing Director of our Company. He is Chartered Accountant by qualification and member of the Institute of Chartered Accountants of India. His experience and dedication has contributed immensely in the development of the Company. He is the key person in formulating and implementation of business strategy for growth & expansion and looks after overall business operations. He is further entrusted with the exports responsibilities and custom documentation relating to the Company.

### **Kamlesh Laddha, Whole Time Director**

Kamlesh Laddha, aged 40 years, has been re-appointed as Whole time Director of our Company since January 16, 2017.

### **Pallavi Laddha, Promoter & Whole Time Director**

Pallavi Laddha, aged 36 years, is the Promoter and Whole Time Director of our Company. She has been re-appointed as Whole Time Director w.e.f. January 16, 2017. She currently looks after the



Human Resource Department of the Company and also manages the approvals required from the statutory regulatory.

#### **Bharat Agal, Chief Financial Officer**

Bharat Agal, aged 32 years, is a Chief Financial Officer of our Company with effect from January 16, 2017. He has completed the Bachelor of Commerce Degree from Mohanlal Sukhadia University, Udaipur. He is responsible for looking after accounting, finance and taxation of our Company.

#### **Prateek Jain, Company Secretary & Compliance Officer**

Prateek Jain, aged 23 years, is Company Secretary and Compliance Officer of our Company with effect from January 16, 2017. He is a Company Secretary by qualification and an Associate member of Institute of Company Secretaries of India. He looks after the Legal, Secretarial and Compliance Department of our Company.

#### **RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL**

Except as stated below, none of the key managerial personnel are related to the each other within the meaning of Section 2 (77) of the Companies Act, 2013. All of Key Managerial Personnel are permanent employees of our Company.

Name of Key Managerial Personal	Name of Key Managerial Personal	Relationship
Kailashchandra Laddha	Yogesh Laddha Kamlesh Laddha	Father-Son
Yogesh Laddha	Kamlesh Laddha	Brothers
Yogesh Laddha	Pallavi Laddha	Husband-Wife

#### **ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS**

None of our Key Managerial Personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

#### **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Red Herring Prospectus.

Sr.No.	Name of the Shareholder	No. of shares held	% of shares held
1.	Kailashchandra Laddha	8,83,200	9.95
2.	Kamlesh Laddha	3,55,750	4.01
3.	Yogesh Laddha	1,61,250	1.82
4.	Pallavi Laddha	4,95,500	5.58

#### **BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL**

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Key Managerial Personnel.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL**

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

#### **LOANS TO KEY MANAGERIAL PERSONNEL**

Except as disclosed in the Annexure XXVI of the Financial Statement on page 257 of this Red Herring Prospectus Our company has not given any loans and advances to the Key Managerial Personnel.



## INTEREST OF KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company have interest in our Company 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 and to the extent of Equity Shares held by them in our Company, if any and dividends payable thereon and other distributions in respect of such equity shares, if any. Except as disclosed in this Red Herring Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Except as stated otherwise in this Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Red Herring Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Except as stated in the chapters “*Our Management*” and “*Related Party Transactions*” beginning on pages 192 and 218 respectively of this Red Herring Prospectus and described herein above, our key managerial personnel do not have any other interest in the business of our Company.

## CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS

Name of Managerial Personnel	Date of Event	Nature of event	Reason
Yogesh Laddha	January 16, 2017	Re-designation	Designated as Managing Director
Kailashchandra Laddha	January 16, 2017	Re-designation	Designated as Whole Time Director
Pallavi Laddha	January 16, 2017	Re-appointment	Designated as Whole Time Director
Kamlesh Laddha	January 16, 2017	Re-designation	Designated as Whole Time Director
Bharat Agal	January 16, 2017	Appointment	Appointment as Chief Financial Officer
Prateek Jain	January 16, 2017	Appointment	Appointment as Company Secretary and Compliance Officer

## ESOP/ESPS SCHEME TO EMPLOYEES

Presently, we do not have any ESOP/ESPS Scheme for employees.

## PAYMENT OR BENEFIT TO OUR OFFICERS (NON SALARY RELATED)




Except as disclosed in the heading titled “*Related Party Transactions*” in the section titled “*Financial Statements as Restated*” beginning on page 257 of this Red Herring Prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.




## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTERS

The Promoters of our Company are Kailashchandra Laddha, Kantidevi Laddha, Maheshchandra Laddha, Pramila Laddha, Yogesh Laddha, Pallavi Laddha, Kailashchandra Hiralal Laddha HUF and Maheshchandra Kailashchandra Laddha HUF. As on the date of this Red Herring Prospectus, our Promoters hold, in aggregate 40,45,850 Equity Shares representing 45.58% of the Pre-issue Paid up Capital of our Company.

**Brief profile of our promoters is as follows:**

	<p><b>Kailashchandra Laddha, Promoter, Chairman &amp; Wholetime Director</b></p> <p>Kailashchandra Laddha, aged 62 years is the Promoter, Chairman and Whole Time Director of our Company. He has been Director of our Company since incorporation and designated as Whole Time Director w.e.f. January 16, 2017. He has years of experience in the textile industry and has thorough knowledge of products of our Company. He looks after the strategic growth of our Company and is guiding force behind success of our Company.</p> <p><b>Nationality:</b> Indian  <b>Passport No:</b> H6807495  <b>Driving License:</b> Not Available  <b>Voters ID:</b> XAL1042985</p> <p><b>Address:</b> 5 A 33, R C Vyas Colony, Bhilwara – 311001</p> <p>For further details relating to Kailashchandra Laddha, including terms of appointment as our Whole-time Director, other directorships, please refer to the chapter titled “<i>Our Management</i>” beginning on page 192 of this Red Herring Prospectus.</p>
	<p><b>Kantadevi Laddha, Promoter</b></p> <p>Kantadevi Laddha, aged 57 years is the Promoter of our Company. She is not involved in day to day management of our Company.</p> <p><b>Nationality:</b> Indian  <b>Passport No:</b> J3217553  <b>Driving License:</b> Not Available  <b>Voters ID:</b> XAL1042993</p> <p><b>Address:</b> 5-A-33, R.C. Vyas Colony, Bhilwara – 311001</p>
	<p><b>Maheshchandra Laddha, Promoter &amp; Non Executive Director</b></p> <p>Maheshchandra Laddha, aged 44 years, is the Promoter and Non Executive director of our Company. He has been re-appointed as Non Executive Director w.e.f. January 16, 2017. He strategizes the affairs of Ichalkaranji Unit and has been instrumental in formulating the overall business strategy and developing business relations of our Company.</p> <p><b>Nationality:</b> Indian  <b>Passport No:</b> K6365872  <b>Driving License:</b> Not Available  <b>Voters ID:</b> LCH1639087</p> <p><b>Address:</b> 10-140, Radhakrishna colony Masoba Galli area, Dist.</p>

	<p>Kolhapur, Ichalkaranji – 416115</p> <p>For further details relating to Maheshchandra Laddha, other directorships please refer to the chapter titled “<i>Our Management</i>” beginning on page 192 of this Red Herring Prospectus.</p>
	<p><b>Pramila Laddha, Promoter</b></p> <p>Pramila Laddha, aged 42 years is the Promoter of our Company. She does not look after day to day management of the Company.</p> <p><b>Nationality:</b> Indian  <b>Passport No:</b> K685266  <b>Driving License:</b> Not Available  <b>Voters ID:</b> LCH1638790  <b>Address:</b> Palak Garment Behind Radhakrishna Talkies, Tal Hatkanangale, Ichalkaranji, Kolhapur – 416115</p>
	<p><b>Yogesh Laddha, Promoter &amp; Managing Director</b></p> <p>Yogesh Laddha, aged 37 years is the Promoter and Managing Director of our Company. He is Chartered Accountant by qualification and member of the Institute of Chartered Accountants of India. His experience and dedication has contributed immensely in the development of our Company. He is the key person in formulating and implementation of business strategy for growth &amp; expansion and looks after overall business operations. He also looks after the export operations of the Company.</p> <p><b>Nationality:</b> Indian  <b>Passport No:</b> M1447045  <b>Driving License:</b> Not Available  <b>Voters ID:</b> XIU/0452235  <b>Address:</b> 5-A-33, R.C. Vyas Colony Bhilwara 311001</p> <p>For further details relating to Yogesh Laddha, including terms of appointment as our Managing Director, other directorships, please refer to the chapter titled “<i>Our Management</i>” beginning on page 192 of this Red Herring Prospectus.</p>
	<p><b>Pallavi Laddha, Promoter &amp; Whole Time Director</b></p> <p>Pallavi Laddha, aged 36 years, is the Promoter and Whole Time Director of our Company. She has been re-appointed as Whole Time Director w.e.f. January 16, 2017. She currently looks after the Human Resource Department of the Company and also manages the approvals required from the regulatory authorities from time to time.</p> <p><b>Nationality:</b> Indian  <b>Passport No:</b> M1446363  <b>Driving License:</b> Not Available  <b>Voters ID:</b> XIU/0452243  <b>Address:</b> 5-A-33 R C Vyas Colony, Bhilwara-311001</p> <p>For further details relating to Pallavi Laddha, including terms of appointment as our Whole-Time Director, other directorships, please refer to the chapter titled “<i>Our Management</i>” beginning on page 192 of this Red Herring Prospectus.</p>



### Our Promoter Entity

- I. **Kailashchandra Hiralal Laddha HUF** is a Hindu Undivided Family; its karta being Kailashchandra Laddha. It currently holds 3,61,250 Equity Shares of the pre-issue Equity Share Capital of our Company.
- II. **Maheshchandra Kailashchandra Laddha HUF** is a Hindu Undivided Family, its karta being Maheshchandra Laddha. It currently holds 1,65,000 Equity Shares of the pre-issue Equity Share Capital of our Company.

### DECLARATION

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters shall be submitted to the Stock Exchange at the time of filing of this Red Herring Prospectus with it.

### INTEREST OF PROMOTERS

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding and the dividend receivable, if any and other distributions in respect of the Equity Shares held by them. For details regarding shareholding of our Promoters in our Company, please refer “*Capital Structure*” on page 85 of this Red Herring Prospectus.

Some of our Promoters may also be deemed to be interested in our Company to the extent of their shareholding in our Group Companies with which our company transacts during the course of its operations.

Some of Our Promoters are the Directors of our Company and may be deemed to be interested to the extent of remuneration and/ or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the agreements entered into with our Company, if any and AoA of our Company. For details please see “*Our Management*”, “*Financial Statements*” and “*Capital Structure*” beginning on pages 192, 220 and 85 respectively of this Red Herring Prospectus.

Except as mentioned in the chapter titled “Our Business” under ‘Land & Property’, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of two years before filing of this Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

For details of related party transactions entered into by our Company during last financial year with our Promoters and Group Companies, the nature of transactions and the cumulative value of transactions, see “*Related Party Transactions*” on page 218 of this Red Herring Prospectus.

Except as stated in this section and “*Related Party Transactions*” and “*Our Management*” on page 218 and 192 respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of this Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

### OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in this chapter and chapter titled “*Our Group Companies*” beginning on page 215 of this Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests / other interests.

### RELATED PARTY TRANSACTIONS

For details of related party transactions entered into by our Promoters, members of our Promoter Group and Company during the last financial year, the nature of transactions and the cumulative value of transactions, refer chapter titled “*Related Party Transactions*” on page 218 of this Red Herring Prospectus.

## PAYMENT OR BENEFIT TO PROMOTERS OF OUR COMPANY

Except as stated otherwise in the chapters “*Related Party Transactions*” on page 218 of the Red Herring Prospectus, there has been no payment or benefits to the Promoters during the two years prior to the filing of this Red Herring Prospectus

## OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations is as under:

### A. Individuals related to our Promoters:

Relations hip with Promoter s	Kailashchan dra Laddha	Kantadevi Laddha	Maheshchan dra Laddha	Pramila Laddha	Yogesh Laddha	Pallavi Laddha
Father	-	-	Kailashchand ra Laddha	Balmukand Birla	Kailashcha ndra Laddha	Narendra Baldwa
Mother	-	-	Kantadevi Laddha	Mangidevi Birla	Kantadevi Laddha	Neelam Baldwa
Brothe r	Refer Note	Govindlal Samriya Badrilal Samriya Manoharlal Samriya	Kamlesh Laddha Yogesh Laddha	Kailashchan dra Birla Maheshcha ndra Birla	Kamlesh Laddha Mahesh Laddha	Rahul Baldwa
Sister	Sushiladevi Porwal	Jamunadevi Mantri Geetadevi Dad Pushpadevi Dhoopad	-	Sunita Shardha	-	-
Spouse	Kantadevi Laddha	Kailashcha ndra Laddha	Pramila Laddha	Maheshcha ndra Laddha	Pallavi Laddha	Yogesh Laddha
Son	Maheshchand ra Laddha Kamlesh Laddha Yogesh Laddha	Maheshchan dra Laddha Kamlesh Laddha Yogesh Laddha	Ashish Laddha	Ashish Laddha	Arav Laddha Mirdhav Laddha	Arav Laddha Mirdhav Laddha
Daught er	-	-	Aditi Laddha	Aditi Laddha	-	-
Spouse 's Father	-	-	Balmukand Birla	Kailashchan dra Laddha	Narendra Baldwa	Kailashchan dra Laddha
Spouse 's Mother	-	-	Mangidevi Birla	Kantadevi Laddha	Neelam Baldwa	Kantadevi Laddha
Spouse 's Brothe r	Govindlal Samriya Badrilal Samriya Manoharlal	Refer Note	Kailashchand Birla Mahesh Birla	Kamlesh Laddha Yogesh Laddha	Rahul Baldwa	Kamlesh Laddha Maheshcha ndra Laddha





Relations hip with Promoter s	Kailashchan dra Laddha	Kantadevi Laddha	Maheshchan dra Laddha	Pramila Laddha	Yogesh Laddha	Pallavi Laddha
	Samriya					
Spouse 's Sister	Jamunadevi Mantri Geetadevi Dad Pushpadevi Dhoopad	Sushiladevi Porwal	Sunita Shardha	—	—	—

*Note: - Suresh Chandra Laddha comes under the purview of the term “promoter group”, under regulation 2(1) (zb) of SEBI (ICDR) as brother of Kailash Chandra Laddha. However due to family dispute the said brothers and their family constituents are in the process of family separation, consequent to which Suresh Chandra Laddha resigned from the directorship of the Company on February 22, 2013. A declaration dated February 11, 2017 has been provided by Kailashchandra Laddha affirming the above position and stating his unwillingness to include Sureshchandra Laddha and any entities in which he may severally or jointly have an interest, in the promoter group. Therefore, the disclosures made in this Red Herring Prospectus are limited to the extent of information that has been made available by our Promoter in relation to Promoter Group and Group Companies.*

**B. Companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:**

- Prachi Creation
- Manish and Company
- Kamlesh Synthetics
- Shri Gannayak Charitable Trust
- Dhanlaxmi Traders
- Ashish International
- Seema Synthetics
- Everstrong Marketing Private Limited
- Kamlesh Kailashchandra Laddha HUF
- Kailashchandra Hiralal Laddha HUF
- Maheshchandra Kailashchandra Laddha HUF
- Yogesh Kailashchandra Laddha HUF (Business name Jack N Jill)
- PK Industries
- Palak Garment
- Charbhuj Impex
- Citi Fab Suitings
- Aarav Laddha Trust
- Aditi Laddha Trust
- Mirdev Laddha Trust
- Prachi Laddha Trust
- Shri Gannayak Seva Charitable Trust
- Shri Nath Minerals
- Shri Nath Tiles Private Limited
- Shri Nath Marble Suppliers
- Shrinath Natural Energy Private Limited
- Sai Nath Natural Stone Private Limited





## RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Our Promoters are the part of our Board of Directors as Chairman, Executive Director and Whole Time Director. Except as disclosed herein, none of our Promoter(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

Name of Promoters	Relationship with	Relation
Kailashchandra Laddha	Maheshchandra Laddha Yogesh Laddha Kamlesh Laddha	Father – Son
Kailashchandra Laddha	Pallavi Laddha	Members of same HUF
Kantadevi Laddha		
Kantadevi Laddha	Maheshchandra Laddha Yogesh Laddha Kamlesh Laddha	Mother – Son
	Kailashchandra Laddha	Wife & Husband
Maheshchandra Laddha	Yogesh Laddha Kamlesh Laddha	Brothers
Maheshchandra Laddha	Pallavi Laddha	Members of same HUF
Yogesh Laddha	Pallavi Laddha	Husband – Wife
Pramila Laddha	Maheshchandra Laddha	Wife – Husband
Pramila Laddha	Kailashchandra Laddha	Members of same HUF
Pramila Laddha	Yogesh Laddha Kamlesh Laddha	Members of same HUF
Pallavi Laddha	Maheshchandra Laddha Kamlesh Laddha	Members of same HUF
Kailashchandra Laddha HUF	Kailashchandra Laddha	Karta of HUF
Kailashchandra Laddha HUF	Maheshchandra Laddha Yogesh Laddha Kamlesh Laddha Pallavi Laddha	Members of HUF
Maheshchandra Laddha HUF	Kailashchandra Laddha	Karta of HUF

## DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEAR

Our Promoters have not disassociated themselves from any entities/firms during preceding three years.

## CHANGES IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

There has been no change in the management or control of our Company in the last three years.

## LITIGATION INVOLVING OUR PROMOTER

For details of legal and regulatory proceedings involving our Promoters, see “*Outstanding Litigation and Material Developments*” on page 290 of this Red Herring Prospectus.

## CONFIRMATIONS

Our Company, our Promoters and their relatives (as defined under the Companies Act, 2013) and are not Wilful Defaulters and there are no violations of securities laws committed by our Promoter in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.



Our Promoters and members of the Promoter Group 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.

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.

Except as disclosed in “*Related Party Transactions*” on page 218 of this Red Herring Prospectus, our Promoters are not related to any of the sundry debtors or are not beneficiaries of Loans and Advances given by/to our Company.



## OUR GROUP COMPANIES

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purpose of identification of “Group Companies”, our Company has considered companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountant of India and such other companies as considered material by our Board. Pursuant to a resolution dated January 27, 2017, our Board vide a policy of materiality has resolved that except as mentioned in the list of related parties prepared in accordance with Accounting Standard 18 no other Company is material in nature. Further, companies which have not been disclosed as related parties in the restated financial statements of our company for the last five financial years or which are no longer associated with our Company have not be disclosed as Group Companies.

The following company are identified as Group Companies of our Company:

1. Everstrong Marketing Private Limited

### OUR GROUP COMPANIES:

The Details of our group Companies are provided below

#### 1. EVERSTRONG MARKETING PRIVATE LIMITED (EMPL)

Everstrong Marketing Private Limited is a Private Company incorporated on January 12, 2011 under the provisions of Companies Act, 1956 and has its registered office at 77, Netaji Subhas Road 5th Floor, Room No. 5A Kolkata – 700 007, West Bengal, India. The Corporate Identification Number is U51909WB2011PTC157124. The paid up capital of the Company is Rs. 11,26,600.

#### Board of Directors as on the date of this Red Herring Prospectus:

1. Maheshchandra Laddha
2. Yogesh Kumar Laddha

#### Main Object:

To carry on the business as distributors, agents, traders, merchants, contractors, brokers and otherwise deal in merchandise and articles of all kinds including clearing agents, freight contractors, forwarding agents, licensing agents, general brokers and to carry any kind of commercial business. To carry on all of any of the business as buyers, sellers, suppliers, growers, processors, traders, merchants, indentures brokers, agents, assemblers, stockiest of goods and commodities of any kind to work as commission agents, brokers, contractors, processors order supplier and dealing agents.

#### Share Holding Pattern as on the date of this Red Herring Prospectus:

Name of the shareholder	No. of Shares	% of shareholding
Mahesh Laddha	5,200	4.62
Yogesh Kumar Laddha	5,000	4.44
Kailashchandra Hiralal Laddha HUF	200	0.18
Seema Laddha	200	0.18
Shri Gannayak Seva Charitable Trust	1,02,060	90.59
<b>Total</b>	<b>1,12,660</b>	<b>100.00%</b>

#### Financial Performance

*Amount (Rs. in lakhs)*

Particulars	2015-16	2014-15	2013-14
Equity Paid Up Capital	11.27	11.27	11.27
Reserves and Surplus	501.88	502.12	502.30
Net Asset Value (In Rs.)	455.48	455.70	455.85



### **Nature and Extent of Interest of Promoters**

Mahesh Laddha and Yogesh Kumar Laddha Promoters of our Company holds 10,200 equity shares constituting 9.06% of total number of equity shares in EMPL. They also serve as Directors in the Company.

### **CONFIRMATION**

None of the securities of our Group Companies are listed on any stock exchange and none of our Group Companies have made any public or rights issue of securities in the preceding three years.

Our Group Company has not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Our Group Companies have become not been declared sick companies under the SICA. Additionally, Group Company has not been restrained from accessing the capital markets for any reasons by SEBI or any other authorities.

### **LITIGATION**

For details on litigations and disputes pending against the Promoter and Group Companies and defaults made by them, please refer to the chapter titled, “*Outstanding Litigations and Material Developments*” on page 290 of this Red Herring Prospectus.

### **DISSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS**

Our Promoters have not disassociated himself from any of the companies or firms or other entities during the last three years preceding the date of the Red Herring Prospectus.

### **NEGATIVE NET WORTH**

None of our Group Companies have negative net worth as on the date of their respective last audited financial statements.

### **DEFUNCT / STRUCK-OFF COMPANY**

None of our Group Companies has become defunct or struck – off in the five years preceding the filing of Red Herring Prospectus.

### **INTEREST OF OUR PROMOTER AND GROUP COMPANIES**

#### **Interest in the promotion of our Company**

Our Group Companies are interested to the extent of their shareholding of Equity Shares, from time to time, for which they are entitled to receive the dividend declared, if any, by our Company. Our Individual Promoters may also benefit from holding directorship in our Company.

#### **Interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing the Red Herring Prospectus**

None of our Group Companies have any interest in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of Red Herring Prospectus or proposed to be acquired by it.

#### **Interest in the transactions for acquisition of land, construction of building and supply of machinery.**

None of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.



## **COMMON PURSUITS**

Our Promoters are not interested as Directors and/or members in any Group Companies which is involved in activities similar to those conducted by our Company.

## **SALES/PURCHASES BETWEEN OUR COMPANY & GROUP COMPANIES**

Other than as disclosed in the chapter titled “*Related Party Transactions*” on page 218 of this Red Herring Prospectus, there are no sales / purchases between the Company and the Group Companies.

## **PAYMENT OR BENEFIT TO OUR GROUP COMPANIES**

Except as stated in chapter titled “*Related Party Transactions*” beginning on page 218 of this Red Herring Prospectus, there has been no payment of benefits to our Group Companies during the six months period ended September 30, 2016 and for the financial years ended March 31, 2016, March 31, 2015, March 31, 2014 March 31, 2013 and March 31, 2012 nor is any benefit proposed to be paid them.



## **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions of our Company, please refer to *Annexure XXVI* of restated financial statement under the section titled, *Financial Statements as restated* beginning on page 220 of this Red Herring Prospectus.



## **DIVIDEND POLICY**

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not paid any dividend for the last five years and till March 31, 2016.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.



## SECTION V – FINANCIAL STATEMENTS

### FINANCIAL STATEMENTS AS RE-STATED

#### **Independent Auditor's Report for the Restated Financial Statements of Manomay Tex India Limited**

The Board of Directors  
**Manomay Tex India Limited**  
32, Heera Panna Market,  
Pur Road, Bhilwara,  
Rajasthan – 311001.

#### **Report on the Restated Financial Statements**

1. We **Birani & Associates**, have examined the attached restated summary statement of assets and liabilities of **Manomay Tex India Limited**, (hereinafter referred to as (“the Company”)) as at Sep 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012, restated summary statement of profit and loss and restated summary statement of cash flows for the financial year ended on Sep 30, 2016, March 31, 2016, 2015, 2014, 2013 and for the financial period ended on March 31, 2012 (collectively referred to as the “**restated summary statements**” or “**Restated financial statements**”) annexed to this report and initialed by us for identification purposes. These restated financial statements have been prepared by the management of the Company and approved by the Board of Directors of the company in connection with the proposed Initial Public Offering (IPO) on SME Platform of BSE limited (“**BSE**”).
2. These restated summary statements have been prepared in accordance with the requirements of:
  - (i) Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“ICDR Regulations”) and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India (“SEBI”).
3. We have examined such restated financial statements taking into consideration:
  - (i) The terms of reference to our engagement letter dated December 1, 2016 requesting us to carry out the assignment, in connection with the Draft Red Herring Prospectus/ Red Herring Prospectus / Prospectus being issued by the Company for its proposed Initial Public in SME Platform of BSE Limited (“**IPO**”); and
  - (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“Guidance Note”).
4. The restated financial statements of the Company have been extracted by the management from the audited financial statements of the Company for the period ended Sep 30, 2016 for the year ended on March 31, 2016, 2015, 2014 and period ended 2013.
5. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - (i) The “**restated statement of assets and liabilities**” of the Company as at Sep 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 examined by us, as set out in Annexure I to this report read with significant accounting policies and notes to restated summary statements in Annexure IV has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
  - (ii) The “**restated statement of profit and loss**” of the Company for the financial year period ended on Sep 30, 2016 and for the year ended March 31, 2016, 2015, 2014, 2013 and for the financial period ended March 31, 2012 examined by us, as set out in Annexure II to this

report read with significant accounting policies and notes to restated summary statements in Annexure IV has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.

- (iii) The “**restated statement of cash flows**” of the Company for the financial period ended on Sep 30, 2016 and for the year ended March 31, 2016, 2015, 2014, 2013 and for the financial period ended March 31, 2012 examined by us, as set out in Annexure III to this report read with significant accounting policies and notes to restated summary statements in Annexure IV has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.
6. Based on our examination, we are of the opinion that the restated financial statements have been prepared:
- Using consistent accounting policies for all the reporting periods.
  - Making adjustments for prior period and other material amounts in the respective financial years to which they relate.
  - There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
  - There are no audit qualifications in the Audit Reports issued by the Statutory Auditors for the financial year ended on Sep 30, 2016, March 31, 2016, 2015, 2014, and 2013 and for the financial period ended March 31, 2012 which would require adjustments in this restated financial statements of the Company.
  - These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in Annexure IV(A) to this report
7. Audit for the financial year ended on Sep 30, 2016, March 31, 2016, 2015, and for the financial period ended on March 31, 2014 was conducted by B.MAHESHWARI & CO. and Audit for the financial year ended on March 31, 2013, and for the financial period ended on March 31, 2012 was conducted by S. N. RANDAR AND ASSOCIATES. The financial report included for these years is based solely on the report submitted by them. Further financial statements for the financial year ended on March 31, 2016 have been re audited by us as per the relevant guidelines.
8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial period ended September 30, 2016 and financial year ended on March 31, 2016, 2015, 2014, 2013 and 2012 proposed to be included in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus (“**Offer Document**”).

**Annexure to restated financial statements of the Company:-**

- Summary statement of assets and liabilities, as restated as appearing in ANNEXURE I;
- Summary statement of profit and loss, as restated as appearing in ANNEXURE II;
- Summary statement of cash flows as restated as appearing in ANNEXURE III;
- Significant accounting policies and notes to restated summary statements as appearing in ANNEXURE IV;
- Details of share capital as restated as appearing in ANNEXURE V to this report;
- Details of reserves and surplus as restated as appearing in ANNEXURE VI to this report;
- Details of long term borrowings as restated as appearing in ANNEXURE VII to this report;
- Details of long term provisions as restated as per ANNEXURE VIII to this report;
- Details of short term borrowings as restated as appearing in ANNEXURE IX to this report;
- Details of trade payables as restated as appearing in ANNEXURE X to this report;
- Details of other current liabilities as restated as appearing in ANNEXURE XI to this report;
- Details of short term provisions as restated as appearing in ANNEXURE XII to this report;



13. Details of fixed assets as restated as appearing in ANNEXURE XIII to this report;
  14. Details of deferred tax asset/liability as restated as per ANNEXURE XIV to this report;
  15. Details of non current investments as restated as per ANNEXURE XV to this report;
  16. Details of long-term loans and advances as restated as appearing in ANNEXURE XVI to this report;
  17. Details of Other Non current assets as restated as appearing in ANNEXURE XVII to this report;
  18. Details of inventories as restated as appearing in ANNEXURE XVIII to this report;
  19. Details of trade receivables as restated as appearing in ANNEXURE XIX to this report;
  20. Details of cash and cash equivalents as restated as appearing in ANNEXURE XX to this report;
  21. Details of short term loans and advances as restated as appearing in ANNEXURE XXI to this report;
  22. Details of Other current assets as restated as appearing in ANNEXURE XXII to this report;
  23. Details of contingent liabilities and commitments as restated as appearing in ANNEXURE XXIII to this report;
  24. Details of revenue from operations as restated as appearing in ANNEXURE XXIV to this report;
  25. Details of other income as restated as appearing in ANNEXURE XXV to this report;
  26. Details of related party transactions as restated as appearing in ANNEXURE XXVI to this report;
  27. Summary of significant accounting ratios as restated as appearing in ANNEXURE XXVII to this report;
  28. Capitalization statement as at last audited period appearing in ANNEXURE XXVIII to this report;
  29. Statement of tax shelters as restated as appearing in ANNEXURE XXIX to this report;
9. We, Birani & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
  10. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
  11. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of chartered accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
  12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  13. In our opinion, the above financial information contained in Annexure I to XXIX of this report read with the respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.



14. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For M/s BIRANI & ASSOCIATES**  
**Chartered Accountants**  
**Firm Registration no. 003616C**

**R. C. Somani**  
**Partner**  
**Membership No.008107**  
Place:- Bhilwara,  
Date:- January 20, 2017



# STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

## ANNEXURE I

Amount (Rs in Lakhs)

Particulars	As at March 31,					As at September
	2012	2013	2014	2015	2016	2016
<b>I. Equity And Liabilities</b>						
<b>1 Shareholders' funds</b>						
(a) Share capital	21.80	81.89	97.49	137.49	177.59	177.59
(b) Reserves and surplus	220.47	802.85	887.83	1,270.18	1,825.23	2,032.86
<b>Share Application Money Pending Allotments</b>	-	-	138.00	-	-	-
<b>2 Non-current liabilities</b>						
(a) Long-term borrowings	41.09	1,349.26	1,471.10	1,322.10	3,691.85	3,493.99
(b) Deferred tax liabilities (Net)	5.15	5.54	115.43	181.11	252.87	258.24
(c) Long-term Provisions	0.79	1.62	2.89	5.20	9.88	15.63
(d) Other Long-term Liabilities	-	-	-	-	-	-
<b>4 Current liabilities</b>						
(a) Short-term borrowings	138.66	327.10	753.37	732.33	1,624.02	1,642.69
(b) Trade payables	273.25	796.00	897.37	1,038.81	1,907.69	2,866.04
(c) Other current liabilities	10.51	4.03	61.27	58.38	131.00	104.47
(d) Short-term provisions	0.01	4.71	37.55	18.04	8.38	11.17
<b>TOTAL</b>	<b>711.73</b>	<b>3,373.00</b>	<b>4,462.30</b>	<b>4,763.63</b>	<b>9,628.51</b>	<b>10,602.68</b>
<b>II ASSETS</b>						
<b>1 Non-current assets</b>						
(a) Fixed assets						
(i) Tangible assets	100.76	100.96	2,579.09	2,619.28	5,863.85	6,008.28
Less: Accumulated Depreciation	9.98	20.33	194.70	357.04	705.42	970.45
(ii) Intangible Assets	-	-	-	-	-	-
(iii) Intangible Assets under development	-	-	-	-	-	-
(iv) Capital Work in Progress	55.80	2,124.61	-	116.36	-	38.94
<b>Net Block</b>	<b>146.58</b>	<b>2,205.24</b>	<b>2,384.40</b>	<b>2,378.61</b>	<b>5,158.43</b>	<b>5,076.77</b>
(b) Non Current Investments	-	-	-	-	-	0.32
(c) Long-term loans and advances	12.05	24.36	23.47	78.20	82.74	82.77
(d) Other Non Current Assets	2.58	2.85	-	1.21	6.47	-
<b>2 Current assets</b>						
(g) Current Investments	-	-	-	-	-	-
(h) Inventories	218.26	538.97	681.62	690.68	1,280.75	1,618.56
(i) Trade receivables	301.42	486.34	1,278.26	1,074.44	2,403.92	3,056.40



Particulars	As at March 31,					As at September
	2012	2013	2014	2015	2016	2016
(j)Cash and Bank Balances	8.18	20.25	55.00	266.33	397.39	450.96
(k) Short-term loans and advances	22.65	94.99	39.55	258.05	294.67	312.74
(l)Other Current Assets	-	-	-	16.12	4.16	4.16
<b>TOTAL</b>	<b>711.73</b>	<b>3,373.00</b>	<b>4,462.30</b>	<b>4,763.63</b>	<b>9,628.51</b>	<b>10,602.68</b>

As per our Report of even date annexed  
For M/s BIRANI & ASSOCIATES  
Chartered Accountants

Manomay Tex India Limited

**R. C. Somani**  
**Partner**  
**Membership No.:- 008107**  
**FRN:- 003616C**  
Date: January 20, 2017  
Place : Bhilwara

**Director**

**Director**



# SUMMARY OF STATEMENT OF PROFITS AND LOSS, AS RESTATED

Annexure II

Amount (Rs. In Lakhs)

Particulars		For the year ended March 31,					For the period ended September 30, 2016
		2012	2013	2014	2015	2016	
I	Revenue from operations						
	Domestic sale	2,824.21	3,015.90	10,144.53	16,545.44	21,745.73	14,094.24
	Export sale	-	-	-	-	-	336.87
II	Other income	0.11	3.11	30.10	69.50	73.27	69.76
III	<b>Total Revenue (I + II)</b>	<b>2,824.32</b>	<b>3,019.01</b>	<b>10,174.63</b>	<b>16,614.93</b>	<b>21,819.00</b>	<b>14,500.87</b>
IV	Expenses:						
	Cost of materials consumed & purchase of stock in trade	1,919.33	2,101.35	6,993.05	11,969.57	14,867.90	10,128.69
	Purchase of stock in trade			-	-	-	-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(14.03)	(12.63)	(49.13)	18.95	(239.11)	10.35
	Employee benefits expense	21.59	32.02	270.73	312.57	410.99	301.64
	Finance costs	28.88	28.88	293.33	278.32	388.27	320.94
	Depreciation and amortization expense	9.02	10.35	174.37	162.15	348.38	265.03
	Other expenses	839.85	841.02	2,458.59	3,785.20	5,836.91	3,304.05
	Total expenses	2,804.65	3,001.00	10,140.93	16,526.76	21,613.35	14,330.70
V.	<b>Profit before Exceptional &amp; Extraordinary Items &amp; Tax</b>	<b>19.67</b>	<b>18.02</b>	<b>33.69</b>	<b>88.17</b>	<b>205.65</b>	<b>170.17</b>
VI	Exceptional Items	-	-	-	-	-	-
VII	Extraordinary Items/ prior period items	-	-	-	-	-	-
	<b>VII. Profit/(Loss) Before Tax</b>	<b>19.67</b>	<b>18.02</b>	<b>33.69</b>	<b>88.17</b>	<b>205.65</b>	<b>170.17</b>
VIII	Tax expense:						
	1. Current Tax	5.22	8.34		-	-	-
	2. MAT Tax	-	-	6.74	17.43	43.16	35.90
	3. Mat Credit	-	-	(6.74)	(17.43)	(43.16)	(35.90)



Particulars		For the year ended March 31,					For the period ended September 30, 2016
		2012	2013	2014	2015	2016	
	Receivable						
	4. Deferred Tax Liability	4.13	0.39	109.89	65.68	71.76	5.35
IX	<b>Profit (Loss) for the period (XI + XIV)</b>	<b>10.33</b>	<b>9.28</b>	<b>(76.20)</b>	<b>22.49</b>	<b>133.89</b>	<b>164.82</b>

As per our Report of even date annexed  
For M/s BIRANI & ASSOCIATES  
Chartered Accountants

Manomay Tex India Limited

**R. C. Somani**  
**Partner**  
**Membership No.:- 008107**  
**FRN:- 003616C**  
Date: January 20, 2017  
Place : Bhilwara

**Director**

**Director**



**Annexure III - Statement of Cash Flows, as restated for the period / year ended:**

*Amount (Rs in Lakhs)*

Particulars	F.Y. 2011-12		F.Y. 2012-13		F.Y. 2013-14		F.Y. 2014-15		F.Y. 2015-16		For the period ended 30/09/2016	
	Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)	
<b><u>Cash flow from Operating Activities</u></b>												
<b>Net Profit Before tax as per Statement of Profit &amp; Loss</b>		19.67		18.02		33.69		88.17		205.65		170.17
Adjustments for :												
Depreciation & Amortisation Exp.	9.40		15.76		175.85		162.15		348.38		265.03	
Loss (Profit) on Sale of Assets	-										-	
Dividend Income	-											
Exceptional(actural gain/loss)	-		-		-		-		-		-	
Extraordinary Items(Income)	-		-		-		-		-		-	
Interest Income	-											
Priliminery exp of earlier year	(0.18)											
Income tax for earlier year	-		0.04		-		0.05		(0.05)		0.15	
Finance Cost		9.23		15.80		175.85		162.20		348.34		265.18
<b>Operating Profit before working capital changes</b>		28.90		33.81		209.54		250.37		553.99		435.35
<b>Changes in Working Capital</b>												
Changes in current	-		-		-		-		-		-	

Particulars	F.Y. 2011-12		F.Y. 2012-13		F.Y. 2013-14		F.Y. 2014-15		F.Y. 2015-16		For the period ended 30/09/2016	
	Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)	
Investment												
Changes in inventories	(16.81)		(320.71)		(142.66)		(9.05)		(590.07)		(337.82)	
Changes in trade receivables	73.89		(184.92)		(791.91)		203.82		(1,329.48)		(652.48)	
Changes in short-term loans and advances	(14.84)		(72.34)		55.43		(218.50)		(36.61)		(18.07)	
Changes in other current assets	-		-		-		(16.12)		11.96		-	
Changes in Short Term Borrowings	24.82		188.43		426.28		(21.05)		891.69		18.67	
Changes in trade payables	(113.32)		522.75		101.37		141.44		868.89		958.35	
Changes in other current liabilities	(3.51)		(6.48)		57.24		(2.89)		72.62		(26.52)	
Changes in Short Term Provisions	(0.65)		4.70		32.83		(19.50)		(9.66)		2.79	
Interest and other finance costs	28.88		28.88		293.33		278.32		388.27		320.94	
(Gain)/Loss on sale of fixed assets	-		-		-		-		-			
		(21.53)		160.32		31.90		336.46		267.60		265.87
<b>Net Cash Flow from Operation</b>		7.36		194.13		241.44		586.83		821.59		701.22
Income Tax Earlier Year		-		-		-		-		-		-
Provision for Deferred tax		(4.13)		(0.39)		(109.89)		(65.68)		(71.76)		(5.35)
Less : Income Tax paid (Net of MAT Credit)		(5.25)		(8.34)		0.00		(0.00)		(0.00)		0.00

Particulars	F.Y. 2011-12		F.Y. 2012-13		F.Y. 2013-14		F.Y. 2014-15		F.Y. 2015-16		For the period ended 30/09/2016	
	Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)	
<b>Net Cash Flow from Operating Activities (A)</b>		<b>(2.01)</b>		<b>185.40</b>		<b>131.55</b>		<b>521.15</b>		<b>749.82</b>		<b>695.87</b>
<b><u>Cash flow from investing Activities</u></b>												
(a)Purchase of fixed assets	(22.32)		(0.20)		(2,478.13)		(40.19)		(3,244.57)		(144.43)	
(b)Proceeds from sale of fixed assets	-		-		-		-		-		-	
(c)Decrease in other long-term loans and advances	(5.87)		(12.30)		0.89		(54.73)		(4.54)		(0.04)	
(d) Chanes in Non Current Assets	(2.40)		(0.27)		2.85		(1.21)		(5.26)		6.47	
(e)Changes in capital WIP	(55.80)		(2,068.81)		2,124.61		(116.36)		116.36		(38.94)	
(f)Changes in Long Term Provision	0.79		0.83		1.27		2.31		4.68		5.75	
(g)Tuf Subsidy Received	7.62		32.26		20.83		-		60.31		42.66	
(h) Change in Investement											(0.32)	
		(77.98)		(2,048.50)		(327.68)		(210.18)		(3,073.02)		(128.84)
<b>Net Cash Flow from Investing Activities (B)</b>		<b>(77.98)</b>		<b>(2,048.50)</b>		<b>(327.68)</b>		<b>(210.18)</b>		<b>(3,073.02)</b>		<b>(128.84)</b>
<b><u>Cash Flow From Financing Activities</u></b>												
(a)Proceeds from issue of share capital/premium	136.33		600.90		155.94		400.00		401.00		-	
(b)Share application money	-		-		138.00		(138.00)		-		-	



Particulars	F.Y. 2011-12		F.Y. 2012-13		F.Y. 2013-14		F.Y. 2014-15		F.Y. 2015-16		For the period ended 30/09/2016	
	Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)		Amount (In Rs.)	
(c) Changes in long-term borrowings	(43.02)		1,308.17		121.85		(149.00)		2,369.75		(197.87)	
(d) Interest and other finance costs	(28.88)		(28.88)		(293.33)		(278.32)		(388.27)		(320.95)	
(e) Changes in Deferred Tax Liabilities	4.13		0.39		109.89		65.68		71.76		5.36	
(f) Amortisation Exp.	(0.38)		(5.41)		(1.48)		-		-		-	
		68.17		1,875.17		230.87		(99.64)		2,454.25		(513.45)
<b>Net Cash Flow from Financing Activities (C)</b>		68.17		1,875.17		230.87		(99.64)		2,454.25		(513.45)
<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>		(11.82)		12.07		34.75		211.33		131.06		53.57
Opening Cash & Cash Equivalents		20.01		8.18		20.25		55.00		266.33		397.39
<b>Cash and cash equivalents at the end of the period</b>		8.18		20.25		55.00		266.33		397.39		450.96
<b>Cash And Cash Equivalents Comprise :</b>												
Cash		0.61		11.75		13.42		4.52		2.14		3.52
<b>Bank Balance :</b>												
Current Account		2.58		1.05		13.03		232.47		6.01		41.63
Other current Account		-		-		8.62		8.62		8.62		8.62
<b>Fixed Deposit With Bank</b>		4.99		7.46		19.93		20.72		380.62		397.19
<b>Total</b>		8.18		<b>20.25</b>		<b>55.00</b>		<b>266.33</b>		<b>397.39</b>		<b>450.96</b>



## **ANNEXURE IV**

### **Statement of Significant Accounting Policies and Practices to Restated Summary Statement**

#### **Corporate Information**

Manomay Tex India Pvt Ltd was incorporated in the year of 2009 and engaged in manufacturing and trading of Denim

#### **A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The Restated Summary Statement of assets and liabilities of the company as at March 2016, 2015, 2014, 2013 and 2012 and the related Restated Summary Statement of profit and loss and Restated Summary Statement of cash flow for the year ended on March 31, 2016, 2015, 2014, 2013 and 2012 ( herein collectively referred to as "Restated Summary Statement") have been compiled by the management from the audited Financial statements of the company for the years ended on March 31, 2016, 2015, 2014, 2013 and 2012, approved by the board of directors of the company. Restated Summary Statement have been prepared to comply in all material respect with provisions of sub-clauses (i) and (iii) of the clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with companies (Prospectus and Allotment of Securities) Rules 2014; Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirement) Regulation, 2009 (" The SEBI Guidelines" ) issued by SEBI and Guidance note on report of companies prospectus ( revised ). Restated Summary Statement has been prepared specifically for inclusion in the offer document to be filed by the company with the EMERGE platform of BSE in connection with its proposed initial public offering of equity share. The Company's Management has recast the financial statement in the form required by schedule III of the Companies Act, 2013 for the purpose of restated summary statement.

#### **B) USE OF ESTIMATES:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### **C) FIXED ASSETS:**

Fixed Assets are stated at cost less accumulated depreciation. All costs relating to the acquisition and installation of Fixed Assets are capitalized.

#### **D) DEPRECIATION:**

Depreciation on Fixed Assets for the year ended 2015 and 2016, which are put to use for setting of the project, are provided on Straight Line method ( double shift) on the basis of useful lives specified in Part 'C' of Schedule II of the Companies Act, 2013. and Depreciation on Fixed Assets for the year ended 2012, 2013 and 2014 , which are put to use for setting of the project, are provided on Straight Line method (double shift) on the basis of useful lives specified in companies act 1956.

#### **E) IMPAIRMENT OF ASSETS:**

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment in the carrying amount of the Company's fixed assets based on internal/ external factors. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

**F) REVENUE RECOGNITION:**

Sales of products are recognized when the risk and rewards of ownership are passed on to customers, which is on dispatch of goods.

**G) CURRENT ASSETS:**

Current Assets are accounted at cost or realizable value whichever is lower

**H) INVENTORIES:**

Inventories are Valued at lower of cost or net realizable value. Raw Materials is determined using FIFO method. The cost includes the cost of purchases and other expenses directly attributable to their acquisition but excludes duties and taxes, which are subsequently recoverable from taxing authorities.

Finished goods are valued at lower of cost or net realizable value. (Cost includes material cost, cost of labour and manufacturing overheads) on the basis of full absorption method.

**I) CONTINGENT LIABILITIES:**

All Known liabilities are provided for in the accounts except liabilities of contingent nature, which are disclosed at their estimated value in the notes of accounts.

**J) EARNING PER SHARE**

The Company reports basic and diluted earnings per equity share in accordance with (AS) 20, Earnings Per Share issued by the Institute of Chartered Accountants of India. Basic earnings per equity share have been computed by dividing net profit for the year by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period except where the results are anti dilutive.

**K) PROVISION FOR TAXATION:**

Provision of Taxation is computed as per total income returnable under the Income Tax Act, 1961 after taking into account available deductions and exemptions.

Deferred tax charge or credit on timing difference is recognized using current tax rates and tax laws that have been enacted or substantively enacted as of Balance Sheet date. Deferred tax liabilities are recognized to the extent there is a reasonable certainty that these liabilities can be occurred in future.

**L) Employee Benefit:**

**(i) Short Term Employee Benefit:**

All employee benefits payable within twelve months of rendering of services are classified as short term benefits. Benefits include salaries, wages, awards, ex-gratia, performance pay etc. and are recognized in the period in which the employee renders the related service. Liability on account of encashment of leave, Bonus to employee is considered as a short term compensated expense provided on actual.

**(ii) Post Employment Benefit:**

**Defined Benefit Plan:**

Provision for gratuity is assessed in actuarial basis and is provided accordingly



# **Reconciliation of Restated Profit:**

*Amount (Rs.in Lakhs)*

Adjustments for	2011-12	2012-13	2013-14	2014-15	2015-16	30/09/2016
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	13.37	17.26	19.22	60.79	125.11	102.58
<b>Adjustments for:</b>						
Preliminary Expense Adjustment	(0.24)	(5.27)	0.04	1.53	1.38	-
Provision for gratuity	<b>(0.80)</b>	(1.50)	(1.51)	(2.64)	(5.06)	-
Deferred Tax Liability / Asset Adjustment	<b>(0.32)</b>	(1.77)	(98.92)	(55.05)	(30.91)	26.34
Taxes adjusted in Current period (including mat)	<b>0.15</b>	(2.39)	7.93	16.97	44.28	35.90
Other income	(1.82)	2.95	(2.95)	0.90	(0.90)	-
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>10.33</b>	<b>9.28</b>	<b>(76.20)</b>	<b>22.49</b>	<b>133.89</b>	<b>164.82</b>

## **Explanatory Notes to the above restatements made in Audited Financial Statements of the Company for the respective years / period.**

1. Preliminary Exp - Preliminary Expenses Treatment has been done in all year covered for restatement as per companies act 2013.
2. Provision for Gratuity -Provision for gratuity liability has been made in all years covered for restatement as per Actuarial Valuation Report and Liability provided in the respective year in which such liability has arisen as per accounting standard 15 : Employee Benefits
3. Deferred Tax - Deferred tax assets / (liability) has been recognised on gratuity provision.
4. Provision for current tax - Provision for current tax has been calculated on restated profit before tax
5. Other income - Other income Treatment has been done in all year covered for restatement in that year in which income is relevant.

## Share Capitals

## Annexure V

Amount (Rs. in Lakhs)

Share Capital	As at March 31,										As at September 2016	
	2012		2013		2014		2015		2016			
	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.
<b>Authorised</b>												
Equity Shares of Rs.10 each	2,50,000	25.00	1050,000	105.00	10,50,000	105.00	2000,000	200.00	20,00,000	200.00	20,00,000	200.00
<b>Issued</b>												
Equity Shares of Rs.10 each	2,18,030	21.80	8,19,930	81.89	9,74,870	97.49	13,74,870	137.49	17,75,870	177.59	17,75,870	177.59
<b>Subscribed &amp; Paid up</b>												
Equity Shares of Rs.10 each fully paid up	2,18,030	21.80	8,19,930	81.89	9,74,870	97.49	13,74,870	137.49	17,75,870	177.59	17,75,870	177.59
<b>Total</b>	2,18,030	21.80	8,19,830	81.89	9,74,870	97.49	13,74,870	137.49	17,75,870	177.59	17,75,870	177.59

## RECONCILIATION OF NUMBER OF SHARES

(Amount Rs. in Lakhs)

Particulars	Equity Shares		Equity Shares		Equity Shares		Equity Shares		Equity Shares		Equity Shares	
	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.
Shares outstanding at the beginning of the year	81700	8.17	218030	21.80	818930	81.89	974870	97.49	1374870	137.49	1775870	177.59
Shares Issued during the year	136000	13.63	600900	60.09	155940	15.59	400000	40.00	401000	40.10	-	-
Shares bought back during the	-	-	-	-	-	-	-	-	-	-	-	-



Particulars	Equity Shares		Equity Shares		Equity Shares		Equity Shares		Equity Shares		Equity Shares	
	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.
year												
Shares outstanding at the end of the year	218030	21.80	818930	81.89	974870	97.49	1374870	137.49	1775870	177.59	1775870	177.59

**Details of Shares held by shareholders holding more than 5% of the aggregate shares in the co.**

Name of Shareholder	As at 31 March 2012		As at 31 March 2013		As at 31st March 2014		As at 31st March 2015		As at 31st March 2016		As at 30/09/2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mahesh Chandra K. Laddha	29050	13.32%	33050	4.04%	33050	3.39%	52150	3.79%	12550	7.07%	12550	7.07%
Kailashchandra H. Laddha	31500	14.45%	46200	5.64%	66540	6.83%	79040	5.75%	13660	7.69%	13660	7.69%
Pallavi Laddha	29100	13.35%	71100	8.68%	89100	9.14%	89100	6.48%	99100	5.58%	99100	5.58%
Kamlesh K. Laddha	26100	11.97%	54950	6.71%	57750	5.92%	71150	5.18%	71150	4.01%	71150	4.01%
Sureshchandra S Laddha	17400	7.98%	17400	2.12%	17400	6.45%	17400	1.27%	17400	0.98%	17400	0.98%
Parmila Mahesh Laddha	15730	7.21%	23730	2.90%	62880	6.45%	87580	6.37%	97580	5.49%	97580	5.49%
Kailashchandra Laddha - HUF	14250	6.54%	19250	2.35%	19250	1.97%	29250	2.13%	47250	2.66%	47250	2.66%
M/s Everstrong Marketing (P) Ltd	0.00	0.00%	447400	54.63%	462000	47.39%	462000	33.60%	462000	26.02%	462000	26.02%

Name of Shareholder	As at 31 March 2012		As at 31 March 2013		As at 31st March 2014		As at 31st March 2015		As at 31st March 2016		As at 30/09/2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
M/s Dokania Trade Impex (P) Ltd.	0.00	0.00%	0.00	0.00%	0.00	0.00%	7000 0	5.09%	7000 0	3.94%	7000 0	3.94%

All the equity shares ranking pari-passu in all respect for e.g. voting rights, dividend rights, winding-up rights, etc.

#### DETAILS OF RESTATED RESERVES & SURPLUS

#### ANNEXURE VI

*Amount (Rs in Lakhs)*

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
<b>A. Securities Premium Account</b>						
Opening Balance	64.53	187.23	728.04	868.38	1,228.38	1,589.28
Add : Securities premium credited on Share issue	122.70	540.81	140.35	360.00	360.90	-
<u>Less : Premium Utilised for various reasons</u>						
For Issuing Bonus Shares	-	-	-	-	-	-
<b>Closing Balance</b>	<b>187.23</b>	<b>728.04</b>	<b>868.38</b>	<b>1,228.38</b>	<b>1,589.28</b>	<b>1,589.28</b>
<b>B. Surplus</b>						
Opening balance	15.50	25.62	34.94	(41.26)	(18.91)	114.93
adjustment for priliminery exp of earlier year	(0.18)	-	-	-	-	-
(+) Net Profit/(Net Loss) For the current year	10.33	9.28	(76.20)	22.49	133.89	164.82
(-) Income Tax Adjustment	(0.03)	0.04	-	0.05	(0.05)	0.15
(-) wdv w/offf	-	-	-	(0.19)	-	-
(-) Transfer for Issue of Bonus Shares	-	-	-	-	-	-





Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
(-) Adjustment in F.A as per Companies Act,2013	-	-	-	-	-	-
<b>Closing Balance</b>	<b>25.62</b>	<b>34.94</b>	<b>(41.26)</b>	<b>(18.91)</b>	<b>114.93</b>	<b>279.90</b>
<b>C. Capital Reserve</b>						
Opening Balance	-	7.62	39.88	60.71	60.71	121.02
Add : Subsidy Recived During The Year	7.62	32.26	20.83	-	60.31	42.66
<b>Closing Balance</b>	<b>7.62</b>	<b>39.88</b>	<b>60.71</b>	<b>60.71</b>	<b>121.02</b>	<b>163.68</b>
<b>Total</b>	<b>220.47</b>	<b>802.85</b>	<b>887.83</b>	<b>1,270.18</b>	<b>1,825.23</b>	<b>2,032.86</b>

**DETAILS OF LONG TERM BORROWINGS AS RESTATED:**

**ANNEXURE-VII**

*Amount (Rs in Lakhs)*

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
<b><u>Secured</u></b>						
<b>(a) Term loans</b>						
<b>From Bank &amp; Financial Institutions</b>						
<b>- Term Loan</b>						
Karur Vysya Bank Icchalkaranji	28.64	24.72	19.41	14.17	5.82	1.93
Karur Vysya Bank Bhilwara Branch Term Loan I	-	1,301.73	1,302.61	1,150.68	971.76	874.33
Karur Vysya Bank Bhilwara Branch Term Loan II	-	-	58.46	50.59	41.37	36.34
OBC Term Loan Bhilwara	-	-	-	-	899.47	824.47
PNB Term Loan Bhilwara	-	-	-	-	980.68	915.42
<b>- Vehicle Loan</b>						
Hdfc Car Loan Icchalkaranji	5.13	2.33	-	-	-	-
Karur Vysya Bank Bhilwara Branch Car Loan	-	-	6.69	5.13	3.35	2.38

Particulars	As at March 31,					As at
	2012	2013	2014	2015	2016	September 30, 2016
Volkswagen Finance Pvt Ltd	-	-	-	-	-	4.00
<b>Sub-total (a)</b>	<b>33.76</b>	<b>1,328.78</b>	<b>1,387.18</b>	<b>1,220.56</b>	<b>2,902.44</b>	<b>2,658.87</b>
<b>Unsecured</b>						
<b>(b) Loans and advances from related parties</b>						
Loan From Director	6.26	6.01	26.26	52.09	69.40	158.60
Loan From Shareholder	1.06	14.46	57.66	44.45	483.86	440.37
<b>(c) Deposits</b>	-	-	-	-	-	-
Advance From Custmers	-	-	-	5.00	236.15	236.15
Sub-total (b) + (c)	<b>7.32</b>	<b>20.48</b>	<b>83.92</b>	<b>101.53</b>	<b>789.42</b>	<b>835.12</b>
<b>Total</b>	<b>41.09</b>	<b>1,349.26</b>	<b>1,471.10</b>	<b>1,322.10</b>	<b>3,691.85</b>	<b>3,493.99</b>

#### NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM BORROWINGS:

Collateral :

- EM charge on Industrial land situated at Zojaro ka Kheda Gram Panchayat, Zojaro ka Khera Teh. Gangrar & Dist. Chittorgarh in the name of company.
- EM charge on two half portion Industrial land situated at Zojaro ka Kheda Gram Panchayat , Zojaro ka Khera Teh. Gangrar & Dist.Chittorgarh in the name of Kailashchandra Laddha.
- EM of Residential Plot situated at A-133 Kamla Vihar Vistar Yojana, Bhilwara in the name of Smt. Pallavi Laddha w/o Yogesh Laddha.
- EM charge on factory land & building at shop plot no. 1 & 2 Gat no. 755 /756 (part) at Taluka Hatkanagale, dist.kolahpur in the name of Shri Suresh Chand Laddha and Mr. Mahesh Laddha.
- 3 RD account already under lien to ichalakaranji Branch with a current balance of Rs. 3.80 Lac Each in the name of company & M/s Palak Garments & Seema Synthetics.
- Personal Gurantee By Maheshchandra Laddha, Kailashchandra laddha, suresh chandra laddha,yogesh laddha,kamlesh laddha, Mrs. Pallvi Laddha, M/s Seema Synthetics,M/s Palak Garments,M/s Suresh Chand Heeralal Laddha, All the title holder of property, Husband of lady title holder.



# DETAILS OF LONG TERM PROVISIONS AS RESTATED

## ANNEXURE VIII

Amount (Rs. in Lakhs)

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
Provision for Gratuity	0.79	1.62	2.89	5.20	9.88	15.63
<b>Total</b>	<b>0.79</b>	<b>1.62</b>	<b>2.89</b>	<b>5.20</b>	<b>9.88</b>	<b>15.63</b>

# DETAILS OF SHORT TERM BORROWINGS

## ANNEXURE IX

Amount (Rs. in Lakhs)

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
<b><u>Secured</u></b>						
<b>(a) Working Capital Loans</b>						
Karur Vysya Bank Icchalkaranji	138.66	125.10	139.70	89.64	122.63	125.01
Karur Vysya Bank Bhilwara Branch	-	195.23	480.22	477.82	40.77	76.88
Oriental Bank Of Commerce	-	-	-	-	439.59	399.91
Punjab National Bank	-	-	-	-	544.97	523.94
<b>(b) Current Maturity Of Term Loan</b>						
Karur Vysya Bank Icchalkaranji	-	3.97	3.97	3.97	6.93	7.48
Karur Vysya Bank Bhilwara Branch Term Loan I	-	-	119.39	151.49	177.07	188.81
Karur Vysya Bank Bhilwara Branch Term Loan II	-	-	6.73	7.85	9.14	9.75
OBC Term Loan Bhilwara	-	-	-	-	150.00	150.00
PNB Term Loan Bhilwara	-	-	-	-	131.00	157.20
Hdfc Car Loan Icchalkaranji	-	2.80	2.00	-	-	-
Karur Vysya Bank Bhilwara Branch Car Loan	-	-	1.37	1.56	1.77	1.87
Interest Accured But Not Due On Borrowings	-	-	-	-	0.14	-
Volkswagen finance Pvt Ltd	-	-	-	-	-	1.83
<b>Total</b>	<b>138.66</b>	<b>327.10</b>	<b>753.37</b>	<b>732.33</b>	<b>1,624.02</b>	<b>1,642.69</b>

# NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM BORROWINGS:

Primary : First charge over current Assets of the company i.e. Stock of Yarn & chemicals , raw material, finish goods , grey Fabric , dyed Yarn and Book debts of the company lying in factory.

**Collateral :**

- EM charge on Industrial land situated at Zojaro ka Kheda Gram Panchayat , Zojaro ka Khera Teh. Gangrar & Dist. Chittorgarh in the name of company.
- EM charge on two half portion Industrial land situated at Zojaro ka Kheda Gram Panchayat , Zojaro ka Khera Teh. Gangrar & Dist.Chittorgarh in the name of Kailashchandra Laddha.
- EM of Residential Plot situated at A-133 Kamla Vihar Vistar Yojana, Bhilwara in the name of Smt. Pallavi Laddha w/o Yogesh Laddha.
- EM charge on factory land & building at shop plot no. 1 & 2 Gat no. 755 /756 (part) at Taluka Hatkanagale, dist.kolahpur in the name of Shri Suresh Chand Laddha and Mr. Mahesh Laddha.
- 3 RD account already under lien to ichalakaranji Branch with a current balance of Rs. 3.80 Lac Each in the name of company & M/s Palak Garments & Seema Synthetics.
- Personal Gurantee By Mahesh Chandra Laddha ,kailash chandra laddha,suresh chandra laddha, yogesh laddha, kamlesh laddha, Mrs. Pallvi Laddha, M/s Seema Synthetics, M/s Palak Garments, M/s Suresh Chnad Heeralal Laddha, All the title holder of property, Husband of lady title holder

**DETAILS OF TRADE PAYABLES AS RESTATED**

**ANNEXURE X**

*Amount (Rs. in Lakhs)*

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
(a) To Related Parties	16.94	0.06	24.35	15.17	16.62	129.88
(b) Others	256.31	795.94	873.02	1,023.64	1,891.08	2,736.16
<b>Total</b>	<b>273.25</b>	<b>796.00</b>	<b>897.37</b>	<b>1,038.81</b>	<b>1,907.69</b>	<b>2,866.04</b>

**DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED**

**ANNEXURE XI**

*Amount (Rs. in Lakhs)*

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
Current maturities of Long Term Debt	6.82	-	-	-	-	-
Statutory Remittance	3.69	4.03	7.92	10.93	21.22	5.24
Salary & Wages Payable	-	-	12.85	17.49	32.13	32.18
Service Tax Payable	-	-	-	0.02	0.30	0.27
Provident Fund Payable	-	-	0.16	0.32	2.02	1.73
Electricity Exp Payable	-	-	39.44	28.71	55.07	-
Audit Fees Payable	-	-	0.90	0.90	0.90	0.90
Entry Tax payable	-	-	-	-	19.36	26.14
Outstanding Exp	-	-	-	-	-	38.00
<b>Total</b>	<b>10.51</b>	<b>4.03</b>	<b>61.27</b>	<b>58.38</b>	<b>131.00</b>	<b>104.47</b>



# DETAILS OF SHORT TERM PROVISIONS AS RESTATED

## ANNEXURE XII

Amount (Rs. in Lakhs)

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
<b>Provision For</b>						
<b>(a) Employee benefits</b>						
(i) Contribution to PF	-	-	-	-	-	-
(ii) Worker Salary Payable	-	-	-	-	-	-
(iii) Gratuity Provisions	0.01	0.68	0.92	1.25	1.63	1.80
<b>(b) Others (Specify nature)</b>	-	-	-	-	-	-
(i) Income Tax	-	2.81	-	5.61	6.74	9.37
(ii) Income tax demand Payable	-	1.22	1.22	1.22	-	-
(iii) Interest Payable	-	-	10.71	9.97	-	-
(iv) Provision For Rebate & Discounts	-	-	24.70	-	-	-
<b>Total</b>	<b>0.01</b>	<b>4.71</b>	<b>37.55</b>	<b>18.04</b>	<b>8.38</b>	<b>11.17</b>

# DETAILS OF FIXED ASSETS AS RESTATED

## ANNEXURE XIII

Amount (Rs in Lakhs)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1 April 2011	Additions	Disposals	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	Adjustment due to Change In Policy	On disposals	Balance as at 31 March 2012	Balance as at 31 March 2012	Balance as at 31 March 2011
<b>Tangible Assets</b>											
Plant and Machinery	67.85	11.25	-	79.09	0.79	7.42	-	-	8.21	70.88	67.05
Invertor	0.18	0.32	-	0.49	0.00	0.02	-	-	0.02	0.47	0.17
Electrical instalation	9.92	-	-	9.92	0.12	1.03	-	-	1.14	8.78	9.80
Computer	0.50	0.15	-	0.65	0.04	0.10	-	-	0.14	0.51	0.46
Car	-	10.60	-	10.60	-	0.46	-	-	0.46	10.15	-
<b>Total</b>	<b>78.44</b>	<b>22.32</b>	<b>-</b>	<b>100.76</b>	<b>0.95</b>	<b>9.02</b>	<b>-</b>	<b>-</b>	<b>9.98</b>	<b>90.78</b>	<b>77.49</b>

Amount (Rs in Lakhs)

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
		Balance as at 1 April 2012	Additions	Disposals	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation charge for the year	Adjustment due to Change In Policy	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2012
a	<b>Tangible Assets</b>											
	Plant and Machinery	79.09	-	-	79.09	8.21	8.17	-	-	16.38	62.71	70.88
	Invertor	0.49	-	-	0.49	0.02	0.02	-	-	0.05	0.45	0.47
	Electrical instalation	9.92	-	-	9.92	1.14	1.03	-	-	2.17	7.75	8.78
	Computer	0.65	0.20	-	0.86	0.14	0.13	-	-	0.27	0.59	0.51
	Car	10.60	-	-	10.60	0.46	1.01	-	-	1.47	9.14	10.15



	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
		Balance as at 1 April 2012	Additions	Disposals	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation charge for the year	Adjustment due to Change In Policy	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2012
	<b>Total</b>	<b>100.76</b>	<b>0.20</b>	<b>-</b>	<b>100.96</b>	<b>9.98</b>	<b>10.35</b>	<b>-</b>	<b>-</b>	<b>20.33</b>	<b>80.64</b>	<b>90.78</b>
	<b>Bhilwara</b>											
	Capital Work in Progress	-	2,124.61	-	2,124.61	-	-			-	2,124.61	-

Amount (Rs in Lakhs)

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
		Balance as at 1 April 2013	Additions	Disposals	Balance as at 31 March 2014	Balance as at 1 April 2013	Depreciation charge for the year	Adjustment due to Change In Policy	On disposals	Balance as at 31 March 2014	Balance as at 31 March 2014	Balance as at 31 March 2013
	<b>Ichchalkarn ji</b>											
a	<b>Tangible Assets</b>											
	Plant and Machinery	79.09	-	-	79.09	16.38	8.17	-	-	24.55	54.54	62.71
	Inventor	0.49	-	-	0.49	0.05	0.02	-	-	0.07	0.42	0.45
	Electrical instalation	9.92	-	-	9.92	2.17	1.03	-	-	3.19	6.73	7.75
	Computer	0.86	1.08	-	1.93	0.27	0.17	-	-	0.44	1.49	0.59
	Car	10.60	-	-	10.60	1.47	1.01	-	-	2.47	8.13	9.14
	Mobile	-	0.20	-	0.20	-	0.01	-	-	0.01	0.20	-
	<b>Total</b>	<b>100.96</b>	<b>1.28</b>	<b>-</b>	<b>102.24</b>	<b>20.33</b>	<b>10.40</b>	<b>-</b>	<b>-</b>	<b>30.73</b>	<b>71.51</b>	<b>80.64</b>
	<b>Bhilwara Assets</b>											
	LAND	52.21	-	-	52.21	-	-	-	-	-	52.21	-
	Building	180.03	24.85	-	204.88	-	6.41	-	-	6.41	198.47	-



	Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
		Balance as at 1 April 2013	Additions	Disposals	Balance as at 31 March 2014	Balance as at 1 April 2013	Depreciation charge for the year	Adjustment due to Change In Policy	On disposals	Balance as at 31 March 2014	Balance as at 31 March 2014	Balance as at 31 March 2013
	Plant & Machinery	1,202.32	36.62	-	1,238.94	-	90.46	-	-	90.46	1,148.48	-
	General Machinery	52.03	16.01	-	68.04	-	4.62	-	-	4.62	63.42	-
	Furniture & Fixtures	1.10	2.04	-	3.14	-	0.17	-	-	0.17	2.96	-
	Office Equipments	-	1.34	-	1.34	-	0.05	-	-	0.05	1.30	-
	VECHILE	-	11.63	-	11.63	-	0.42	-	-	0.42	11.21	-
	Computer & Software	1.93	8.96	-	10.89	-	1.37	-	-	1.37	9.51	-
	Airjet Looms & Assesaries	635.00	250.78	-	885.78	-	60.46	-	-	60.46	825.32	-
	Capital Work in Progress	2,124.61	-	2,124.61	-	-	-	-	-	-	-	2124.61
	<b>Total</b>	<b>4,249.22</b>	<b>352.24</b>	<b>2,124.61</b>	<b>2,476.85</b>	<b>-</b>	<b>163.97</b>	<b>-</b>	<b>-</b>	<b>163.97</b>	<b>2,312.88</b>	<b>2,124.61</b>
	<b>Grand Total</b>	<b>4,350.18</b>	<b>353.52</b>	<b>2,124.61</b>	<b>2,579.09</b>	<b>20.33</b>	<b>174.37</b>	<b>-</b>	<b>-</b>	<b>194.70</b>	<b>2,384.40</b>	<b>2,205.24</b>



Amount (Rs in Lakhs)

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at 1 April 2014	Additions	Disposals	Balance as at 31 March 2015	Balance as at 1 April 2014	Depreciation charge for the year	Adjustment due to Change In Policy	On disposals	Balance as at 31 March 2015	Balance as at 31 March 2015	Balance as at 31 March 2014
<b>Ichchalkarn ji</b>											
<b>Tangible Assets</b>											
Plant and Machinery	79.09	0.19	-	79.28	24.55	8.54	-	-	33.09	46.19	54.54
Invertor	0.49	-	-	0.49	0.07	0.20	-	-	0.27	0.22	0.42
Electrical instalation	9.92	-	-	9.92	3.19	0.89	-	-	4.08	5.84	6.73
Computer	1.93	0.21	-	2.14	0.44	0.56	0.19	-	1.19	0.95	1.49
Car	10.60	-	-	10.60	2.47	2.18	-	-	4.65	5.96	8.13
Mobile	0.20	0.03	-	0.23	0.00	0.05	-	-	0.05	0.18	0.20
Furniture & Fixtures	-	0.11	-	0.11	-	0.00	-	-	0.00	0.11	
<b>Total</b>	<b>102.24</b>	<b>0.53</b>	<b>-</b>	<b>102.77</b>	<b>30.72</b>	<b>12.42</b>	<b>0.19</b>	<b>-</b>	<b>43.34</b>	<b>59.43</b>	<b>71.52</b>
<b>Bhilwara Assets</b>											
LAND	52.21	-	-	52.21	-	-	-	-	-	52.21	-
Building	204.88	-	-	204.88	6.41	6.47	-	-	12.88	192.00	-
Plant & Machinery	1,238.94	12.51	-	1,251.45	90.46	77.79	-	-	168.25	1,083.20	-
General Machinery	68.04	2.62	-	70.65	4.62	4.34	-	-	8.96	61.70	-
Furniture & Fixtures	3.14	8.57	-	11.71	0.17	0.75	-	-	0.93	10.78	-
Office Equipments	1.34	0.73	-	2.08	0.05	0.33	-	-	0.38	1.70	-
Vehicle	11.63	7.21	-	18.84	0.42	1.81	-	-	2.23	16.61	-
Computer & Software	10.89	0.65	-	11.53	1.37	4.03	-	-	5.40	6.13	-
Airjet Looms & Assesaries	885.78	7.37	-	893.15	60.46	54.21	-	-	114.67	778.48	-

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at 1 April 2014	Additions	Disposals	Balance as at 31 March 2015	Balance as at 1 April 2014	Depreciation charge for the year	Adjustment due to Change In Policy	On disposals	Balance as at 31 March 2015	Balance as at 31 March 2015	Balance as at 31 March 2014
Capital Work in Progress	-	116.36	-	116.36	-	-	-	-	-	-	-
<b>Total</b>	<b>2,476.85</b>	<b>39.66</b>	<b>-</b>	<b>2,516.51</b>	<b>163.97</b>	<b>149.73</b>	<b>-</b>	<b>-</b>	<b>313.70</b>	<b>2,202.81</b>	<b>-</b>
<b>Grand Total</b>	<b>2,579.09</b>	<b>40.19</b>	<b>-</b>	<b>2,619.28</b>	<b>194.69</b>	<b>162.15</b>	<b>0.19</b>	<b>-</b>	<b>357.04</b>	<b>2,262.25</b>	<b>71.52</b>

	Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
		Balance as at 1 April 2015	Additions	Disposals	Balance as at 31 March 2016	Balance as at 1 April 2015	Depreciation charge for the year	Adjustment due to Change In Policy	On disposals	Balance as at 31 March 2016	Balance as at 31 March 2016	Balance as at 31 March 2015
	<b>Ichalkarn ji</b>											
a	<b>Tangible Assets</b>											
	Plant and Machinery	79.28	-	-	79.28	33.09	8.55	-	-	41.64	37.64	46.19
	Inventor	0.49	0.71	-	1.20	0.27	0.24	-	-	0.52	0.68	0.22
	Electrical instalation	9.92	2.26	-	12.18	4.08	1.10	-	-	5.19	6.99	5.84
	Computer	2.14	0.63	-	2.77	1.19	0.91	-	-	2.10	0.67	0.95
	Car	10.60	-	-	10.60	4.65	3.64	-	-	8.29	2.32	5.96
	Mobile	0.23	-	-	0.23	0.05	0.07	-	-	0.11	0.11	0.18
	Furniture &Fixtures	0.11	4.17	-	4.28	0.00	0.08	-	-	0.08	4.19	0.11
	AC	-	2.12	-	2.12	-	0.04	-	-	0.04	2.08	-
	Camera	-	2.04	-	2.04	-	0.36	-	-	0.36	1.69	-



	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
		Balance as at 1 April 2015	Additions	Disposals	Balance as at 31 March 2016	Balance as at 1 April 2015	Depreciation charge for the year	Adjustment due to Change In Policy	On disposals	Balance as at 31 March 2016	Balance as at 31 March 2016	Balance as at 31 March 2015
	office equipments	-	0.25	-	0.25	-	0.02	-	-	0.02	0.23	-
	intercom	-	0.11	-	0.11	-	0.01	-	-	0.01	0.10	-
	<b>Total</b>	<b>102.77</b>	<b>12.29</b>	<b>-</b>	<b>115.06</b>	<b>43.34</b>	<b>15.01</b>	<b>-</b>	<b>-</b>	<b>58.35</b>	<b>56.71</b>	<b>59.43</b>
	<b>Bhilwara Assets</b>											
	Land	52.21	-	-	52.21	-	-	-	-	-	52.21	52.21
	Building	204.88	187.72	-	392.61	12.88	10.60	-	-	23.48	369.13	192.00
	Plant & Machinery	1,251.45	1,328.75	-	2,580.20	168.25	183.89	-	-	352.14	2,228.06	1,083.20
	General Machinery	70.65	78.39	-	149.04	8.96	10.39	-	-	19.34	129.70	61.70
	Furniture & Fixtures	11.71	0.41	-	12.12	0.93	1.24	-	-	2.17	9.95	10.78
	Office Equipments	2.08	2.48	-	4.55	0.38	0.61	-	-	0.98	3.57	1.70
	Vehicle	18.84	1.19	-	20.03	2.23	2.45	-	-	4.68	15.36	16.61
	Computer & Software	11.53	9.79	-	21.32	5.40	4.99	-	-	10.39	10.93	6.13
	Airjet Looms & Assesaries	893.15	1,623.54	-	2,516.70	114.67	119.21	-	-	233.89	2,282.81	778.48
	Capital Work in Progress	116.36	-	116.36	-	-	-	-	-	-	-	116.36
	<b>Total</b>	<b>2,516.51</b>	<b>3,232.28</b>	<b>-</b>	<b>5,748.79</b>	<b>313.70</b>	<b>333.37</b>	<b>-</b>	<b>-</b>	<b>647.07</b>	<b>5,101.72</b>	<b>2,202.81</b>
	<b>Grand Total</b>	<b>2,619.28</b>	<b>3,244.57</b>	<b>-</b>	<b>5,863.85</b>	<b>357.04</b>	<b>348.38</b>	<b>-</b>	<b>-</b>	<b>705.42</b>	<b>5,158.43</b>	<b>2,262.25</b>

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
		Balance as at 1 April 2016	Additions	Disposals	Balance as at 30.09.2016	Balance as at 1 April 2016	Depreciation charge for the Half year	Adjustment due to Change In Policy	On disposals	Balance as at 30.09.2016	Balance as at 30.09.2016	Balance as at 31 March 2016
	<b>Ichalkarn ji</b>											
a	<b>Tangible Assets</b>											
	Plant and Machinery	79.28	-	-	79.28	41.64	4.27	-	-	45.92	33.37	37.64
	Inventor	1.20	-	-	1.20	0.52	0.09	-	-	0.60	0.60	0.68
	Electrical instalation	12.18	-	-	12.18	5.19	0.65	-	-	5.84	6.34	6.99
	Computer	2.77	-	-	2.77	2.10	0.18	-	-	2.28	0.49	0.67
	Car	10.60	8.95	-	19.55	8.29	1.60	-	-	9.89	9.66	2.32
	Mobile	0.23	-	-	0.23	0.11	0.03	-	-	0.15	0.08	0.11
	Furniture &Fixtures	4.28	-	-	4.28	0.08	0.23	-	-	0.31	3.97	4.19
	AC	2.12	-	-	2.12	0.04	0.25	-	-	0.29	1.82	2.08
	camera	2.04	-	-	2.04	0.36	0.24	-	-	0.60	1.44	1.69
	office equipments	0.25	-	-	0.25	0.02	0.03	-	-	0.05	0.20	0.23
	intercom	0.11	-	-	0.11	0.01	0.01	-	-	0.02	0.09	0.10
	<b>Total</b>	<b>115.06</b>	<b>8.95</b>	<b>-</b>	<b>124.01</b>	<b>58.35</b>	<b>7.60</b>	<b>-</b>	<b>-</b>	<b>65.95</b>	<b>58.06</b>	<b>56.71</b>
	<b>Bhilwara Assets</b>											
	Land	52.21	15.96	-	68.17	-	-	-	-	-	68.17	52.21
	Building	392.61	-	-	392.61	23.48	6.20	-	-	29.68	362.93	369.13
	Plant & Machinery	2,580.20	76.40	-	2,656.60	352.14	121.01	-	-	473.15	2,183.45	2,228.06
	General Machinery	149.04	28.28	-	177.32	19.34	7.95	-	-	27.29	150.03	129.70
	Furniture &Fixtures	12.12	-	-	12.12	2.17	0.57	-	-	2.74	9.38	9.95
	Office Equipments	4.55	0.55	-	5.10	0.98	0.45	-	-	1.43	3.67	3.57
	Vehicle	20.03	10.08	-	30.11	4.68	1.62	-	-	6.29	23.82	15.36



	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
		Balance as at 1 April 2016	Additions	Disposals	Balance as at 30.09.2016	Balance as at 1 April 2016	Depreciation charge for the Half year	Adjustment due to Change In Policy	On disposals	Balance as at 30.09.2016	Balance as at 30.09.2016	Balance as at 31 March 2016
	Computer & Software	21.32	3.96	-	25.28	10.39	4.02	-	-	14.41	10.86	10.93
	Airjet Looms & Assesaries	2,516.70	0.26	-	2,516.96	233.89	115.60	-	-	349.49	2,167.47	2,282.81
	Capital Work in Progress	-	38.94	-	38.94	-	-	-	-	-	38.94	-
	<b>Total</b>	<b>5,748.79</b>	<b>135.48</b>	<b>-</b>	<b>5,884.27</b>	<b>647.07</b>	<b>257.43</b>	<b>-</b>	<b>-</b>	<b>904.50</b>	<b>4,979.77</b>	<b>5,101.72</b>
	<b>Grand Total</b>	<b>5,863.85</b>	<b>144.43</b>	<b>-</b>	<b>6,008.28</b>	<b>705.42</b>	<b>265.03</b>	<b>-</b>	<b>-</b>	<b>970.45</b>	<b>5,037.83</b>	<b>5,158.43</b>

**DETAILS OF DEFERRED TAX ASSET/LIABILITY AS RESTATED**
**ANNEXURE XIV**
*Amount (Rs. in Lakhs)*

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	30/09/2016
WDV as per Books	90.78	80.64	2,384.40	2,210.03	5,106.21	4,969.66
WDV as per IT	75.17	69.48	2,164.69	1,838.26	4,510.53	4,257.17
Time Difference	15.61	11.16	219.71	371.77	595.69	712.50
Gratuity Provision	0.80	1.50	1.51	2.64	5.06	5.92
Preliminary Expense W/O	0.24	5.27	(0.04)	(1.45)	(1.45)	-
Disallowance u/s 43B	-	-	-	-	-	-
Brought forward Unabsorbed Loss & Depreciation	-	-	152.38	213.17	165.53	62.60
<b>Net</b>	<b>16.66</b>	<b>17.93</b>	<b>373.56</b>	<b>586.12</b>	<b>764.83</b>	<b>781.02</b>
Deferred Tax Liability As On	5.15	5.54	115.43	181.11	252.87	258.23
Opening Balance Of Deferred Tax Liability	1.02	5.15	5.54	115.43	181.11	252.87
Transfer to P & L A/c	4.13	0.39	109.89	65.68	71.76	5.35

**DETAILS OF NON CURRENT INVESTMENTS AS RESTATED**
**ANNEXURE-XV**
*Amount (Rs. in Lakhs)*

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
(a) Investment in Property						
(b) Investment in Equity Instruments						
In Unquoted Fully paid up Equity Shares of						
(c) Investment in Preference Shares	-	-	-	-	-	-
(d) Investments in Government or Trust Securities	-	-	-	-	-	-
(e) Investments in Debentures or Bonds	-	-	-	-	-	0.32
(f) Investments in Mutual Funds	-	-	-	-	-	-
(g) Investments in Partnership Firms	-	-	-	-	-	-
(h) Other Non Current Investments	-	-	-	-	-	-
Aggregate amount of unquoted Investments	-	-	-	-	-	<b>0.32</b>
Aggregate Cost of Quoted Investment	-	-	-	-	-	-
Aggregate Cost of Unquoted Investment	-	-	-	-	-	0.32
Aggregate Market Value of Quoted	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	<b>0.32</b>





# DETAILS OF LONG TERM LOANS AND ADVANCES AS RESTATED ANNEXURE XVI

Amount (Rs. in Lakhs)

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
(Unsecured and Considered Good)						
a. long term loans and advances recoverable from Directors / Promoters / Promoter Group / Associates / Relatives of Directors/Group Company	-	-	-	-	-	-
b. Other Long Term Loans & Advances						
Capital Advance	1.30	1.00	-	-	-	-
Security Deposits	1.08	12.73	13.00	63.73	76.78	76.82
Security Deposits - GAS	-	-	0.03	0.03	0.14	0.14
Security Deposits - RAMKY	-	-	-	2.00	2.00	2.00
Other Advances	9.67	10.62	10.43	12.43	3.82	3.82
(recoverable in cash or kind or for value to be received)						
<b>Total</b>	<b>12.05</b>	<b>24.36</b>	<b>23.47</b>	<b>78.20</b>	<b>82.74</b>	<b>82.77</b>

# DETAILS OF OTHER NON CURRENT ASSETS AS RESTATED

## ANNEXURE-XVII

Amount (Rs. in Lakhs)

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
Trade Receivable (More Than One Year)	2.58	2.85	-	1.21	6.47	-
<b>Total</b>	<b>2.58</b>	<b>2.85</b>	<b>-</b>	<b>1.21</b>	<b>6.47</b>	<b>-</b>

# DETAILS OF INVENTORIES AS RESTATED

## ANNEXURE-XVIII

Amount (Rs. in Lakhs)

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
a. Raw Materials and components	77.78	289.53	392.57	405.04	749.94	1,023.95
(Valued at Cost as per FIFO Method)						
b. Work-in-progress	-	-	-	-	-	-
(Valued At Estimated Cost)						
c. Finished goods	140.48	202.63	251.77	232.81	471.92	461.57
(Valued At Lower of Cost or NRV)						
d. Coal & Chemical	-	46.25	27.99	47.43	53.52	127.67
(Valued at Lower of Cost or NRV as per FIFO Method)						
e. Packing Materials	-	0.55	9.29	5.40	5.37	5.38

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
(Valued at Lower of Cost or NRV as per FIFO Method)						
<b>Total</b>	<b>218.26</b>	<b>538.97</b>	<b>681.62</b>	<b>690.68</b>	<b>1,280.75</b>	<b>1,618.56</b>

#### DETAILS OF TRADE RECEIVABLES AS RESTATED

#### ANNEXURE-XIX

Amount (Rs. in Lakhs)

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
(Unsecured and Considered Good)						
<b>a. From Directors/Promoters/Promoter Group/Associates/Relatives of Directors / Group Companies</b>						
Over Six Months	-	10.65	-	-	-	-
Others	11.87	-	-	-	-	-
<b>b. From Others</b>						
Over Six Months	3.02	46.24	5.96	16.50	22.80	44.91
Others	286.54	429.45	1,272.30	1,057.94	2,381.12	3,011.48
<b>Total</b>	<b>301.42</b>	<b>486.34</b>	<b>1,278.26</b>	<b>1,074.44</b>	<b>2,403.92</b>	<b>3,056.40</b>

#### DETAILS OF CASH AND BANK BALANCES AS RESTATED

#### ANNEXURE XX

Amount (Rs in Lakhs)

Particulars	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31st March 2015	As at 31st March 2016	As at 30/09/2016
<b>a. Cash &amp; Bank Equivalent</b>						
Cash on hand*	0.61	11.75	13.42	4.52	2.14	3.52
Balances with banks	-	1.05	-	-	-	-
- in current accounts	2.58	-	13.03	232.47	6.01	41.63
- Other accounts	-	-	8.62	8.62	8.62	8.62
<b>b.Fixed Deposit With Bank</b>						
Maturity More Than 12 Months	4.99	7.46	19.93	20.72	380.62	397.19
Others						
<b>Total</b>	<b>8.18</b>	<b>20.25</b>	<b>55.00</b>	<b>266.33</b>	<b>397.39</b>	<b>450.96</b>



# **DETAILS OF SHORT TERM LOANS AND ADVANCES AS RESTATED ANNEXURE-XXI**

*Amount (Rs. in Lakhs)*

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
(Unsecured and Considered Good)						
<b>a. Loans and advances to Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company</b>	21.92	76.36	18.75	46.05	37.58	8.18
<b>b. Balance with Government Authorities</b>	-	-	-	-	-	-
<b>c. Others (specify nature)</b>						
Advance To Suppliers And Service Providers	0.30	15.32	10.85	5.74	25.67	-
Advance To Suppliers	-	-	-	177.01	155.76	193.43
Advance Salary	-	-	-	2.37	2.94	2.02
Advance Against Loan	-	-	-	1.51	-	-
Income Tax Refund	-	-	-	-	-	-
Prepaid Insurance	0.27	0.35	0.21	0.30	0.38	0.38
Advance Tax and Self Asst Tax	0.15	-	0.36	-	-	-
Tds Recivable	-	-	-	-	-	-
Interest Recevable	-	-	-	-	5.01	5.01
Interest Subsidry Recevable	-	2.95	-	0.90	-	-
Others	-	-	2.64	-	-	0.50
Mat Credit entailment	-	-	6.74	24.17	67.33	103.23
<b>Total</b>	<b>22.65</b>	<b>94.99</b>	<b>39.55</b>	<b>258.05</b>	<b>294.67</b>	<b>312.74</b>

## **DETAILS OF OTHER CURRENT ASSETS AS RESTATED**

## **ANNEXURE XXII**

*Amount (Rs. in Lakhs)*

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
Prepaid Insurance	-	-	-	2.96	4.16	4.16
Subsidy Receivable	-	-	-	13.15	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.12</b>	<b>4.16</b>	<b>4.16</b>

**DETAILS OF CONTINGENT LIABILITIES AND COMMITMENTS**
**ANNEXUREXXIII**
*Amount (Rs in Lakhs)*

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
(a) Contingent Liabilities						
a. Claims against the company not acknowledged as debts						
Claim under Central Excise Act, 1944	-	-	-	-	-	-
(Future cash flow in respect of the above, if any, is determinable only on receipt of judgements/ decisions pending with the relevant authorities.)						
b. Guarantees	-	-	-	-	-	-
c. Other Money for which the company is contingently liable	-	-	-	-	-	-
(b) Commitments						
Duty saved for the Unmatched Export Obligation	154.44	1,243.47	1,243.47	2,323.94	2,323.94	2,323.94
<b>Total</b>	<b>154.44</b>	<b>1,243.47</b>	<b>1,243.47</b>	<b>2,323.94</b>	<b>2,323.94</b>	<b>2,323.94</b>

**DETAILS OF REVENUE FROM OPERATIONS AS RESTATED**
**ANNEXURE - XXIV**
*Amount (Rs. in Lakhs)*

Particulars	As at March 31,					As at September 30, 2016
	2012	2013	2014	2015	2016	
Sales of Traded Goods	-	-	-	-	-	-
Sales of Manufactured Goods	2,824.21	3,015.90	10,144.53	16,545.44	21,745.73	14,431.11
Sale of Services	-	-	-	-	-	-
Turnover in respect of products not normally dealt with	-	-	-	-	-	-
<b>Total</b>	<b>2,824.21</b>	<b>3,015.90</b>	<b>10,144.53</b>	<b>16,545.44</b>	<b>21,745.73</b>	<b>14,431.11</b>



# DETAILS OF OTHER INCOME AS RESTATED

## ANNEXURE – XXV

Amount (Rs. in Lakhs)

Particulars	For the year ended March 31,					For the period ended 30/09/2016	Nature
	2012	2013	2014	2015	2016		
Other income	0.11	3.11	30.10	69.50	73.27	69.76	
Net Profit Before Tax as Restated	19.67	18.02	33.69	88.17	205.65	170.17	
Percentage	0.57%	17.26%	89.34%	78.82%	35.63%	40.99%	

### Source of Income

Interest Income	0.11	0.16	2.11	1.89	36.12	17.59	Recurring and not related to business activity.
Interest Subsidy	-	2.95	26.45	67.61	37.15	44.99	Recurring and related to business activity.
Duty Drawback	-	-	-	-	-	7.18	Non Recurring and related to business activity.
Discount received	-	-	1.54	-	-	-	Non Recurring and related to business activity.
<b>Total Other income</b>	<b>0.11</b>	<b>3.11</b>	<b>30.10</b>	<b>69.50</b>	<b>73.27</b>	<b>69.76</b>	



# DETAILS OF RELATED PARTY TRANSACTIONS AS RESTATED

## ANNEXURE-XXVI

Amount (Rs in Lakhs)

Name	Nature of Transaction	Amount of Transaction during 2011-12	Amount Outstanding as on 31.03.12 (Payable) / Receivable	Amount of Transaction during 2012-13	Amount Outstanding as on 31.03.13 (Payable) / Receivable	Amount of Transaction during 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction during 2014-15	Amount Outstanding as on 31.03.15 (Payable) / Receivable	Amount of Transaction during 2015-16	Amount Outstanding as on 31.03.16 (Payable) / Receivable	Amount of Transaction During 30-09-2016	Amount Outstanding as at 30/09/2016 (Payable) / Receivable
Kamlesh K. Laddha-Huf	Cloth Purchases	-	-	23.94	18.84 cr	41.87	4.14 Cr	9.23	-	41.45	-	33.44	28.20cr
Sureshchandra H. Laddha HUF	Cloth Purchases	-	-	-	-	-	-	-	9.20 cr	-	-	-	-
Dhanlaxmi Synthetics	Cloth Purchases	6.05	-	-	-	-	-	-	-	-	-	-	-
Khushboo Syntex	Cloth Purchases	15.87	1.25 dr	-	-	-	-	-	-	-	-	-	-
Citifab Suiting	Cloth Purchases	-	-	54.03	10.72 Dr	26.10	.38 Dr	-	.38 Dr	-	-	-	-
Ashish International Prop. Mahesh Chandra Laddha	Cloth Purchases	28.85	-	21.42	-	8.66	-	-	-	43.42	-	11.87	2.13cr



Name	Nature of Transaction	Amount of Transaction during 2011-12	Amount Outstanding as on 31.03.12 (Payable) / Receivable	Amount of Transaction during 2012-13	Amount Outstanding as on 31.03.13 (Payable) / Receivable	Amount of Transaction during 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction during 2014-15	Amount Outstanding as on 31.03.15 (Payable) / Receivable	Amount of Transaction during 2015-16	Amount Outstanding as on 31.03.16 (Payable) / Receivable	Amount of Transaction During 30-09-2016	Amount Outstanding as at 30/09/2016 (Payable) / Receivable
kailashchandra laddha HUF	Cloth Purchases	21.07	1.05 dr	17.13	12.08 cr	38.80	4.44 dr	-	-	42.03	-	7.59	.24dr
Kamlesh Synthetics	Cloth Purchases	-	-	8.87	-	18.85	-	-	-	31.56	-	13.12	13.12cr
Mahesh Chandra k laddha HUF	Cloth Purchases	13.23	-	15.39	10.64 cr	36.97	2.05 cr	-	-	36.15	-	11.49	4.92cr
Palak Garments	Cloth Purchases	5.77	-	7.64	-	12.69	-	-	-	32.53	-	-	-
Mirdev Laddha Trust	Cloth Purchases	-	-	-	-	-	-	-	-	10.22	-	-	.22cr
Prachi Creation	Cloth Purchases	-	-	-	-	25.56	-	-	-	21.82	-	16.06	12.57cr
Seema synthetics	Cloth Purchases	7.80	-	7.37	-	40.81	-	-	-	-	-	30.73	30.73cr
Prachi Laddha	Cloth	-	-	-	-	-	-	-	-	23.88	-	-	2.84cr



Name	Nature of Transaction	Amount of Transaction during 2011-12	Amount Outstanding as on 31.03.12 (Payable) / Receivable	Amount of Transaction during 2012-13	Amount Outstanding as on 31.03.13 (Payable) / Receivable	Amount of Transaction during 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction during 2014-15	Amount Outstanding as on 31.03.15 (Payable) / Receivable	Amount of Transaction during 2015-16	Amount Outstanding as on 31.03.16 (Payable) / Receivable	Amount of Transaction During 30-09-2016	Amount Outstanding as at 30/09/2016 (Payable) / Receivable
Trust	Purchases												
Shree Synthetics	Cloth Purchases	-	-	-	-	13.67	-	-	-	31.08	-	12.70	12.70cr
Aarav Laddha Trust	Gray Fabric Purchase	-	-	-	-	-	-	-	-	54.64	.98 CR	-	-
Aditi Laddha Trust	Gray Fabric Purchase	-	-	-	-	-	-	-	-	52.48	1.02 CR	-	-
Charbhuj Impex .	Gray Fabric Purchase	-	-	-	-	-	-	-	-	60.50	1.07 CR	21.27	22.35 CR
Citifab Suting (Purchase) .	Gray Fabric Purchase	-	-	-	-	-	-	-	-	80.89	4.53 CR	14.07	18.59 CR
Jack N Jill	Gray	-	-	-	-	-	-	-	-	60.69	1.91 CR	15.44	17.35 CR



Name	Nature of Transaction	Amount of Transaction during 2011-12	Amount Outstanding as on 31.03.12 (Payable) / Receivable	Amount of Transaction during 2012-13	Amount Outstanding as on 31.03.13 (Payable) / Receivable	Amount of Transaction during 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction during 2014-15	Amount Outstanding as on 31.03.15 (Payable) / Receivable	Amount of Transaction during 2015-16	Amount Outstanding as on 31.03.16 (Payable) / Receivable	Amount of Transaction During 30-09-2016	Amount Outstanding as at 30/09/2016 (Payable) / Receivable
	Fabric Purchase												
Kailashchand H Laddha Huf Ichalkaranji	Gray Fabric Purchase	-	-	-	-	-	-	-	-	20.37	1.49 CR	42.74	44.24 CR
Kamlesh K Laddha Huf Ichalkaranji	Gray Fabric Purchase	-	-	-	-	-	-	-	-	20.65	.79 CR	-	-
Kamlesh Syenthetics Ichalkaranji	Gray Fabric Purchase	-	-	-	-	-	-	-	-	10.54	0CR	22.61	22.61 CR
Maheshchandra K Laddha Huf	Gray Fabric Purchase	-	-	-	-	-	-	-	-	26.72	0CR	-	-
Mridav Laddha Trust Ichalkaranji	Gray Fabric Purchase	-	-	-	-	-	-	-	-	52.02	1.17 CR	-	-

Name	Nature of Transaction	Amount of Transaction during 2011-12	Amount Outstanding as on 31.03.12 (Payable) / Receivable	Amount of Transaction during 2012-13	Amount Outstanding as on 31.03.13 (Payable) / Receivable	Amount of Transaction during 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction during 2014-15	Amount Outstanding as on 31.03.15 (Payable) / Receivable	Amount of Transaction during 2015-16	Amount Outstanding as on 31.03.16 (Payable) / Receivable	Amount of Transaction During 30-09-2016	Amount Outstanding as at 30/09/2016 (Payable) / Receivable
	e												
Palash Laddha Trust .	Gray Fabric Purchase	-	-	-	-	-	-	-	-	63.68	1.52 CR	-	-
Prachi Creation Ichalkaranji	Gray Fabric Purchase	-	-	-	-	-	-	-	-	10.66	0 CR	22.91	22.91 CR
Prachi Laddha Trust Ichalkaranji	Gray Fabric Purchase	-	-	-	-	-	-	-	-	49.76	2.02 CR	-	-
Ashish international	Gray Fabric	-	-	-	-	-	-	-	-	-	-	31.41	31.41 Cr
Seema Synthetics	Gray Fabric	-	-	-	-	-	-	-	-	-	-	9.28	9.28 Cr
Shree Synthetics	Gray Fabric	-	-	-	-	-	-	-	-	-	-	12.58	12.58 Cr
Ashish International	Weaving Charges	23.24	.84 cr	23.60	4.50 dr	36.57	.06 cr	34.49	5.59 dr	46.87	-	21.55	.04cr



Name	Nature of Transaction	Amount of Transaction during 2011-12	Amount Outstanding as on 31.03.12 (Payable) / Receivable	Amount of Transaction during 2012-13	Amount Outstanding as on 31.03.13 (Payable) / Receivable	Amount of Transaction during 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction during 2014-15	Amount Outstanding as on 31.03.15 (Payable) / Receivable	Amount of Transaction during 2015-16	Amount Outstanding as on 31.03.16 (Payable) / Receivable	Amount of Transaction During 30-09-2016	Amount Outstanding as at 30/09/2016 (Payable) / Receivable
Kamlesh Synthetics	Weaving Charges	31.90	3.15 dr	23.01	2.79 dr	36.18	6.04 cr	36.13	10.90dr	42.62	-	24.41	9.94cr
Palak Garments	Weaving Charges	-	-	40.52	4.11 dr	48.98	.17 cr	52.89	4.27dr	56.23	-	29.27	9.13dr
Prachi Creation	Weaving Charges	23.36	2.33 dr	23.67	17.91 dr	29.67	.24 cr	31.42	10.53dr	37.76	-	20.37	.27dr
Seema Synthetics ( Prop. Kamlesh K Laddha)	Weaving Charges	38.55	7.55 dr	41.57	27.13 dr	44.68	.25 dr	53.23	3.95dr	58.56	-	26.33	2.91cr
Shree Synthetics	Weaving Charges	8.30	.44 dr	7.28	2.42 dr	15.83	.14 cr	36.04	1.92dr	51.55	-	28.59	6.58cr
Seema S. Laddha (Job)	Weaving Charges	-	-	-	-	-	-	-	15.67	-	-	-	-
Ambika Synthetics	Weaving Charges	17.05	1.94 dr	-	-	-	-	-	8.16dr	-	-	-	-

Name	Nature of Transaction	Amount of Transaction during 2011-12	Amount Outstanding as on 31.03.12 (Payable) / Receivable	Amount of Transaction during 2012-13	Amount Outstanding as on 31.03.13 (Payable) / Receivable	Amount of Transaction during 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction during 2014-15	Amount Outstanding as on 31.03.15 (Payable) / Receivable	Amount of Transaction during 2015-16	Amount Outstanding as on 31.03.16 (Payable) / Receivable	Amount of Transaction During 30-09-2016	Amount Outstanding as at 30/09/2016 (Payable) / Receivable
Khushboo Syntex (Job)	Weaving Charges	30.00	3.31 cr	-	-	5.51	3.40 dr	-	3.40dr	-	-	-	-
Ambika Synthetics	Interest Paid	1.12	-	-	-	-	-	-	-	-	-	-	-
Ashish International	Interest Paid	1.00	-	0.52	-	0.52	-	1.07	-	1.19	-	-	-
City Fab Suiting	Interest Paid	0.03	0.03	-	-	1.50	1.50	-	-	-	-	-	-
Dhanlaxmi Synthetics	Interest Paid	0.45	-	-	-	-	-	-	-	-	-	-	-
Khushboo Synthetics	Interest Paid	0.74	-	0.16	-	-	-	-	-	-	-	-	-
Kamlesh Synthetics	Interest Paid	-	-	-	-	0.10	-	-	-	-	-	-	-
Palak Garments	Interest Paid	1.06	-	-	-	0.09	-	-	-	-	-	-	-
Prachi Creation	Interest Paid	-	-	0.11	-	0.15	-	1.35	-	2.24	-	-	-
Kailashchandra H. Laddha-Huf	Interest Paid	-	-	-	-	-	-	0.98	-	2.08	-	-	-
Maheshchandra	Interest	-	-	-	-	-	-	1.48	-	1.91	-	-	-



Name	Nature of Transaction	Amount of Transaction during 2011-12	Amount Outstanding as on 31.03.12 (Payable) / Receivable	Amount of Transaction during 2012-13	Amount Outstanding as on 31.03.13 (Payable) / Receivable	Amount of Transaction during 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction during 2014-15	Amount Outstanding as on 31.03.15 (Payable) / Receivable	Amount of Transaction during 2015-16	Amount Outstanding as on 31.03.16 (Payable) / Receivable	Amount of Transaction During 30-09-2016	Amount Outstanding as at 30/09/2016 (Payable) / Receivable
K. Laddha-Huf	Paid												
Kamlesh K. Laddha-Huf	Interest Paid	-	-	-	-	-	-	2.43	-	2.91	-	-	-
Seema Synthetics	Interest Paid	0.45	-	0.02	-	-	-	0.00	-	0.43	-	-	-
Shree Synthetics	Interest Paid	-	-	-	-	-	-	-	-	1.66	-	-	-
Yogesh Laddha	Interest Paid	-	-	-	-	-	-	0.19	-	0.21	-	-	-
Kailashchandra H. Laddha	Director Salary	2.40	1.34	4.80	.61 cr	4.80	12500 cr	4.80	.04cr	4.80	.36 cr	2.40	2.52cr
Kamlesh Laddha	Director Salary	1.20	0.40	4.80	.13 dr	4.80	1020 dr	4.80	.39cr	4.80	1.21 cr	2.40	3.37cr
Yogesh Laddha	Director Salary	1.80	0.20	4.80	.83 dr	4.80	17272 cr	4.80	11.93	7.25	1.31 cr	4.50	5.07cr
Ambika Synthetics	Loan Taken	1.27	0.11	0.01	0.12	-	0.12	-	1.23	-	-	-	-
Ashish International	Loan Taken	4.00	4.31	0.47	4.77	6.23	11.00	34.32	16.96cr	31.95	10.71 cr	10.35	21.05cr
Dhanlaxmi Synthetics	Loan Taken	-	0.08	0.01	0.01	-	-	-	-	-	-	-	-
Kamlesh k	Loan	-	-	-	-	19.50	19.50	3.97	22.69cr	28.66	46.20 cr	3.83	50.03cr

Name	Nature of Transaction	Amount of Transaction during 2011-12	Amount Outstanding as on 31.03.12 (Payable) / Receivable	Amount of Transaction during 2012-13	Amount Outstanding as on 31.03.13 (Payable) / Receivable	Amount of Transaction during 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction during 2014-15	Amount Outstanding as on 31.03.15 (Payable) / Receivable	Amount of Transaction during 2015-16	Amount Outstanding as on 31.03.16 (Payable) / Receivable	Amount of Transaction During 30-09-2016	Amount Outstanding as at 30/09/2016 (Payable) / Receivable
Laddha HUF	Taken												
Khushboo Syntex	Loan Taken	-	0.84	-	-	-	-	-	-	-	-	-	-
Kailashchand H Laddha HUF	Loan Taken	-	-	-	-	8.45	8.45	0.98	83.36	26.73	29.82 cr	4.45	34.27cr
Maheshchadra K laddha HUF	Loan Taken	-	-	-	-	-	-	2.73	133.01	37.32	35.43 cr	5.72	41.15 cr
Prachi Creation	Loan Taken	-	0.94	0.10	1.04	3.63	4.68	38.70	12.89cr	37.24	41.42 cr	8.05	49.47cr
Seema Synthetics	Loan taken	-	0.18	0.02	0.20	3.27	3.47	21.77	144.92	24.34	15.30 cr	5.50	20.80cr
Shree Synthetics	Loan taken	-	-	-	-	6.25	6.25	-	-	48.41	48.24 cr	1.80	50.04cr
Charbhuja Impex	Loan taken	-	-	-	-	-	-	-	-	13.25	13.25 cr	2.00	10.88cr
Citifab Suting	Loan taken	-	0.16	-	-	14.10	5.50	-	5.95cr	65.75	65.75 cr	5.00	65.30cr
Jack N jill	Loan taken	-	-	-	-	-	-	-	-	36.80	36.80 cr	-	36.80cr
Kamlesh Synthetics	Loan taken	-	-	-	-	10.51	10.51	-	-	41.75	39.75 cr	5.33	45.08cr
Maheshchadra	Loan	-	-	-	-	11.97	11.97	-	-	-	-	-	-



Name	Nature of Transaction	Amount of Transaction during 2011-12	Amount Outstanding as on 31.03.12 (Payable) / Receivable	Amount of Transaction during 2012-13	Amount Outstanding as on 31.03.13 (Payable) / Receivable	Amount of Transaction during 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction during 2014-15	Amount Outstanding as on 31.03.15 (Payable) / Receivable	Amount of Transaction during 2015-16	Amount Outstanding as on 31.03.16 (Payable) / Receivable	Amount of Transaction During 30-09-2016	Amount Outstanding as at 30/09/2016 (Payable) / Receivable
K laddha	taken												
Palak Garments	Loan taken	-	0.71	4.14	0.77	0.09	0.85	-	-	18.90	17.50 cr	3.50	21.00cr
Yogesh Laddha	Loan taken	-	-	-	-	0.80	1.61	0.19	1.79cr	0.21	1.98 cr	-	1.98cr
Khushboo Syntex	Rent paid	-	-	0.03	.03 cr	0.03	.06 cr	-	.06cr	-	-	-	-
Seema Synthetics	Rent paid	-	-	-	-	-	-	-	-	0.40	-	-	-
Ashish International	Rent paid	-	-	0.03	.03 cr	0.03	-	0.03	-	0.03	-	-	-

# SUMMARY OF ACCOUNTING RATIOS

## ANNEXURE -XXVII

Amount (Rs. in Lakhs)

Particulars	For the year ended March 31,					For the period ended September 30, 2016
	2012	2013	2014	2015	2016	
Restated PAT as per P&L Account	10.33	9.28	(76.20)	22.49	133.89	164.82
Weighted Average Number of Equity Shares at the end of the Year/Period	82,444.97	2,21,322.60	8,19,357.23	10,11,226.16	14,65,449.23	17,75,870.00
Impact of issue of Bonus Shares before stub period	-	-	-	-	-	-
Impact of issue of Bonus Shares after stub period	71,03,480	71,03,480	71,03,480	71,03,480	71,03,480	71,03,480
Weighted Average Number of Equity Shares at the end of the Year/Period after adjustment for issue of bonus shares	71,85,924.97	73,24,802.60	79,22,837.23	81,14,706.16	85,68,929.23	88,79,350.00
No. of equity shares at the end of the year/period	2,18,030	8,18,930	9,74,870	13,74,870	17,75,870	17,75,870
Impact of issue of Bonus Shares before stub period	-	-	-	-	-	-
Impact of issue of Bonus Shares after December 31, 2016	71,85,924.97	73,24,802.60	79,22,837.23	81,14,706.16	85,68,929.23	88,79,350.00
No. of equity shares at the end of the year/period after adjustment for issue of bonus shares	74,03,954.97	81,43,732.60	88,97,707.23	94,89,576.16	1,03,44,799.23	1,06,55,220.00
Net Worth	242.28	884.75	1,123.32	1,407.67	2,002.82	2,210.45
<b>Earnings Per Share</b>						
Basic & Diluted - before bonus	12.53	4.19	(9.30)	2.22	9.14	9.28
Basic & Diluted - after bonus	0.14	0.13	(0.96)	0.28	1.56	1.86
<b>Return on Net Worth (%)</b>	4.26%	1.05%	(6.78%)	1.60%	6.68%	7.46%
<b>Net Asset Value Per Share (Rs) - before bonus</b>	111.12	108.04	101.07	102.39	112.78	124.47
<b>Net Asset Value Per Share (Rs) - after bonus</b>	3.27	10.86	12.62	14.83	19.36	20.75
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00



# CAPITALISATION STATEMENT AS AT LAST AUDITED PERIOD ANNEXURE- XXVIII

Amount (Rs. in Lakhs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	1,642.69	[•]
Long Term Debt (B)	3,493.99	[•]
<b>Total debts (C)</b>	<b>5,136.68</b>	[•]
<b>Shareholders' funds</b>		
Equity share capital (refer note)*	887.93	[•]
Reserve and surplus - as restated (refer note)*	1322.51	[•]
<b>Total shareholders' funds</b>	<b>2,210.45</b>	[•]
<b>Long term debt / shareholders funds</b>	1.58	[•]
<b>Total debt / shareholders funds</b>	2.32	[•]

## STATEMENT OF TAX SHELTERS

## ANNEXURE – XXIX

Amount (Rs. in Lakhs)

Particulars	For the year ended March 31,					For the period ended September 30, 2016
	2012	2013	2014	2015	2016	
Restated Profit before tax (A)	19.67	18.02	33.69	88.17	205.65	170.17
Tax Rate (%)	30.90%	30.90%	30.90%	30.90%	33.06%	33.06%
Tax at notional rate on profits	6.08	5.57	10.41	27.25	67.99	56.26
<b>Adjustments :</b>						
<b>Total Permanent Differences(B)</b>	<b>0.13</b>	<b>0.35</b>	<b>0.33</b>	<b>0.96</b>	<b>1.01</b>	-
(i) Donation	-	0.06	0.16	0.29	0.05	-
(ii) Interest On Income Tax	0.13	0.30	0.17	0.66	0.96	-
<b>Income considered separately (C)</b>	-	-	-	-	-	-
<b>Total Income considered separately (C)</b>	-	-	-	-	-	-
<b>Timing Differences (D)</b>		-				
I) Difference between tax depreciation and book depreciation	(3.97)	(2.08)	(38.45)	(89.34)	(163.98)	(73.76)
II) Provision for gatutity	0.80	1.50	1.51	2.64	5.06	5.92
iii) Prelimery exp w/off	0.24	5.27	(0.04)	(1.45)	(1.45)	-
Difference due to any other items of addition	-	-	-	-	-	

Particulars	For the year ended March 31,					For the period ended September 30, 2016
	2012	2013	2014	2015	2016	
u/s 28 to 44DA						
<b>Total Timing Differences (D)</b>	<b>(2.92)</b>	<b>4.70</b>	<b>(36.98)</b>	<b>(88.15)</b>	<b>(160.37)</b>	<b>(67.84)</b>
<b>Net Adjustments E = (D+B)</b>	<b>(2.79)</b>	<b>5.05</b>	<b>(36.65)</b>	<b>(87.20)</b>	<b>(159.37)</b>	<b>(67.84)</b>
<b>Tax expense / (saving) thereon</b>	<b>(0.86)</b>	<b>1.56</b>	<b>(11.32)</b>	<b>(26.94)</b>	<b>(52.69)</b>	<b>(22.43)</b>
<b>Income from Other Sources (F)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loss of P.Y. Brought Forward Unabsorbed Depreciation &amp; Adjusted(G)</b>	<b>-</b>	<b>-</b>	<b>2.95</b>	<b>0.98</b>	<b>46.28</b>	<b>102.33</b>
<b>Taxable Income/(Loss) (A+E+G)</b>	<b>16.88</b>	<b>23.07</b>	<b>0.00</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>0.00</b>
<b>Taxable Income/(Loss) as per MAT (A+B(II)+D(ii))</b>	<b>20.60</b>	<b>19.81</b>	<b>35.37</b>	<b>91.47</b>	<b>211.67</b>	<b>176.09</b>
<b>Tax as per MAT</b>	<b>3.93</b>	<b>3.78</b>	<b>6.74</b>	<b>17.43</b>	<b>43.16</b>	<b>35.90</b>
<b>Tax as per Normal Calculation</b>	<b>5.22</b>	<b>7.13</b>	<b>0.00</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>0.00</b>
<b>MAT credit entitlement</b>						
<b>Tax paid</b>	<b>5.22</b>	<b>7.13</b>	<b>6.74</b>	<b>17.43</b>	<b>43.16</b>	<b>35.90</b>
<b>Tax paid as per normal or MAT</b>	<b>Normal</b>	<b>Normal</b>	<b>MAT</b>	<b>MAT</b>	<b>MAT</b>	<b>MAT</b>

Note:- Since September 30, 2016 (which is last date as of which financial information has been prepared) share capital was increased from Rs. 177.58 lacs to Rs. 887.93 lacs by allotment of bonus shares in the ratio of 4 shares for every 1 share vide resolution of board of directors dated December 08, 2016.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the period ended September 30, 2016 and for the financial years ended March 31, 2016, 2015 and 2014 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "*Financial Statements*" on page 220 of this Red Herring Prospectus.

Indian GAAP differs in certain material aspects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Red Herring Prospectus, nor do we provide reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "*Risk Factors*" and "*Forward-Looking Statements*" beginning on pages 21 and 20 respectively, of this Red Herring Prospectus beginning respectively.

Our Company was incorporated on April 13, 2009 and has completed more than seven years since incorporation. The Management's Discussion and Analysis of Financial Condition and Results of Operations, reflects the analysis and discussion of our financial condition and results of operations for the period ended September 30, 2016 and for the financial years ended March 31, 2016, 2015 and 2014.

### OVERVIEW

Our Company was originally incorporated on April 13, 2009 as a private limited Company under the name Manomay Tex India Private Limited and subsequently was converted to a public limited Company with effect from January 6, 2017. We are majorly engaged in manufacturing and sale of denim fabrics in domestic and international markets having an integrated manufacturing unit based in Rajasthan. We are known and identified in textile industry by the brand name "Manomay".

Our Company started its commercial production by setting up a fabric weaving unit in Ichalkaranji by installing eight air-jet looms. Thereafter in 2011, the Company set up its integrated manufacturing unit for production of denim fabric in Jojron Ka Khera near Bhilwara. The unit is spread over 2.03 hectares and is equipped with dyeing, weaving and finishing facilities of yarn/ fabric. The denim manufactured by us ranges from 9 to 14 Oz/ Sq. yd with different blends of cotton, polyester, etc. with foam and wet finishes. The unit is equipped with adequate facilities and machineries. We have also enhanced our installed production capacity in FY15-16 to 225 lakh metres by addition of new plant & machinery. At Ichalkaranji unit, we are focused on manufacturing of suiting fabrics of different qualities as per the market demand. We procure the raw materials i.e. yarn from the local suppliers and weave to form fabric cloth. The process of sizing, dyeing and finishing is outsourced to the third parties.

Our promoters have experience in the line of business and looks after strategic as well as day to day business operations. Over the years our Company has carved its foot prints in the industry which can be witnessed by the growth in our total revenue from Rs. 576.93 lakhs in 2010 to Rs. 21,819.00 lakhs in 2016. As on date of the Red Herring Prospectus, we have employee strength of more than 200 employees.

Recently our Company has also ventured into international markets and at present our customer base is spread over different regions in India as well as in countries like Guatemala and Mexico. Our customers are mostly traders of fabrics who in turn sell products to industrial users. Our integrated manufacturing facility and our relationship with our traders are key factors of success in the industry.



Our brand has been well received and we shall, continue to strengthen our brand by supplying qualitative products at competitive prices.

### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR**

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:-

1. The Company has availed loan of Rs. 6.00 Lakhs from Volkswagen Finance Private Limited as per Loan Agreement dated August 19, 2016.
2. The Company availed Loan of Rs. 17.00 Lakhs from HDFC Bank as per Agreement for Auto Loan dated October 28, 2016.
3. The authorised share capital of Rs. 2,00,00,000 consisting of 20,00,000 Equity Shares of Rs. 10/- each was increased to Rs 13,00,00,000 consisting of 1,30,00,000 Equity Shares of Rs 10/- each on December 03, 2016.
4. We have issued Bonus Shares in the ratio of 4 share for every 1 share held to the then existing shareholders of the Company on December 08, 2016.
5. The shareholders approved and passed a special resolution on January 24, 2017 to authorize the Board of Directors to raise funds by making an initial public offering.
6. Borrowing Powers of Board of Directors was increased to empower Board to borrow amount upto Rs. 150 Crs. vide a Special Resolution passed in the Extra Ordinary General Meeting of the Company held on January 24, 2017.

### **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page 21 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Cost of materials
- Supply and availability of raw material
- Competition and price cutting from existing and new entrants
- Credit availability
- Rate of interest policies
- Economic and Demographic conditions
- Changes in laws and regulations that apply to textile industry

### **DISCUSSION ON RESULT OF OPERATIONS**

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the period ended September 30, 2016 and for the financial years ended March 31, 2016, 2015 and 2014.

#### **OVERVIEW OF REVENUE & EXPENDITURE**

##### **Revenues**

##### ***Income from operations:***

Our principle component of income is from sales of denim fabric.



### Other Income:

Our other income mainly includes interest income, interest subsidy and duty drawback.

*Amount (Rs. In Lakhs)*

Particulars	For the period ended	Till March 31,		
	September 30, 2016	2016	2015	2014
<b>Income</b>				
Revenue from Operations	14,431.11	21,745.73	16,545.44	10,144.53
As a % of Total Revenue	99.52%	99.66%	99.58%	99.70%
Other Income	69.76	73.27	69.50	30.10
As a % of Total Revenue	0.48%	0.34%	0.42%	0.30%
<b>Total Revenue</b>	<b>14,500.87</b>	<b>21,819.00</b>	<b>16,614.93</b>	<b>10,174.63</b>

### Expenditure

Our total expenditure primarily consists of direct expenditure i.e. cost of materials consumed and changes in inventories of finished goods, WIP and stock in trade, employee benefit expenses, finance cost, depreciation and other expenses.

#### Direct Expenditure

Our direct expenditure includes cost of materials consumed and changes in inventories of finished goods, work in progress, and stock in trade. Cost of materials consumed includes purchase of raw materials such as grey and finish fabric, yarn, cloth, etc.

#### Employee benefits expense

Our employee benefits expense primarily comprise of salary and wages expense, directors remuneration, contribution to provident fund, gratuity expenses, etc.

#### Finance Costs

Our finance costs mainly interest on borrowings, bank charges, processing charges, interest on delayed payments, etc.

#### Depreciation

Depreciation includes depreciation on tangible assets like plant and machinery, electrical installations, vehicles, etc.

#### Other Expenses

Other expenses mainly include manufacturing expenses such as consumption of dyes & chemicals, jobwork charges, power and electricity expenses processing charges, sizing expenses, administrative, selling and distribution expense such as brokerage, office expenses, travelling expenses, etc.



## Statement of profits and loss

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

Amount (Rs. In Lakhs)

Particulars	For period ended September 30, 2016	For the Year Ended March 31,		
		2016	2015	2014
<b>INCOME</b>				
Revenue from operations	14,431.11	21,745.73	16,545.44	10,144.53
As a % of Total Revenue	99.52%	99.66%	99.58%	99.70%
Other income	69.76	73.27	69.50	30.10
As a % of Total Revenue	0.48%	0.34%	0.42%	0.30%
<b>Total Revenue (A)</b>	<b>14,500.87</b>	<b>21,819.00</b>	<b>16,614.93</b>	<b>10,174.63</b>
<b>Variance %</b>		<b>31.32%</b>	<b>63.30%</b>	<b>237.02%</b>
<b>EXPENDITURE</b>				
Cost of materials consumed	10,128.69	14,867.90	11,969.57	6,993.05
As a % of Total Revenue	69.85%	68.14%	72.04%	68.73%
Changes in inventories of finished goods, work in progress and stock in trade	10.35	(239.11)	18.95	(49.13)
As a % of Total Revenue	0.07%	(1.10)%	0.11%	(0.48)%
Employee benefit expenses	301.64	410.99	312.57	270.73
As a % of Total Revenue	2.08%	1.88%	1.88%	2.66%
Finance costs	320.94	388.27	278.32	293.33
As a % of Total Revenue	2.21%	1.78%	1.68%	2.88%
Depreciation and amortization expense	265.03	348.38	162.15	174.37
As a % of Total Revenue	1.83%	1.60%	0.98%	1.71%
Other expenses	3,304.05	5,836.91	3,785.20	2,458.59
As a % of Total Revenue	22.79%	26.75%	22.78%	24.16%
<b>Total Expenses (B)</b>	<b>14,330.70</b>	<b>21,613.35</b>	<b>16,526.76</b>	<b>10,140.93</b>
As a % of Total Revenue	98.83%	99.06%	99.47%	99.67%
Profit before exceptional, extraordinary items and tax	170.17	205.65	88.17	33.69
As a % of Total Revenue	1.17%	0.94%	0.53%	0.33%
Exceptional items	-	-	-	-
Profit before extraordinary items and tax	170.17	205.65	88.17	33.69
As a % of Total Revenue	1.17%	0.94%	0.53%	0.33%
Extraordinary items	-	-	-	-
Profit before tax	170.17	205.65	88.17	33.69
<b>PBT Margin</b>	<b>1.17%</b>	<b>0.94%</b>	<b>0.53%</b>	<b>0.33%</b>
Tax expense :				
(i) MAT	35.90	43.16	17.43	6.74
(ii) Deferred tax	5.35	71.76	65.68	(109.89)
(iii) MAT Credit	(35.90)	(43.16)	(17.43)	(6.74)
Total Tax Expense	5.35	71.76	65.68	109.89
Profit for the year/ period	164.82	133.89	22.49	(76.20)
<b>PAT Margin</b>	<b>1.14%</b>	<b>0.61%</b>	<b>0.14%</b>	<b>(0.75%)</b>



## REVIEW OF SIX MONTHS ENDED SEPTEMBER 30, 2016

### INCOME

#### Revenue from operations

Our income from operations was Rs 14,431.11 lakhs which was about 99.52% of the total revenue for the six months period ended September 30, 2016.

#### Other Income

Our other income was Rs 69.76 lakhs which is 0.48% of the total revenue for the six months period ended September 30, 2016 and consists of interest income, interest subsidy and duty drawback.

### EXPENDITURE

#### Direct Expenditure

Our direct expenditure was Rs 1,0139.04 lakhs which is 69.92% of the total revenue for the six months period ended September 30, 2016. The direct expenditure mainly includes cost of raw material consumed and changes in inventories of finished goods, work in progress, and stock in trade.

#### Employee benefits expense

Our employee benefits expense was Rs 301.64 lakhs which is 2.08% of the total revenue for the six months period ended September 30, 2016 and primarily comprised of salary and wages expense, director's remuneration, contribution to provident fund, gratuity expenses, etc.

#### Finance Costs

Our finance costs was Rs 320.94 lakhs which is 2.21% of the total revenue for the six months period ended September 30, 2016 and comprise of interest costs on borrowings, yarn, others, bank charges, processing charges, etc.

#### Depreciation

Our Depreciation expense was Rs 265.03 lakhs which is 1.83% of the total revenue for the six months period ended September 30, 2016 and mainly includes depreciation on tangible assets like plant and machinery, Electrical installations, vehicles, etc.

#### Other Expenses

Our other expenses was Rs. 3304.05 lakhs which is 22.79% of the total revenue for the six months period ended September 30, 2016 which mainly include manufacturing expenses such as consumption of dyes & chemicals, job work charges, processing charges, sizing expenses, administrative, selling and distribution expense such as brokerage, office expenses, travelling expenses, etc

#### Profit before tax

Our Profit before tax was Rs. 170.17 lakhs which is 1.17% of our total revenue for the period of six months ended September 30, 2016

The Company had increased its capacity by installation of new plant and machinery and such capacity creation lead to increase in business operations.

#### Net profit

Our Net profit after tax was Rs. 164.82 lakhs which is 1.14% of our total revenue for the period of six months ended September 30, 2016

## COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2016 WITH FINANCIAL YEAR ENDED MARCH 31, 2015

### INCOME

#### Income from Operations

(Rs. In lakhs)

	2015-16	2014-15	Variance in %
Operating Income	21,745.73	16,545.44	31.43%

The operating income of the Company for the year ending March 31, 2016 is Rs. 21,745.73 lakhs as compared to Rs. 16,545.44 lakhs for the year ending March 31, 2015, showing a increase 31.43%. The increase was mainly due to increase in our business operations.

#### Other Income

Our other income increased by 5.43% to Rs. 73.27 lakhs in FY 2015-16 from Rs. 69.50 lakhs in FY 2014-15. The increase was mainly due to increased in interest income.

### EXPENDITURE

#### Direct Expenditure

(Rs. In lakhs)

Particulars	2015-16	2014-15	Variance in %
Cost of materials consumed & Purchase of stock in trade	14,867.90	11,969.57	24.21%
Changes in Inventories of finished goods, WIP and stock in Trade	(239.11)	18.95	1361.55%
<b>Total</b>	<b>14628.80</b>	<b>11988.53</b>	<b>22.02%</b>

Our direct expenditure has increased from Rs. 11988.53 lakhs in Financial Year 2014-15 to Rs. 14628.80 lakhs in Financial Year 2015-2016 showing an increase of 22.02% over the previous year. The increase was in line with the increase in our business operations.

#### Administrative and Employee Costs

(Rs. In lakhs)

Particulars	2015-16	2014-15	Variance in %
Employee Benefit Expenses	410.99	312.57	31.49%
Other Expenses	5,836.91	3,785.20	54.20%

Employee benefit expenses increased from Rs. 312.57 lakhs in financial year 2014-15 to Rs. 410.99 lakhs in financial year 2015-16 due to increase in number of employees and rise in wages levels.

Our other expenses increased by 54.20% from Rs. 3,785.20 lakhs in financial year 2014-15 to Rs. 5,836.91 lakhs in financial year 2015-16. The increase was mainly due to increase in our manufacturing expenses. Further the brokerage expenses also increased in line with increase in line with increase in business operations.

#### Finance Costs

Our finance costs have increased from Rs. 278.32 lakhs in financial year 2014-15 to Rs. 388.27 lakhs in financial year 2015-16. This shows an increase of 39.50% as compared to last financial year. The increased finance cost was on account of higher borrowings by the Company leading to increased interest. Further the Company also incurred expenses on delayed payments.



## Depreciation

Depreciation expenses for the Financial Year 2015-2016 have increased to Rs. 348.38 lakhs as compared to Rs. 162.15 lakhs for the Financial Year 2014-2015 showing an increase of 114.85%. The increase was due to addition to fixed assets mainly plant & machinery, air jet looms and accessories.

## Profit before Tax

(Rs. In lakhs)

Particulars	2015-16	2014-15	Variance in %
Profit Before Tax	205.65	88.17	133.23%

Profit before tax increased from Rs. 88.17 lakhs in financial year 2014-15 to Rs. 205.65 lakhs in financial year 2015-16. The increase was mainly due to increased business operations.

## Provision for Tax and Net Profit

(Rs. In lakhs)

Particulars	2015-16	2014-15	Variance in %
Taxation Expenses	71.76	65.68	9.26%
Profit after Tax	133.89	22.49	495.25%

Our profit after tax increased from Rs. 22.49 lakhs in Financial Year 2014-15 to Rs. 133.89 lakhs in Financial Year 2015-16 showing an increase of 495.25%.

## COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2015 WITH FINANCIAL YEAR ENDED MARCH 31, 2014

### INCOME

#### Revenue from Operations

(Rs. in lakhs)

Particulars	2014-15	2013-14	Variance in %
Operating Income	16,545.44	10,144.53	63.10%

The operating income of the Company for the financial year 2014-2015 was Rs. 16,545.44 lakhs as compared to Rs. 10,144.53 lakhs for the financial year 2013-2014. This increase was mainly due to increased in business operations.

#### Other Income

Our other income for the financial year 2013-2014 was Rs. 30.10 lakhs which increased to Rs. 69.50 lakhs during the financial year 2014-15. The increase was mainly due to increased in interest subsidy.

### EXPENDITURE

#### Direct Expenditure

(Rs. in lakhs)

Particulars	2014-15	2013-14	Variance in %
Cost of materials consumed & Purchase of stock in trade	11,969.57	6,993.05	71.16%
Changes in Inventories of finished goods, work-in-progress and stock in Trade	18.95	(49.13)	(138.58)%
<b>Total</b>	<b>11,988.53</b>	<b>6,943.92</b>	<b>72.65%</b>

The direct expenditure increased from Rs. 6,943.92 lakhs in financial year 2013-14 to Rs. 11,988.53 lakhs in financial year 2014-15 showing an increase of 72.65% over the previous year. The increase was due in line with the increase in our business operations.

#### Administrative and Employee Costs



(Rs. in lakhs)

Particulars	2014-15	2013-14	Variance in %
Employee Benefit Expenses	312.57	270.73	15.45%
Other expenses	3,785.20	2,458.59	53.96%

Employee benefit expenses increased from Rs. 270.73 lakhs in financial year 2013-14 to Rs. 312.57 lakhs in financial year 2014-15 due to increase in number of workers and wage expenses.

Our other expenses increased by 53.96% from Rs. 2,458.59 lakhs in financial year 2013-14 to Rs. 3,785.20 lakhs in financial year 2014-15. The increase was mainly due to increase in manufacturing expenses which was on account of increase in business operations.

### Finance Costs

The finance costs for the Financial Year 2013-2014 decreased from Rs. 293.33 lakhs to Rs. 278.32 lakhs during the financial year 2014-15. The decrease was primarily due to decline in interest on borrowings.

### Depreciation

Depreciation for the year financial year 2014-15 has decreased to Rs. 162.15 lakhs as compared to Rs. 174.37 lakhs for the financial year 2013-14.

### Profit Before Tax,

Our profit before tax increased from Rs. 33.69 lakhs in Financial Year 2014-15 to Rs. 88.17 Lakhs in Financial Year 2015-16. The increase was due to increase in our business operations.

### Provision for Tax and Net Profit

(Rs. in lakhs)

Particulars	2014-15	2013-14	Variance in %
Taxation Expenses	65.68	109.89	40.23%
Profit after Tax	22.49	(76.20)	129.51%

Profit after tax increased to Rs. 22.49 lakhs in the financial year 2014-15 as compared to loss of Rs. (76.20) lakhs in the financial year 2013-14 due to increase in our business operations during the year.

### OTHER MATTERS

#### 1. Unusual or infrequent events or transactions

Except as described in this Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

#### 2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the section titled "Risk Factors" beginning on page 21 of this Red Herring Prospectus to our knowledge there are no significant economic changes that materially affected or are likely to affect income of our Company from continuing operations.

#### 3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as disclosed in the section titled "Risk Factors" beginning on page 21 of this Red Herring Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

#### 4. Future relationship between Costs and Income.

Our Company's future costs and revenues will be determined by demand/supply situation, government policies, global market situation and prices of our materials.



**5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased prices.**

Increase in revenue is by and large linked to increases in volume of business activity by the Company.

**6. Total turnover of each major industry segment in which the issuer company operates.**

The Company is operating in textile industry. Relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 136 of this Red Herring Prospectus.

**7. Status of any publicly announced new products/projects or business segments**

Our Company has not announced any new projects or business segments, other than disclosed in the Red Herring Prospectus. For details of our products our Company deals in please refer to the chapter titled “*Our Business*” beginning on page 161 of this Red Herring Prospectus.

**8. The extent to which the business is seasonal**

Our Company’s business is not seasonal in nature.

**9. Any significant dependence on a single or few suppliers or customers**

The % of contribution of our Company’s customer and supplier vis a vis the gross revenue from operations and raw materials cost respectively as March 31, 2016 is as follows:

	Customers	Suppliers
Top 5 (%)	62.63%	54.20%
Top 10 (%)	76.67%	66.59%

**10. Competitive Conditions**

We face competition from existing and potential organised and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “*Our Business*” on page 161 of this Red Herring Prospectus.

**CHANGES IN ACCOUNTING POLICIES IN LAST THREE YEARS**

There is no change in accounting policy in the last 3 years. For further details, please refer to chapter titled “*Financial Statement as Restated*” beginning on page 220 of this Red Herring Prospectus.

## FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks and other sources for conducting its business. Set forth is a brief summary of our Company's secured and unsecured borrowings together with a brief description of certain significant terms of such financing arrangements.

### SECURED BORROWINGS

#### 1. Loan from Karur Vysya Bank as per Sanction Letter dated November 05, 2016

Rs in Lakhs

Nature of Facility	Limit	Rate of Interest	Period/ Repayment/ Due Date	Purpose	Primary Security	Amount outstanding as on September 30, 2016
OCC (Renewal)	Rs. 250.00 Lakhs	12.35%	October 31, 2017	Working Capital	<p>➤ First charge pari passu on entire current assets of the Company both present and future along with the other working capital lenders under consortium.</p> <p>➤ Second pari passu charge on the Immovable Properties, Fixed Asset, Plant and Machinery both present and future, of the Borrower (WDV of machinery is Rs. 46.79 crore as per ABS as on March 31, 2016)</p>	Rs. 912.59 Lakhs
HPMA	Rs. 44.00 Lakhs	12.90%	December 01, 2017		First pari passu charge on the Immovable Properties, Fixed Asset, Plant and Machinery both present and future, of the Borrower (WDV of machinery is Rs. 46.79 crore as per ABS as on March 31, 2016). This includes:  1.1 <sup>st</sup> pari passu charge as EM of Land and Building (Converted land for industrial purpose measuring 20300 Sq. meters of Khasara No. 5, 6, 7 Kita 3 Raqba 2.03 hector) situated at village Jojro Ka Khara Gram Panchyat, Jojro ka Khera	
HPMA	Rs. 1422.00 Lakhs		February 11, 2021			
HPMA	Rs. 80.00 Lakhs		August 17, 2020			





Nature of Facility	Limit	Rate of Interest	Period/ Repayment/ Due Date	Purpose	Primary Security	Amount outstanding as on September 30, 2016
					<p>Thesil Gangrar &amp; District, Chittorgarh (Rajasthan) in the name of M/s Manomay Tex India Pvt. Ltd. valued at Rs. 7.39 crores as per valuation report dated April 13, 2015 by PNB approved Panel Valuer Sh. Brij Kishore Kabra. The Realizable Value is Rs. 7.00 Crores and distress value is Rs. 6.30 crores.</p> <p>2.Hypothecation of Plant and machineries purchased through our Bank Finance.</p>	

#### **Collateral Security:**

##### **Only for working capital limits:**

1. Second pari-passu charge on Converted land for industrial purpose measuring 20300 Sq. meters of Khasara No. 5, 6, 7, Kita 3 Raqba 2.03 hector situated at village Zojaro Ka Khara Gram Panchayal, Zojora Ka Khera Thesil Gangrar & District, Chittorgarh (Rajasthan) in the name of M/s Manomay Tex India Pvt. Ltd. valued at Rs. 7.39 Crores as per valuation report dated April 13, 2015 by PNB approved Panel Valuer Sh. Brij Kishore Kabra. The Realizable Value is Rs. 7.00 crores and distress value is Rs. 6.30 crores.

##### **For all the limits**

1. First pari passu charge on Two half portion of converted land for industrial purpose measuring each 7350 Sq. Mts of Khasara no. 9, 10, 11, 12 kila 4 Raqba 1.47 hector situated at village Zojaro Ka Khera, Gram Panchayat Zojara Ka Khera Thesil Gangrar& District, Chittorgarh (Rajasthan), in the name of Kailash Chandra Laddha total admeasuring about 14700 Sq.meters, valued at Rs. 2.03 Crores as per valuation report dated October 20, 2015 by PNB approved Panel Valuer S.K. Bhandari. The Realizable value is Rs. 1.83 crores and distress value is Rs. 1.73 crores.
2. First pari passu charge on Residential plot, A-133, situated at Kamla Vihar Vistar Yojana, Bhilwara (Rajasthan) admeasuring 2800 sq ft. in name of Smt. Pallavi Laddha W/o Shri Yogesh Laddha valued at Rs. 0.37 Crores as per VR dated April 13, 2015 by PNB approved Panel Valuer Sh. Brij Kishore Kabra. The Realizable Value is Rs. 0.34 crores and distress value is Rs. 0.32 crores.
3. First pari passu charge on Factory land and building at Plot No.1 & 2, GAT No.755 (part) &756 (part) admeasuring 4000 Sq. Feet building thereon at Tardal, Taluka Hatkagale Dist.Kolhapur in the name .of Mr. Suresh Chandra Laddha and Mr. Mahesh Chandra Laddha valued at Rs. 6.00 Crores as per VR dated April 13, 2015 by PNB approved Panel Valuer Sh. G.D. Dhavale. The Realizable Value is Rs. 5.70 crores and distress value is Rs.4.80 crores.



The market value of the property as per 2<sup>nd</sup> valuation report dated August 20, 2014 by OBC Panel Valuer Sh. Er. Vijaykumar B. Patil is Rs. 6.69 Crore. The realizable Value is Rs. 6.36 crores and distress value is Rs. 5.35 crores.

4. Lien on Fixed Deposit to the tune of Rs. 0.35 Crore with Bhilwara Branch in the name of applicant company on pari passu basis. The FD details is as follows:

Account Number	Principal Amount	In favor of	Mode of Charge
4502.501.2659	Rs. 35.00 Lakh	Manomay Tex India Pvt Ltd	Consortium Pari passu charge

5. Lien on FDR of Rs.0.40 crore in the name of M/S Manomay Tex India Pvt. Ltd. held at Bhilwara Bhopal Ganj Branch of Punjab National Bank on pari passu basis( In lieu of the property: Shop No.32, Heera Panna Market, Pur Road, Bhilwara Standing in the name of Sh. Kailashchandra Laddha & Sh. Suresh Chand Laddha)
6. Lien on FDR of Rs 1.40 crore in the name of M/S Manomay Tex India Pvt.Ltd held at Bhilwara Bhopal Ganj Branch of Punjab National Bank on pari passu basis. (In lieu of the property : House No.5-A-33, R.C. Vyas colony, Bhilwara, standing in the name of Smt. Kanta Devi Laddha W/o Sh. Kailashchand Laddha & Smt. Kamla Devi Laddha w/o Sh. Suresh Chand Laddha)

**Exclusive charge on the following:**

7. Lien on three Fixed Deposit (exclusive for us) total to the tune of Rs.0.24 crore (Principal value) with Ichalakaranji Branch in the name of applicant company (Rs. 8.09 lacs), M/s Palak Garments (Rs. 8.08 lacs) and M/s Seema Synthetics (Rs. 8.07 lacs) respectively. The FD details are as follows:

Account No.	Principal Amount	In the Favor of	Mode of charge
2118.501.6090/1	Rs. 8.09 Lakh	Manomay Tex India Pvt Ltd	Exclusive
2118.501.6117/1	Rs. 8.08 Lakh	M/s Palak Garments	Exclusive
2118/501.6104/1	Rs. 8.07 Lakh	M/s Seema Synthetics	Exclusive
<b>Total</b>	<b>Rs. 24.24 Lakh</b>		

**Total Value of Collateral Security: Rs.17.94 Crore (Excluding FD's of value Rs.0.24 crore)**

**Guarantors:**

1. Kailashchandra Laddha
2. Mahesh Chandra Laddha
3. Yogesh Laddha
4. Kamlesh Laddha
5. Pallavi Laddha
6. Suresh Chand Laddha
7. Corporate Guarantee of M/s Palak Garments
8. Corporate Guarantee of M/s Seema Synthetics



### **Key restrictive covenants as per Term Agreement:**

During the currency of the Bank's credit facilities, the firm/company shall not, without the Bank's prior consent in writing:

- a. Effect any change in the company's capital structure
- b. Avail credit facilities from other banks / financial institutions/NBFCs
- c. Formulate any scheme of amalgamation or reconstruction.
- d. Undertake guarantee obligations on behalf of any other company.
- e. Declare dividend over and above the percentage indicated in the fund flow statement for any year
- f. Give guarantee on behalf of any third party.
- g. Undertake new business activity
- h. Setting up or investing in a subsidiary etc.
- i. Undertaking and modernization /expansion/diversification.
- j. Dispose off the whole or substantially the whole of the undertaking.
- k. Details of investments/ disinvestments/mergers etc.

### **2. Loan from Oriental Bank of Commerce as per Sanction letter dated September 12, 2016**

*(Amount Rs in Lakhs)*

<b>Nature of Facility</b>	<b>Limit</b>	<b>Rate of Interest</b>	<b>Period/ Repayment/ Due Date</b>	<b>Purpose</b>	<b>Primary Security</b>	<b>Amount outstanding as on September 30, 2016</b>
Term Loan	Rs. Lakhs 1050.00	1 Y MCLR + 2.85%			➤ 1 <sup>st</sup> pari passu charge along with other term lenders over entire fixed assets of the company both existing as well as future	Rs. 824.47 Lakhs
Cash Credit	Rs. 500.00 Lakhs	2.85% over MCLR Rate which works out to 12.50%			➤ Hypothecation of stocks of raw materials, stock-in-process, finished goods, stores & spares and receivables on pari passu basis in case of Consortium / Multiple Banking Arrangement.  ➤ 1 <sup>st</sup> pari passu charge along with other working capital lenders over entire current assets of the company	

### **Collateral Security:**

#### **a) Equitable / Registered Mortgage of Immovable Properties:**

Equitable mortgage on following properties on First pari passu basis with other consortium member banks.

<b>Description (Res./Com./ Agr. Land) and address</b>	<b>Total Area sq. ft/ yd/ meters</b>	<b>Name(s) of the Owners(s)</b>
EM of industrial converted land situated (On the NH 79, Jaipur-Udaipur-Ahmedabad Highway) Jojro Ka Khera, Tehsil-Gangra, Distt - Chittorgarh factory premises.	7 Bigha	M/s Arav Exports Prop. Kailashchandra Laddha
Residential plot A-133, situated at Kamla Vihar, Bhilwara	2800 Sq. Ft.	Smt. Pallavi Laddha W/o Shri Yogesh Laddha
EM of industrial converted factory land and building at Plot no.1&2 GAT No.755 (part) & 756 (part) at Tardal, Taluja Hatkanagale Dist. Kolhapur	4000 Sq. Ft.	Sh. Suresh Chand Laddha & Mr. Mahesh Laddha

#### **b) Hypothecation/ charge on Movable Assets:**

- CDR/ Bank Deposit having accrued value of Rs. 2.15 Cr
- Hyp. of Plant & Machineries (including Building already mortgaged to bank) of value Rs. 47.22 Cr

#### **c) Details of Second/ Pari passu/ Subservient Charge, if any:**

- Working Capital Limits:- 2<sup>nd</sup> pari passu charge over entire fixed assets of the Company
- Term Loans:- 2<sup>nd</sup> pari passu charge over entire current assets of the Company

#### **d) Personal/ Corporate Guarantee:**

- Kailashchandra Laddha
- Mahesh Chand Laddha
- Yogesh Laddha
- Kamlesh Laddha
- Pallavi Laddha



**Key restrictive covenants as per Term Agreement:**

- a) To declare dividend only after obtaining approval from the Bank [In case of default In payment of interest/instalments of Term Loan]
- b) Not to obtain any financial assistance from any other source without express approval of the Bank in writing.
- c) Not to effect any change in promoter directors or in the core management team nor any merger/ acquisition/ amalgamation shall be done without express permission of the Bank in writing.
- d) Not to extend finance to associate concerns during the currency of the Bank's advance without the Bank's prior written consent
- e) Not to effect any adverse change in the company's capital structure.
- f) Not to implement any scheme of expansion/modernization/diversification/ renovation (except normal capex) or sell any fixed assets during any accounting year, except under such scheme, which has already been approved by the Bank.
- g) Not to Invest in shares/debentures or lend or advance funds to or place deposits with any other concern except normal trade credit or security deposits in the normal course of business or advances to employees

### 3. Loan from Punjab National Bank as per Sanction letter dated October 26, 2016

Rs in Lakhs

Nature of Facility	Limit	Rate of Interest	Period/ Repayment/ Due Date	Purpose	Primary Security	Amount outstanding as on September 30, 2016
Cash Credit Limit-Hypo	Rs. 600.00 Lakhs	1 yr MCLR + 3.00%			Hypothecation of	
Cash Credit Limit (Book Debts) within CC Hypo	(Rs. 600.00 Lakhs ) Sub-Limit of Cash Credit Limit-Hypo	i.e. 12.35%		Working Capital Purpose	<ul style="list-style-type: none"> <li>➤ Stock of raw materials in the shape of dyes, chemicals, coals, consumables-stores &amp; spares, packing material, gas, HSD etc.</li> <li>➤ Yarn, fabrics and unprocessed &amp; processed stocks of fabrics purchased and for direct sale.</li> <li>➤ Book debts and other current assets</li> </ul> <p>Bank on receipt of stock statement will revise DP every month.</p> <p>No Drawing Power shall be allowed against--</p> <ul style="list-style-type: none"> <li>a) Old, decorated and unsalable stocks</li> <li>b) Stocks, which are unpaid for (including those received under DA-LCs) after netting with Book Debt as per Banks guidelines</li> <li>c) Book Debts of group concerns</li> <li>d) The stocks to be stored by the borrower in their own or rented premises &amp; their other sales depots as specifically permitted by the sanctioning authority.</li> <li>e) Against book debts more than 90 days old, book debts arising out of other than genuine trade transactions.</li> </ul>	Rs. 915.42 Lakhs



Nature of Facility	Limit	Rate of Interest	Period/ Repayment/ Due Date	Purpose	Primary Security	Amount outstanding as on September 30, 2016
Term Loan	Rs. 1100.00 Lakhs	5 yr MCLR + 3.00% i.e. 12.65%		Expansion of the Company having total project cost of Rs. 3273.90 Lacs	<p>➤ The term loan is secured by way of 1<sup>st</sup> pari passu charge on entire block assets of the Company. This includes</p> <ol style="list-style-type: none"> <li>1<sup>st</sup> Pari passu charge as EM of land and building (converted out of land Arajai No 5, 6 &amp; 7) situated at Village Jojro ka Khera, Tehsil Gangrar, Distt. Chittorgarh (Raj.). The distress value of land is Rs. 6.30 crores and Realizable value of Rs. 7.00 crores as per valuation report dated April 13, 2015 of Sh. Brij Kishore Kabra bank's approved valuer.</li> <li>Hypothecation of machineries to be purchased through bank finance</li> </ol>	

**Collateral Security:**

**i. EM of the following IPs (Under pari pasu charge)**

Security Deposit	Area in Sq, M or Sq Ft.	Ownership
Industrial Land (converted out of land Arajai No. 9, 10, 11&12) situated at village- Jojro ka Khera, Tehsil-Gangrar, Distt. Chittorgarh	14700 sqmt	Sh. Kailashchandra Laddha
Residential Plot No. A-133 situated at Kamla Vihar extension, Village Atun, Tehsil & Distt. Bhilwara	2800 sq.ft.	Smt. Pallavi Laddha
EM of factory land and building situated at Gat No. 755 (Part), 756 (Part), Shahpu- Tardal Road, at Tardel, Tehsil Hatkanangale at Ichalkaranji	3717.46 sqm	Sh. Suresh Chandra Hiralal Laddha & Sh. Mahesh Chandra & Kailashchandra Laddha
Lien on FDR with Karur Vyasa Bank at Bhilwara		

The capital subsidy under TUFF Rs. 2.85 crore will remain with PNB in the shape of FDR. Claim regarding Capital Subsidy has been already filed and expected shortly



The Company had also offered following IPs as additional collateral security at the time of previous sanction:

Sr. No.	Particulars	Ownership
1.	Shop No. 32, Heera Panna Market, Pur Road, Bhilwara	Sh. Kailashchandra Laddha & Sh. Suresh Chand Laddha
2.	House No. 5-A-33, R.C. Vyas Colony, Bhilwara	Smt. Kanta Devi Laddha W/o Sh. Kailash Chand Laddha & Smt. Kamla Devi Laddha W/o Sh. Suresh Chand Laddha

**ii. Second pari passu charge**

Rs. in Lacs

Nature of limits	Security	Value of block assets as on March 31, 2016 (as per B/sheet)	Value of block assets excluding specific charge if any	Extent of first/ second charge holders	Balance/ residual value of charge available to bank/ consortium
Term Loan	2 <sup>nd</sup> charge on current assets	3970.54	3970.54	1350.00	2620.54
Working Capital	2 <sup>nd</sup> charge on current assets	5158.42	5158.42	3378.49	1779.93

**iii. Personal/ Corporate Guarantee**

- Kailashchandra Laddha
- Mahesh Chand Laddha
- Yogesh Laddha
- Kamlesh Laddha
- Pallavi Laddha

**Key restrictive covenants as per Term Agreement:**

- a) Effect any adverse change in company's/ firm's capital structure
- b) Formulate any scheme of amalgamation or merger or reconstruction
- c) Implement any scheme of expansion on diversification or capital expenditure except normal replacements indicated in funds flow statement submitted to and approved by the bank.
- d) Enter into any borrowing or non borrowing arrangements either secured or unsecured with any other bank, Financial Institution, company, firm or otherwise or accept deposits in excess of the limits laid down by Reserve Bank of India.
- e) Invest by way of share capital or lent or advance funds to or place deposits with any other company/ firm, concern including group companies/associates/persons. Normal trade credit or security deposit in the normal course of business or advance to employees can, however, be extended.
- f) Undertake guarantee obligations on behalf of any other company/firm/person.
- g) Declare dividend for any year except put of profits relating to that year after meeting all financial commitments to the bank and making all due and necessary provisions
- h) Make any drastic change(s) in the management set up.



- i) Approach capital market for mobilizing additional resources either in the form of debts or equity.
- j) Sell or dispose off or create security or encumbrances on the assets charged to the bank in favour of any other bank, Financial institutions, company, firm, individual.
- k) Repay moneys brought in by the promoters, partners, directors, share holders, their relatives and friends in the business of the company/firm by way of deposits/loans/share application money etc.
- l) Avail credit facilities/loan from outside the bank/consortium arrangement without their knowledge and permission.

**4. Loan from Karur Vysya Bank as per Sanction Letter dated November 11, 2013**

**Rs. In Lakhs**

Nature of Facility	Auto Loan
Amount	Rs. 8.48 Lakhs
Rate of Interest	Base Rate plus 1.00% Net ROI will be 12% floating
Tenor	60 Months
Security	Secured by hypothecation of Vehicle under Hire Purchase
Amount Outstanding as on September 30, 2016	Rs. 2.38 Lakhs

**5. Loan from HDFC Bank as per Agreement for Auto Loan dated October 26, 2016.**

**Rs. In Lakhs**

Nature of Facility	Auto Loan
Amount	Rs. 17.00 Lakhs
Rate of Interest	9.51%
Tenor	36 Months
Security	Secured by hypothecation of Vehicle under Hire Purchase
Amount Outstanding as on September 30, 2016	N.A. as the loan was availed after September 30, 2016

**BORROWING FROM NBFC/ FINANCIAL INSTITUTIONS**

**6. Loan from Volkswagen Finance Private Limited as per Loan Agreement dated August 19, 2016.**

*(Amount Rs. In Lakhs)*

Nature of Facility	Auto Loan
Amount	Rs. 6.00 Lakhs
Rate of Interest	9.47%
Tenor	36 Months

Nature of Facility	Auto Loan
Security	Secured by hypothecation of Vehicle under Hire Purchase
Amount Outstanding as on September 30, 2016	Rs. 4.00 Lakhs

#### UNSECURED BORROWINGS FROM OTHERS

Sr.No.	Name of Lender	Loan Amount
1.	Ashish International prop. Maheshchandra k laddha	21,05,541
2.	Prachi Creations (Prop. Kailshchandra Laddha)	49,46,718
3.	Seema Synthetics (Prop. Kamlesh K. Laddha)	20,80,115
4.	Yogesh K. Laddha	1,97,995
5.	Citifab Suting	65,30,000
6.	Ambika Synthetics (Prop. Asha Laddha)	12,346
7.	Kailshchand Laddha - HUF	34,26,899
8.	Kamlesh k. Laddha HUF	50,02,953
9.	Kamlesh Shynthetics	45,08,000
10.	Maheshchand Laddha - HUF	41,14,916
11.	Shree Syntehtics	50,04,040
12.	Charbhuja impex	10,87,500
13.	Jack and jill	36,80,000
14.	Palak Garments (Prop. Pramila Laddha)	21,00,000
15.	Colorbox Exim Pvt Ltd	40,00,000
16.	Madhav Spuntex	25,00,000
17.	Oswal Dyechem (P) Ltd	20,00,000
18.	Poddar Yarn Agency	25,00,000
19.	Shyam Industries	21,00,000
20.	Vardhman Textile	20,00,000



## **SECTION VI – LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

Except, as stated in this Section and mentioned elsewhere in this Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Companies.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on January 27, 2017 determined that outstanding dues to creditors in excess of Rs. 10.00 lakhs as per last audited financial statements shall be considered as material dues (“Material Dues”).

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies, would be considered ‘material’ for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matter exceeds 5.00 lakhs as determined by our Board, in its meeting held on January 27, 2017.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered ‘material’ only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company.

Unless otherwise stated to contrary, the information provided is as of date of this Red Herring Prospectus.

### **LITIGATIONS INVOLVING OUR COMPANY** **LITIGATIONS AGAINST OUR COMPANY**

#### **Criminal Litigations**

Nil

#### **Civil Proceedings**

Nil

#### **Taxation Matters**

#### **INCOME TAX PROCEEDING FOR AY 2014-15**

The Assistant Commissioner of Income Tax, Bhilwara (hereinafter referred to as the “Assessing Authority”) had issued Assessment Order dated December 30, 2016 under Section 143(3) of Income Tax Act, 1961 to

Manomay Tex India Private Limited (hereinafter referred to as the “Assesse Company”) for AY 2014-15 along with Notice of Demand dated December 30, 2016 under Section 156 of the Income Tax Act, 1961 demanding a sum of Rs. Nil and Penalty Notice dated December 30, 2016 under Section 274 read with Section 271 of the Income Tax Act, 1961. Assesse Company has filed an appeal to Commissioner of Income Tax (Appeals) against the Assessment Order challenging unjustified addition of Share Capital & Share Premium, disallowance of Provident Fund and imposition of penalty under Section 271(1) C. The matter is currently pending for hearing.

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Proceedings against Our Company for economic offences/securities laws/ or any other law**

Nil

**Penalties in Last Five Years**

Nil

**Pending Notices against our Company**

Nil

**Past Notices to our Company**

**SERVICE TAX PROCEEDINGS FOR AY 2013-14**

The office of Superintendent, Central Excise & Service Tax Range, Chittorgarh-II (hereinafter referred to as the “Assessing Authority”), had issued a letter dated June 09, 2016 to Manomay Tex India Limited (hereinafter referred to as the “Assesse Company”) requesting them to submit necessary documents such as Self attested copies of Service tax returns, Copy of Income tax Form 26AS and Form 16-A, Income Tax Return, Balance Sheet, Copies of Contract/Work Order, Statement of Bank Account, Bill copies retrieving CENVAT Credit for the year 2012-13 and 2013-14. Assessee Company has replied to the said letter vide its dated December 28, 2016 and provided necessary documents.

**Disciplinary Actions taken by SEBI or stock exchanges against Our Company**

Nil

**Defaults including non-payment or statutory dues to banks or financial institutions**

Nil

**Details of material frauds against the Company in last five years and action taken by the Companies.**

Nil

**LITIGATIONS FILED BY OUR COMPANY**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law**

Nil



**LITIGATIONS INVOLVING DIRECTOR/S OF OUR COMPANY**  
**LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

**Shriniwas Shivraj Bhattad**

**INCOME TAX PROCEEDINGS FOR AY 2013-14**

Response to Outstanding Tax Demand Section of Shriniwas Shivraj Bhattad on the Income Tax Department's website displays outstanding demand of Rs. 174/- under Section 220(2) of the Income Tax Act, 1961 raised on March 31, 2016 against him for AY 2013-14. The said amount is currently outstanding.

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Past Penalties imposed on our Directors**

Nil

**Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law**

Nil

**Directors on list of wilful defaulters of RBI**

Nil

**LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**LITIGATIONS INVOLVING PROMOTER/S OF OUR COMPANY**  
**LITIGATIONS AGAINST OUR PROMOTER/S**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Past Penalties imposed on our Promoters**

Nil

**Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law**

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years**

Nil

**Penalties in Last Five Years**

Nil

**Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in Past.**

Nil

**Adverse finding against Promoter for violation of Securities laws or any other laws**

Nil

**LITIGATIONS FILED BY OUR PROMOTER/S****Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**LITIGATIONS INVOLVING OUR GROUP COMPANIES**  
**LITIGATIONS AGAINST OUR GROUP COMPANIES****Criminal Litigations**

Nil

**Civil Proceedings**

Nil





## **Taxation Matters**

### **Everstrong Marketing Private Limited**

#### **INCOME TAX PROCEEDINGS FOR AY 2014-15**

Refund/Demand Status Section of Everstrong Marketing Private Limited on the Income Tax Department's website displays status as "Contact Jurisdictional Assessing Officer" for AY 2014-15. The said matter is currently pending.

### **Shrinath Tiles Private Limited**

#### **INCOME TAX PROCEEDINGS FOR AY 2009-10**

Refund/Demand Status Section of Shrinath Tiles Private Limited on the Income Tax Department's website displays status as "Demand Determined" for AY 2009-10. The said matter is currently pending.

#### **INCOME TAX PROCEEDINGS FOR AY 2010-11**

Refund/Demand Status Section of Shrinath Tiles Private Limited on the Income Tax Department's website displays status as "Demand Determined" for AY 2010-11. The said matter is currently pending.

### **Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

### **Past Penalties imposed on our Group Companies**

Nil

### **Proceedings initiated against our Group Companies for Economic Offences/securities laws/ or any other law**

Nil

### **Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Group Companies**

Nil

### **Adverse finding against Group Companies for violation of Securities laws or any other laws**

Nil

## **LITIGATIONS FILED BY OUR GROUP COMPANIES**

### **Criminal Litigations**

Nil

### **Civil Proceedings**

Nil

## **Taxation Matters**

Nil

### **Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

## **LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANIES**

As on date of this Red Herring Prospectus, our Company does not have any Subsidiary Company.

## **OTHER MATTERS**

Nil

## **DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES**

Nil

## **OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

Nil

## **MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as mentioned under the chapter “Management Discussion and Analysis of Financial Condition and Result of Operation” on page 270 of this Red Herring Prospectus, there have been no material developments, since the date of the last audited balance sheet.

## **OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

As of September 30, 2016, our Company had 406 creditors, to whom a total amount of Rs. 2160.01 lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated January 27, 2017, considered creditors to whom the amount due exceeds Rs. 10 lakhs as per our Company’s restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

<b>Creditors</b>	<b>Amount (Rs. in Lakhs)</b>
Nitin Spinners Limited	415.72
Poddar Yarn Agencies	175.95
Poddar Yarns Pvt Ltd	170.30
Parttam Enterprises	151.42
Sterling Tex Trade	148.25
Trident group	112.76
Aries Synthetics	101.24
Radheshyam Spinning Mill Pvt Ltd	54.16
Vardhman Textile	50.76
Vistra synthetics	49.07
Ronak brothers	43.74
The Navbharat Textiles	42.65
Rswm Limited	42.41
Govindam Tax Fab Pvt Ltd	41.83
Ajmer vidyut vitran nigam limited	38.95
Colors sulzer private limited bhilwara	38.05
Mahesh textile processors	32.55
Sadhana suiting p ltd bhilwara	31.25
Swaraj suting pvt ltd .	30.79

Creditors	Amount (Rs. in Lakhs)
Jay gangatara mags.co.op.indu.ltd.	26.53
Unirose textile processors p ltd	23.17
Shri tradco india pvt.ltd. Ichalkaranji	23.11
Trueway chemicals pvt ltd bhilwara	23.07
Kamlesh syenthetics ichalkaranji	22.60
Charbhuj impex .	22.34
Praveen industry bhilwara	21.07
Shyam industreis bhilwara	21.07
Piyush and company	20.61
Samarpan synthetics pvt ltd bhilwara	20.38
Sudiva spinners pvt ltd bhilwara	19.39
Lagnam spintex pvt ltd bhilwara	18.75
Citifab suting (purchase).	18.59
K k textiles silvasa	18.35
Rswm limited (spinning division)	18.05
Bhageria trading company	16.44
Universal textile corporation	16.29
Shri sawariya tex	15.74
Shrinath tex chem	15.69
Jack n jill .	15.10
Ginni international ltd alwar	14.95
Veejay terry products limited	14.65
Ajmera textiles bhilwara	14.35
Usha polymer .	14.08
Shri mangalam yarns	13.51
Mridav laddha trust	22.19
Rama krishna spintex pvt ltd .	13.18
Shree syntetics ichalkaranji	12.58
Shri sanwariya vastrya udyog	11.44
A p industries silvasa	11.10
Btm corp ltd bhilwara	10.60
Techno chem industries ahmedabad	10.18

Further, none of our creditors have been identified as micro enterprises and small scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see website of our Company [www.manomaytex.com](http://www.manomaytex.com)

Information provided on the website of our Company is not a part of this 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.manomaytex.com](http://www.manomaytex.com), would be doing so at their own risk.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this 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. In order to operate our business of manufacturing and selling of suiting's and denim fabric, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer chapter "Key Industry Regulations and Policies" on page 174 of this Red Herring Prospectus.

The Company has its business located at:

**Registered Office:** 32, Heera Panna Market, Pur Road Bhilwara - 311001, Rajasthan, India.

### **Manufacturing/ Weaving Unit:**

**Chittorgarh Unit** - Aaraji No. 5, 6 & 7, Near Toll Plaza, Gram - Jojro ka Khera, Tehsil - Gangrar-Chittorgarh - 312901, Rajasthan, India

**Ichalkaranji Unit** – Gate no. 755 & 756, H No 3068 & 3069, Village - Tardal, Ichalkaranji, District - Kolhapur, Maharashtra, India.

**Marketing Office:** Plot No 11/ 296, Near Arvind Process Industrial Estate, Ichalkaranji, Taluka - Hatkalangle, District – Kolhapur - 416115, Maharashtra, India

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

### **APPROVALS FOR THE ISSUE**

#### **Corporate Approvals:**

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on January 18, 2017, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1) (c) of the Companies Act 2013, by a special resolution passed in the Extra-Ordinary General Meeting/Annual General Meeting held on January 24, 2017 authorized the Issue.

#### **In- principle approval from the Stock Exchange**

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated March 01, 2017 bearing reference no. DCS/IPO/CS/IP/844/2016-17.

#### **Agreements with NSDL and CDSL**

1. The Company has entered into an agreement dated February 17, 2017 with the Central Depository Services (India) Limited ("CDSL") and the Registrar and Transfer Agent, who in this case is, Bigshare Services Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated March 01, 2017 with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number ("ISIN") is INE784W01015.

### **INCORPORATION AND OTHER DETAILS**

1. The Certificate of Incorporation dated April 13, 2009 issued by the Registrar of Companies, Rajasthan, in the name of “MANOMAY TEX INDIA PRIVATE LIMITED”.
2. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company issued on January 06, 2017 by the Registrar of Companies, Jaipur in the name of “MANOMAY TEX INDIA LIMITED”.
3. The Corporate Identification Number (CIN) of the Company is U18101RJ2009PLC028647.

### **APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES**

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

Sr. No.	Description	Authority	Registration No./ Reference License No.	Date of Issue	Date of Expiry
1	Certificate of Importer- Exporter Code (IEC)	Office of Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	IEC Number: 1310004447	June 14, 2010 Vide certificate dated: June 28, 2012	Perpetual
2	Industrial Entrepreneur Memorandum for setting up a manufacturing unit for Denim Fabric Weaving, Dyeing & Finishing of cotton and Synthetic Fabric for Chittorgarh Unit	Secretariat of Industrial Assistance (Public Relation & Complaints Section), Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India	Industrial Entrepreneur Memorandum Number: 431/SIA/IMO/2012	February 22, 2012	Not Applicable
3	Acknowledgment for receipt of memorandum intimating commencement of Commercial Production of the products at	Public Relation and Complaints Section, Department of Industrial Policy & Promotion, Ministry of Commerce &	Reference Number: 431/IMO/SIA/2012 No. 356/IIM/PROD/ 2013	September 23, 2013	Not Applicable

Sr. No.	Description	Authority	Registration No./ Reference License No.	Date of Issue	Date of Expiry
	Chittorgarh Unit	Industry, Government of India			
4	Acknowledgment for receipt of memorandum intimating commencement of Commercial Production of the products for Chittorgarh Unit	Public Relation and Complaints Section, Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India	Reference No. 431/IMO/SIA/2012 No. 356/IIM/PROD/2013	September 23, 2013 As amended on February 04, 2016	Not Applicable
5	Amendment no. 1 in IEM Acknowledgment no. 431/SIA/IMO/2012 dated February 22, 2012 for Chittorgarh Unit	Public Relation and Complaints Section, Secretarial of Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Industry, Government of India	Reference No. 431/SIA/IMO/2012	February 11, 2015	Not Applicable
6	Part –II, Entrepreneur Memorandum Acknowledgment for setting up a manufacturing at Ichalkaranji	Udyog Bhawan, District Industries Centre, Kolhapur, Directorate of Industries Government of Maharashtra	Entrepreneur Memorandum Number Part –II 27-34-12-05558	July 19, 2011	Perpetual
7	Registration & Licence to work a factory for Chittorgarh Unit (under Factories Act, 1948 and Rules made thereunder)	Chief Inspector of Factories and Boilers, Jaipur, Rajasthan, Government of Rajasthan	Registration & Licence Number- RJ/31418 Application Number: R-31418/CIFB/2014	Date of Renewal March 16, 2016	March 31, 2018

Sr. No.	Description	Authority	Registration No./ Reference License No.	Date of Issue	Date of Expiry
8	Renewal of NOC for Ground Water Withdrawal	Central Ground Water Authority, Ministry of Water Resources River Development & Ganga Rejuvenation, Government of India	Reference No. 21-4(568)/WR/CGWA/2013-237 NOC Number: CGWA/IND/Proj/2015-120-R	February 17, 2016	Valid upto 3 years from date of issue (February 17, 2019)
9	Eligibility Certificate for New Unit under the Package Scheme of Incentives – 2007	General Manager, District Industries Centre, Kolhapur, Directorate of Industries, Government of Maharashtra	Reference No. DIC/KOP/PSI2007/EC75/2011/3299 Eligibility Certificate No. 75	September 30, 2011 Effective Date: January 01, 2011	Not Applicable
10	Authorisation forwarding letter under Zero Duty EPCG Scheme under Foreign Trade (Development and Regulations) Act, 1992	Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade, Ministry of commerce and Industry, Government of India	Zero Duty EPCG Scheme Authorisation Number: 1330004796	February 18, 2016	Perpetual
11	Import / Export License for availing benefits under Zero Duty EPCG Scheme under Foreign Trade (Development and Regulations) Act, 1992	Foreign Trade Development Officer, Directorate General of Foreign Trade, Government of India	License No. 1330004796/3/12/00016/2015	February 18, 2016	Export obligation for the period of 6 years
12	Authorisation forwarding letter under Zero Duty EPCG Scheme under Foreign Trade (Development and Regulations) Act, 1992	Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade, Ministry of commerce and Industry,	Zero Duty EPCG Scheme Authorisation Number: 1330004590	August 31, 2015	Not Applicable



Sr. No.	Description	Authority	Registration No./ License No.	Date of Issue	Date of Expiry
	1992	Government of India			
13	Import/ Export License for availing benefits under Zero Duty EPCG Scheme (under Foreign Trade (Development and Regulations) Act, 1992)	Foreign Trade Development Officer, Directorate General of Foreign Trade Government of India	License No. 1330004590/3/12/00016/2015	August 31, 2015	Export obligation for the period of 6 years
14	Authorisation forwarding letter under Zero Duty EPCG Scheme under Foreign Trade (Development and Regulations) Act, 1992	Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade, Ministry of commerce and Industry, Government of India	Zero Duty EPCG Scheme Authorisation Number: 1330004438	April 13, 2015	Not Applicable
15	Import / Export License for availing benefits under Zero Duty EPCG Scheme under Foreign Trade (Development and Regulations) Act, 1992	Foreign Trade Development Officer, Directorate General of Foreign Trade, Government of India	License No. 1330004438/3/12/00022/2013	April 13, 2015	Export obligation for the period of 6 years
16	Authorisation forwarding letter under EPCG Concession Duty 03% (under Foreign Trade (Development and Regulations) Act, 1992)	Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade, Ministry of commerce and Industry, Government of India	EPCG Concession Duty 03% Scheme Authorisation Number: 1330003637	December 14, 2012	Not Applicable
17	Import/ Export License for availing benefits under	Foreign Trade Development Officer, Directorate	License No. 1330003637/3/11/0	December 14, 2012	Export obligation for the

Sr. No.	Description	Authority	Registration No./ License No.	Date of Issue	Date of Expiry
	EPCG Concession Duty 03% (under Foreign Trade (Development and Regulations) Act, 1992)	General of Foreign Trade, Government of India	0103/2009		period of 8 years
18	Amendment of Authorisation for availing benefits under EPCG Concessional Duty 03%) (under Foreign Trade (Development and Regulations) Act, 1992)	Foreign Trade Development Officer, Office of Joint Director General of Commerce and Industry, Ministry of Commerce and Industry, Government of India	EPCG Concessional Duty 03% Amended Authorisation No. 1330003637 dated December 14, 2012	July 25, 2016	Not Applicable
19	Authorisation forwarding letter under EPCG Concessional Duty 03% (under Foreign Trade (Development and Regulations) Act, 1992)	Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade, Ministry of commerce and Industry, Government of India	EPCG Concessional Duty 03% Authorisation Number: 1330002708	September 01, 2010	Not Applicable
20	Import/ Export License for availing benefits under EPCG Concessional Duty 03% (under Foreign Trade (Development and Regulations) Act, 1992)	Foreign Trade Development Officer, Directorate General of Foreign Trade, Government of India	License No.: 1330002708/3/11/0 0103/2009	September 01, 2010	Export obligation for the period of 8 years

### **TAX RELATED APPROVALS/LICENSES/REGISTRATIONS**

<b>Sr. No.</b>	<b>Authorisation granted</b>	<b>Issuing Authority</b>	<b>Registration No./Reference No./License No.</b>	<b>Date of Issue</b>	<b>Validity</b>
1	Permanent Account Number (PAN)	Income Tax Department, Government of India	AAFCM9997C	April 13, 2009	Perpetual
2	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	JDHM09004C	August 15, 2009	Perpetual
3	Certificate of Registration for Ichalkaranji Unit (under Section 16 of Maharashtra Value Added Tax Act, 2002 and rules made thereunder)	Sales Tax Officer, Kolhapur, Government of Maharashtra	Certificate Number: MH01 V 715230 TIN: 27950744046V	Date of issue: February 26, 2010 Date of Effectiveness: January 19, 2010	Perpetual
4	Certificate of Registration (under Rule 14(1)(a) and Rule 15(2) of Rajasthan Value Added Tax Rules, 2006) for Registered Office and both Manufacturing Units	Commercial Taxes Officer, Bhilwara, Rajasthan, Government of Rajasthan	08151056315	Date of Issue: April 23, 2012 Date of effectiveness: April 01, 2012	Valid until cancelled.
5	Certificate of Registration of Service Tax for Chittorgarh Unit (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994)	Central Excise Officer, Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	Service Tax Code: AAFCM9997CSD 001	Issue of Original ST-2: March 18, 2013	N.A.
6	Certificate of Registration	Sales Tax Officer, Kolhapur,	Certificate Number: MH01 C	Date of issue:	Valid until

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
	Central Sales Tax for Ichalkaranji Unit  (Under Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957)	Government of Maharashtra	490447  TIN: 27950744046C.	February 26, 2010  Date of Effectiveness: January 19, 2010	cancelled.
7	Certificate of Registration Central Sales Tax  (Under Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957) for Registered Office and both Manufacturing Units	Commercial Taxes Officer, Bhilwara, Rajasthan, Government of Rajasthan	08151056315 (Central)	Date of Issue: April 23, 2012  Date of effectiveness: April 20, 2012	Until cancelled
8	Central Excise Registration Certificate for Chittorgarh Unit  (under Rule 9 of the Central Excise Rules, 2002)	Deputy Commissioner of Central Excise or Assistant Commissioner of Central Excise Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AAFCM9997CEM001	Date of issue of Original Registration Certificate: February 27, 2013	Valid till the Registrant carries on the activity for which it has been issued or surrenders it or till it is revoked or suspended.
9	Certificate of Registration under Section 11 of Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Commercial Taxes Officer, Bhilwara, Government of Rajasthan	Registration Number: 0602/N00728	April 21, 2015	In force until cancelled

*The Certificate of Registration of VAT and CST for Ichalkaranji Unit reflect principal place of business as 10/140, Radhakrishna Colony, Behind Radhakrishna Cinema, Ichalkaranji, Hatkalangle, Kolhapur, Maharashtra, India. Our company has recently shifted its operations at*

Ichalkaranji from this place to Plot No 11/ 296, Near Arvind Process Industrial Estate, Ichalkaranji, Taluka – Hatkalangle, District – Kolhapur - 416115, Maharashtra, India. Company has registered the said new premises with the VAT and CST Authorities and yet to receive renewed Certificate of Registration.

#### **LABOUR RELATED APPROVALS/REGISTRATIONS**

Sr. No.	Description	Authority	Registration No./ Reference No./License No.	Date of Issue
1.	Employees Provident Fund Registration for Chittorgarh Unit  (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the schemes framed thereunder)	Assistant Provident Fund Commissioner – Compliance Employees Provident Fund Organisation, Udaipur, Rajasthan	Establishment Code: RJUDR/0022465/000  Reference No. RJ/UDR/0022465/000 /0-1/112/1034	May 07, 2013
2	Registration for Employees State Insurance for Chittorgarh Unit  (under section 1(3) / 1(5) of Employees State Insurance Act, 1948)	Sub Regional Office, Employees State Insurance Corporation, Udaipur, Rajasthan	Establishment Code: 16000536590000108	October 25, 2016

#### **ENVIRONMENT RELATED LICENSES /APPROVALS/ REGISTRATIONS**

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1	Consent to Establish the Unit for a product at a particular production capacity issued by State Pollution Control Board Under section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 & Under section 21(4) of the Air (Prevention & Control of Pollution) Act, 1981 for Chittorgarh Unit	Rajasthan State Pollution control Board, Jaipur	Unit Id: 33304 Order No. 2015-16/TCD/3999	Date of Issue : October 09, 2015  Date of Effectiveness: March 24, 2015	February 28, 2018
2	Consent to Operate issued by State Pollution Control	Rajasthan State Pollution Control	Unit Id: 33304 Order No. 2016-	Date of Issue: July 19, 2016	February 28, 2019

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
	Board Under section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 & Under section 21(4) of the Air (Prevention & Control of Pollution) Act, 1981 for Chittorgarh Unit	Board, Jaipur	2017/TCD/4959	Date of effectiveness: March 03, 2016	
3	Consent to Operate issued by State Pollution Control Board Under section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 & Under section 21(4) of the Air (Prevention & Control of Pollution) Act, 1981 for Chittorgarh Unit	Rajasthan State Pollution Control Board, Jaipur	Unit Id: 33304 Order No. 2016-2017/TCD/4922	Date of Issue: June 15, 2016 Date of Effectiveness: April 01, 2016	March 31, 2019

#### **OTHER BUSINESS RELATED APPROVALS**

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1	Administrative approval of 33KV works for Load Extension (Electricity Approval) for Chittorgarh Unit	Superintending Engineer (Plan), Ajmer Vidyut Vitran Nigam Limited, Ajmer, Rajasthan	No. AVVNL/SE (Plan)/STDP/lines/15-16/D 2793	June 30, 2005	Not Applicable
2	Entitlement Certificate for Interest Subsidy for Chittorgarh Unit under Rajasthan Investment Promotion Scheme, 2010	Office of the Commissioner of Industries, Jaipur, Rajasthan, Government of Rajasthan	VAT registration No. (TIN) 08151056315 Reference Number: F33(126-127) CI/RIPS-14/Textile/ Manomay Tex/ Int.	May 18, 2016	Certificate may be revoked by issuing authority unilaterally in case the applicant violates any


Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
			Subsidy/2016		of the conditions of the customized package without any notice.
3	Entitlement Certificate for Reimbursement of VAT for Manufacturing Enterprise for Chittorgarh Unit under Rajasthan Investment Promotion Scheme, 2010	Office of the Commissioner of Industries, Jaipur, Rajasthan, Government of Rajasthan	VAT registration No. (TIN) 08151056315 Reference Number: F33(126-127) CI/RIPS-14/Textile/ Manomay Tex India/ VAT/2016	May 18, 2016	Five years from the date of issuance of Certificate
4	Entitlement Certificate for Subsidy for Chittorgarh Unit under Rajasthan Investment Promotion Scheme, 2010	Office of the Commissioner of Industries, Jaipur, Rajasthan, Government of Rajasthan	Book No. 02 S. No. 81 Reference Number: F33(508-509) CI/IIB/RIPS-2010-2013	March 04, 2014	Valid upto 7 years from date of issuance.
5	Entitlement Certificate for Subsidy for Chittorgarh Unit under Rajasthan Investment Promotion Scheme, 2010  For exemption from Luxury Tax/ Electricity Duty/ Entertainment Tax/Mandi Fee	Office of the Commissioner of Industries, Jaipur, Rajasthan, Government of Rajasthan	Book No. 03 S. No. 81 Reference Number: F33(508-509) CI/IIB/RIPS-2010-2013	March 04, 2014	Valid upto 7 years from date of issuance.
6	Approval of State level Screening Committee	Office of the Commissioner of Industries & Secretary, Corporate Social Responsibility	File Reference Number: F33(126-127) CI/RIPS-2014/Int. Subsidy/ Manomay Tax/	January 09, 2017	March 31, 2017



Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
		(CSR) Jaipur, Rajasthan, Government of Rajasthan	2016		
7	Membership of Mewar Chamber of Commerce & Industry	Mewar Chamber of Commerce & Industry - Divisional Chamber of Commerce, Bhilwara, Rajasthan	Reference Number: MCCI/81/2016-2017/053 Folio No. 980 Category- Associates	June 14, 2016	N.A.
8	Registration cum Membership Certificate	The Synthetic and Rayon Textiles Export Promotion Council (SRTEPC), Mumbai	Registration Number: SR/MFG/8900/2012-13	July 21, 2012	March 31, 2017 (Subject to payment of annual subscription fees every year)

#### **INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS**

##### **TRADEMARKS**

Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Validity/ Renewal	Registration status
1.		Device	24	Manomay Tex India Private Limited	2472691	February 05, 2013	-	Abandoned

**Company has confirmed that no other applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.**

**PENDING APPROVALS:**

The Certificate of Registration of VAT and CST for Ichalkaranji Unit reflect principal place of business as 10/140, Radhakrishna Colony, Behind Radhakrishna Cinema, Ichalkaranji, Hatkalangle, Kolhapur, Maharashtra, India. Our company has recently shifted its operations at Ichalkaranji from this place to Plot No 11/ 296, Near Arvind Process Industrial Estate, Ichalkaranji, Taluka – Hatkalangle, District – Kolhapur - 416115, Maharashtra, India. Company has registered the said new premises with the VAT and CST Authorities and yet to receive renewed Certificate of Registration.

**MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY**

- The abovementioned approvals are in the name of “Manomay Tex India Private Limited” and they are yet to be applied for Change of Name to “Manomay Tex India Limited.”
- Registration Certificate under Contract Labour (Regulation and Abolition) Act, 1970
- Registration under Rajasthan Shops and Establishment Act, 1958 for the Registered Office
- Professional Tax Enrollment Certificate (PTEC)
- Professional Tax Registration Certificate (PTRC)



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on January 18, 2017 and by the shareholders of our Company by a Special Resolution, pursuant to Section 62(1)(c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of our Company held on January 24, 2017 at the Registered Office of the Company.

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither our Company nor any of our Company, our Directors, our Promoter, relatives of Promoter, our Promoter Group and our Group Companies has been declared as wilful defaulter(s) by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoter, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other government authority. Neither our Promoter, nor any of our Directors or persons in control of our Company were or is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities.

None of our Directors are associated with the securities market in any manner, including securities market related business.

### ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital exceeds Rs. 1,000 lakhs. Our Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares.

#### We confirm that:

1. In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred percent underwritten and that the BRLM will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “*General Information*” beginning on page 73 of this Red Herring Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book Running Lead Manager submits the copy of Red Herring Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled “*General Information*” beginning on page 73 of this Red Herring Prospectus.

5. The Company has Net Tangible assets of at least Rs. 3 crore as per the latest audited financial results.
6. The Net worth (excluding revaluation reserves) of the Company is at least Rs. 3 crore as per the latest audited financial results.
7. The Company has track record of distributable profits in terms of section 123 of Companies Act for at least two years out of immediately preceding three financial years and each financial year has a period of at least 12 months.
8. The Distributable Profit of the Company as per the restated financial statements for the period ended September 30, 2016 and year ended March 31, 2016, 2015, 2014, 2013, and 2012 is as set forth below:

(Rs. In lakhs)

Particulars	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	September 30, 2016
Distributable Profits*	10.33	9.28	(76.20)	22.49	133.89	164.82
Net Tangible Assets**	289.30	2,241.16	2,712.74	2,916.08	5,957.42	5,978.29
Net Worth***	242.28	884.75	1,123.32	1,407.66	2,002.82	2,210.45

\* "Distributable profits" have been computed in terms section 123 of the Companies Act, 2013.

\*\* 'Net tangible assets' are defined as the sum of all net assets (i.e. non current assets, current assets less current liabilities) of our Company, excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India

\*\*\* "Net Worth" has been defined as the aggregate of the paid up share capital, share application money (excluding the portion included in other current liabilities) and reserves and surplus excluding miscellaneous expenditure, if any

9. The Post-issue paid up capital of the Company shall be at least Rs. 3 crore. The post issue capital of our Company is Rs. 12,68,33,500
10. The Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories.
11. The Company has not been referred to Board for Industrial and Financial Reconstruction.
12. No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
13. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
14. There has been no change in the promoter(s) of the Company in the one year preceding the date of filing application to BSE for listing on SME segment.
15. The Company has a website [www.manomaytexindia.com](http://www.manomaytexindia.com)

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), regulation 8, regulation 9, regulation 10, regulation 25, regulation 26, regulation 27 and sub-regulation (1) of regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (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 ISSUE.**

**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 RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO THE STOCK EXCHANGE AND SEBI, A DUE DILIGENCE CERTIFICATE AND WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER REGISTERING THE RED HERRING PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992**

**“WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, 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 RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

- C. THE DISCLOSURES MADE IN THE 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 ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
  - 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE**
  - 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**
  - 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE 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 SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**
  - 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED TO THE EXTENT APPLICABLE.**



9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE 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 MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.- NOT APPLICABLE, AS IN TERMS OF THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013, THE SHARES ISSUED IN THE PUBLIC ISSUE SHALL BE IN DEMAT FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 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 RED HERRING PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.- (CHECKLIST ENCLOSED)
16. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS’ AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE A”
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 REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE RED HERRING PROSPECTUS**

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

- (1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE EQUITY SHARES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE**
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE EQUITY SHARES OF THE ISSUER**
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS.**
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

**Note:**

The filing of this Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34 and 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead manager any irregularities or lapses in this Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Jaipur, Rajasthan, in terms of Section 26, 30 and 32 of the Companies Act, 2013.



## **DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER**

Our Company, our Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website [www.manomaytexindia.com](http://www.manomaytexindia.com) would be doing so at his or her own risk.

### **Caution**

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Book Running Lead Manager and our Company dated January 31, 2017, the Underwriting Agreement dated February 21, 2017 entered into among the Underwriter and our Company and the Market Making Agreement dated January 31, 2017 entered into among the Market Maker, Book Running Lead Manager and our Company.

Our Company and the BRLM shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres, etc.

The BRLM and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Pantomath Capital Advisors Private Limited is not an 'associate' of the Company and is eligible to Book Running Lead Manager this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

**Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the BRLM 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 Equity Shares.**

## **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Pantomath Capital Advisors Private Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer "Annexure A" to this Prospectus and the website of the BRLM at [www.pantomathgroup.com](http://www.pantomathgroup.com)

### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs,

Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with BSE for its observations and BSE gave its observations on the same. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Red Herring Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE**

BSE Limited ("BSE") has given vide its letter dated March 01, 2017 permission to this Company to use its name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE Ltd does not in any manner:-

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

#### **FILING**

The Draft Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 106(M) (3). However, a copy of the Red Herring Prospectus and Prospectus shall be filed with SEBI at SEBI regional office, Western Regional Office, Unit No: 002, Ground Floor SAKAR I, Near Gandhigram Railway Station Opp. Nehru Bridge Ashram Road, Ahmedabad – 380 009. 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 RoC 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 Corporate Bhawan, G/6-7, Second Floor, Residency Area, Civil Lines, Jaipur-302001

## LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in-principle approval from SME Platform of BSE. However application will be made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE has given its in-principle approval for using its name in our Red Herring Prospectus *vide* its letter dated March 01, 2017.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of the BSE mentioned above are taken within six Working Days from the Issue Closing Date.

## CONSENTS

Consents in writing of: (a) the Directors, the Promoter, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, and (b) Book Running Lead Manager, Underwriter, Market Maker, Registrar to the Issue, Public Issue Bank/Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue, Banker to the Company to act in their respective capacities have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. Our Peer Reviewed Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Prospectus for filing with the RoC.

## EXPERT TO THE ISSUE

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

- Report of the Peer Reviewed Auditor on Statement of Tax Benefits
- Report of the Peer Reviewed Auditor on Restated Financials Statement

## EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter “*Objects of the Issue*” beginning on page 124 of this Red Herring Prospectus.

## **DETAILS OF FEES PAYABLE**

### **Fees Payable to the Book Running Lead Manager**

The total fees payable to the BRLM will be as per the Mandate Letter issued by our Company to the BRLM, the copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated January 31, 2017, a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send unblocking or allotment advice by registered post/ speed post/ under certificate of posting.

### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Auditor and Advertiser, etc. will be as per the terms of their respective engagement letters if any.

## **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

The underwriting commission and selling commission for this Issue is as set out in the Underwriting Agreement entered into between our Company and the BRLM. Payment of underwriting commission, brokerage and selling commission would be in accordance with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

## **PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION**

We have not made any previous rights and/or public issues since incorporation, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

## **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 85 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the initial public offer of the Equity Shares by our Company, 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 our Equity Shares since our inception.

## **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS**

None of the equity shares of our Group Companies are listed on any recognized stock exchange. None of the above companies have raised any capital during the past 3 years.

## **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.





## **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of this Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

## **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three year from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the 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 SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants.

## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances within 15 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.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on January 16, 2017. For further details, please refer to the chapter titled “*Our Management*” beginning on page 192 of this Red Herring Prospectus.

Our Company has appointed Prateek Jain as Compliance Officer and he may be contacted at the following address:

### **Manomay Tex India Limited**

32, Heera Panna Market, Pur Road,

Bhilwara, Rajasthan-311001, India

**Tel:** +91 1482 - 246983

**Fax:** Not Available

**Email:** [cs@manomaytexindia.com](mailto:cs@manomaytexindia.com)

**Website:** [www.manomaytexindia.com](http://www.manomaytexindia.com)

**Corporate Identification Number:** U18101RJ2009PLC028647

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, *etc.*

#### **CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS**

There are no changes in Auditors during the last three financial years

#### **CAPITALISATION OF RESERVES OR PROFITS**

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 85 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits during the last five years.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.

#### **PURCHASE OF PROPERTY**

Other than as disclosed in this Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus.

Except as stated elsewhere in this Red Herring Prospectus, our Company has not purchased any property in which the Promoter and / or Directors have any direct or indirect interest in any payment made there under.

#### **SERVICING BEHAVIOR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.



## SECTION VII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note/ the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, as applicable, 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 FIPB, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the FIPB, the Stock Exchange, the RoC and any other authorities while granting their approval for the Issue. SEBI has notified the SEBI Listing Regulations on September 2, 2015, which among other things governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 1, 2015.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

### RANKING OF EQUITY SHARES

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 385 of this Red Herring Prospectus.

### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. Our Company shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled “*Dividend Policy*” on page 219 of this Red herring Prospectus.

## FACE VALUE AND ISSUE PRICE PER SHARE

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of Price Band is Rs. [●] per Equity Share and at the higher end of the Price Band is Rs. [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and the Regional newspaper [●], each with wide circulation, at least five Working Days prior to the Bid/Issue 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 prefilled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

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 requirements of the SEBI ICDR Regulations. Our Company shall comply with all 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, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- 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;
- Right to receive offer 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 subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013 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 relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 385 of this Red herring Prospectus.

## MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. 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 Issue:

- Agreement dated March 01, 2017 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated February 17, 2017 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialized form, the tradable lot is [●] Equity Shares and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity



Shares subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful applicants.

#### **MINIMUM NUMBER OF ALLOTTEES**

Further in accordance with the Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

#### **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in 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 U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### **JOINT HOLDER**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

#### **NOMINATION FACILITY TO BIDDERS**

In accordance with Section 72 of the Companies Act, 2013 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 bidder, death of all the Bidder, as the case may be, the Equity Shares Allotted, if any, shall vest. 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 the 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, the 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 ninety days, the 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 Issue 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.

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, 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. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue 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 RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

## BID/ ISSUE OPENING DATE

Bid / Issue Opening Date	Wednesday March 15, 2017
Bid / Issue Closing Date	Monday March 20, 2017
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or before, Thursday March 23, 2017
Initiation of Refunds	On or before Friday March 24, 2017
Credit of Equity Shares to demat accounts of Allottees	On or before Friday March 24, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	On or before Tuesday March 28, 2017

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLM. 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 Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the same shall be accepted between **10.00 a.m. and 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 Bids received up to the closure of timings and reported by the Book Running Lead



Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue 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 the Issue. Bids will be accepted only on Business Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Red Herring Prospectus is Indian Standard Time.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue 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 Price Band shall not exceed 20% on the 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 revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member.**

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data.

#### **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty)



Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh Only) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **MIGRATION TO MAIN BOARD**

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations. Our Company may migrate to the Main Board of BSE from the SME Stock Exchange on a later date subject to the following:

If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to BSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

#### **MARKET MAKING**

The shares issued and transferred through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange) with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing of shares offered through the Red Herring Prospectus on SME Platform of BSE. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 73 of this Red herring Prospectus.

#### **ARRANGEMENT FOR DISPOSAL OF ODD LOT**

The trading of the equity shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

#### **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS ISSUE**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person



Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

#### **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

#### **APPLICATION BY ELIGIBLE NRIs, FPI'S REGISTERED WITH SEBI, VCF'S, AIF'S REGISTERED WITH SEBI AND QFI's**

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFI's, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter "Capital Structure" beginning on page 85 of this Red herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 385 of this Red herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M) (2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, our post issue face value capital is more than ten crore rupees and upto twenty five crores. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 322 and 332 of this Red Herring Prospectus.

### Following is the issue structure:

Public Issue of 38,04,000 Equity Shares of face value of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. [●] (including a premium of Rs. [●]) aggregating to Rs. [●]. The Issue comprises a Net Issue to Public of up to 36,08,000 Equity Shares (the "Net Issue"). The Issue and Net Issue will constitute 29.99 % and 28.45 % of the post-Issue paid up Equity Share capital of our Company.

The issue comprises a reservation of upto 1,96,000 Equity Shares of Rs. 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

Particulars	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares</b>	38,04,000 Equity Shares	1,96,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.85 % of Issue Size	5.15 % of Issue Size
<b>Basis of Allotment / Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each.  For further details please refer to the section titled " <i>Issue Procedure</i> " beginning on page 332 of the Red Herring Prospectus.	Firm allotment
<b>Mode of Bid cum Application</b>	All Applicants/Bidders shall make the application (Online or Physical through ASBA Process only)	Through ASBA Process only
<b>Minimum Bid Size</b>	<b><u>For QIB and NII</u></b>  Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds Rs 2,00,000  <b><u>For Retail Individuals</u></b>  [●] Equity shares	[●] Equity Shares of Face Value of Rs.10.00 each
<b>Maximum Bid Size</b>	<b><u>For Other than Retail Individual Investors</u></b>  For all other investors the maximum application size is the Net Issue to public subject to limits as the investor has to adhere under the relevant laws and regulations as applicable.	[●] Equity Shares of Face Value of Rs. 10.00 each

Particulars	Net Issue to Public*	Market Maker Reservation Portion
	<b><u>For Retail Individuals:</u></b> [●] Equity Shares	
<b>Mode of Allotment</b>	Compulsorily in dematerialised mode.	Compulsorily in dematerialised mode.
<b>Trading Lot</b>	[●] Equity Shares	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations
<b>Terms of payment</b>	The entire Bid Amount will be payable at the time of submission of the Bid Form.	

\*allocation in the net offer to public category shall be made as follows:

- (a) minimum fifty per cent. to retail individual investors; and
- (b) remaining to:
  - (i) individual applicants other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- (c) the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

For the purpose of sub-regulation 43 (4), if the retail individual investor category is entitled to more than fifty per cent. on proportionate basis, the retail individual investors shall be allocated that higher percentage.

- (1) 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.

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue.

The Book Running Lead Manager through, the Registrar to the Issue, 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. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue 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 RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

## BID/ ISSUE OPENING DATE

Bid / Issue Opening Date	Wednesday March 15, 2017
Bid / Issue Closing Date	Monday March 20, 2017
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or before, Thursday March 23, 2017
Initiation of Refunds	On or before Friday March 24, 2017
Credit of Equity Shares to demat accounts of Allottees	On or before Friday March 24, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	On or before Tuesday March 28, 2017

Applications and any revision to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., all trading days of stock exchanges excluding Sundays and bank holidays.

## ISSUE 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 SEBI (the “General Information Document”), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 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 Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and is not liable for any amendment, modification or change in the applicable law which may occur after the date of this 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 Red Herring Prospectus*

*Please note that all the Bidders can participate in the Issue only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.*

*Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by BSE Ltd. to act as intermediaries for submitting Bid cum Application Forms are provided on <http://www.bseindia.com> For details on their designated branches for submitting Bid Cum ApplicationForms, please see the above mentioned BSE website.*

*Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Bid Cum Application Forms.*

## BOOK BUILDING PROCEDURE

The Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via book building process wherein atleast 50% of the Net Issue to Public is being issued to the Retail Individual Bidders and the balance shall be issued to QIBs and Non-Institutional Bidders. Further if the retail individual investor category is entitled to more than fifty per cent. on proportionate basis, the retail individual investors shall be allocated that higher percentage. However, if the aggregate demand from the Retail Individual Bidders is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion issued to the remaining investors including QIBs and NIIs and vice-versa subject to valid bids being received from them at or above the Issue Price.

Subject to the valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Bidders shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any 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 in consultation with the BRLM and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidder's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

### **BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Offer Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Bid Cum Application Form*</b>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis	Blue

*\*excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Red Herring Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. ASBA Bidders are required to ensure that the ASBA

Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

- i) an SCSB, with whom the bank account to be blocked, is maintained
- ii) a syndicate member (or sub-syndicate member)
- iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
- iv) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v) a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Applicants.

## WHO CAN BID?

In addition to the category of Bidders set forth under "*General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue*", the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.

## MAXIMUM AND MINIMUM APPLICATION SIZE

### a) For Retail Individual Bidders:

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000.



**b) For Other Bidders (Non-Institutional Bidders and QIBs):**

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid. The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**INFORMATION FOR THE BIDDERS**

- a. Our Company shall file the Red Herring Prospectus with the RoC at least three working days before the Bid / Issue Opening Date.
- b. Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c. The Price Band as decided by our Company in consultation with the Book Running Lead Manager is Rs. [●] per Equity Share. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share and the minimum bid lot is of [●] Equity Shares. Our Company shall also announce the Price Band at least five Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.
- d. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be pre-filled in the Bid Cum Application Forms available on the websites of the stock exchanges.
- e. The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.

**The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid Cum Application Form is liable to be rejected.**

**OPTION TO SUBSCRIBE IN THE ISSUE**

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single Bid cum application from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law.





## **AVAILABILITY OF RED HERRING PROSPECTUS AND BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Issue Opening Date.

## **APPLICATIONS BY ELIGIBLE NRI'S/RFP's ON REPATRIATION BASIS**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Issue Opening Date.

## **PARTICIPATION BY ASSOCIATED/AFFILIATES OF BOOK RUNNING LEAD MANAGER AND SYNDICATE MEMBERS**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category 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.

## **APPLICATIONS BY ELIGIBLE NRI'S**

NRIs may obtain copies of Bid Cum Application Form from the offices of the BRLMs and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB 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 (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour)

## **BIDS BY FPI INCLUDING FIIs**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid Cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-

account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid Cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

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 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

1. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue 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 an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. 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.

FPIs who wish to participate in the Issue are advised to use the Bid Cum Application Form for Non-Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with 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 an initial public issuing.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus 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 1/3rd of its corpus by way of subscription to an initial public issuing 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 VCF Regulation 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.



All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**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.**

#### **BIDS BY MUTUAL FUNDS**

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 index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid Cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **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 reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **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 reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, (the 'IRDA Investment Regulations'), are broadly set forth below:

1. *equity shares of a company*: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
2. *the entire group of the investee company*: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
3. *the industry sector in which the investee company operates*: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

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) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, 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. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid Cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid Cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid Cum Application Form.
- d) With respect to 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
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid Cum Application Form, subject to such terms and conditions that our Company and the BRLM may deem fit.

**The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager 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 the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.**

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid Cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager 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 the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to



ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

#### **BIDS BY BANKING COMPANY**

In case of Bids made by banking companies registered with 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 reserve the right to reject any Bid by a banking company without assigning any reason.

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 Master Circular dated July 1, 2015 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **BIDS BY SCSBs**

SCSBs participating in the Issue 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 Bid cum applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

#### **TERMS OF PAYMENT**

##### **Terms of Payment**

The entire Issue price of Rs. [●] per share is payable on Bid cum application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.



### **Payment mechanism for Bidders**

The Bidders shall specify the bank account number in the Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Bid cum Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the bid cum application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the bid cum application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

- a) Our Company has entered into an Underwriting agreement dated February 21, 2017.
- b) A copy of the Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 32 of the Companies Act, 2013 and Section 26 of the Companies Act, 2013 respectively.

### **PRE- ISSUE 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-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper; and (iii) Regional Newspaper, each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid 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 Regulations.

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

### **GENERAL INSTRUCTIONS**

#### ***Do's:***

- Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Ensure that you have Bid within the Price Band;
- Read all the instructions carefully and complete the Bid Cum Application Form in the prescribed form;
- Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

- Ensure that your Bid Cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- If the first applicant is not the account holder, ensure that the Bid Cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid Cum Application Form;
- Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid Cum Application Forms;
- 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 only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that you request for and receive a stamped acknowledgement of the Bid Cum Application Form for all your Bid options;
- 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 the respective member of the Syndicate (in 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);
- Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the 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, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT 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;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- 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;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid Cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid Cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in



the same joint names and such names are in the same sequence in which they appear in the Bid Cum Application Form;

- 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;
- Ensure that you have mentioned the correct ASBA Account number in the Bid Cum Application Form;
- 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 the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid Cum Application Form at the time of submission of the Bid;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid Cum Application Form; and

The Bid Cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Dont's:***

- Do not Bid for lower than the minimum Bid size;
- Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- Do not send Bid Cum Application Forms by post; instead submit the same to the Designated Intermediary only;
- Do not submit the Bid Cum Application Forms to any non-SCSB bank or our Company;
- Do not Bid on a Bid Cum Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
- Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders);
- Do not fill up the Bid Cum Application Form such that the Equity Shares Bid for exceeds the Issue 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;
- Do not submit the General Index Register number instead of the PAN;
- Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
- 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;
- 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;
- 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);
- Do not submit more than five Bid Cum Application Forms per ASBA Account;



The Bid Cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue 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 Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid Cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

#### **COMMUNICATIONS**

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Bidders can contact the Compliance Officer or the Registrar in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

#### **IMPERSONATION**

*Attention of the Bidders 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.”*

## **UNDERTAKINGS BY THE COMPANY**

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. That our Promoter's contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and that adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
6. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
7. If our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock Exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
8. Allotment is not made within the prescribed time period under applicable law; the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period

## **UTILIZATION OF THE ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

1. all monies received out of the Issue shall be 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;
2. details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.



## **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of entering the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated March 01, 2017 among NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated February 17, 2017 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no INE784W01015.

## 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, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders 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 should rely on their own examination of the Issue and the Issuer, and should carefully read the Red Herring prospectus before investing in the Issue.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken *inter-alia* through the Book-Building Process as well as to the Fixed Price Issue. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders in IPOs, 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, 2009”).

Bidders should note that investment in equity and equity related securities involves risk and Bidder 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 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 BRLM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders may refer to the section “Glossary and Abbreviations”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

##### 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 Red herring Prospectus/ 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 (the “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 ISSUES – FIXED PRICE ISSUES AND BOOK BUILT ISSUES

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (**“Book Built issues”**) or undertake a Fixed Price Issue (**“Fixed Price Issues”**). 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 RHP (in case of a Book Built Issue) and a Price or Price Band in the Red Herring 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 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/Offer Period. Details of Bid/Offer 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/Offer Period for QIBs one Working Day prior to the Bid/Offer 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/Offer 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 BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

## 2.6 MIGRATION TO MAIN BOARD

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

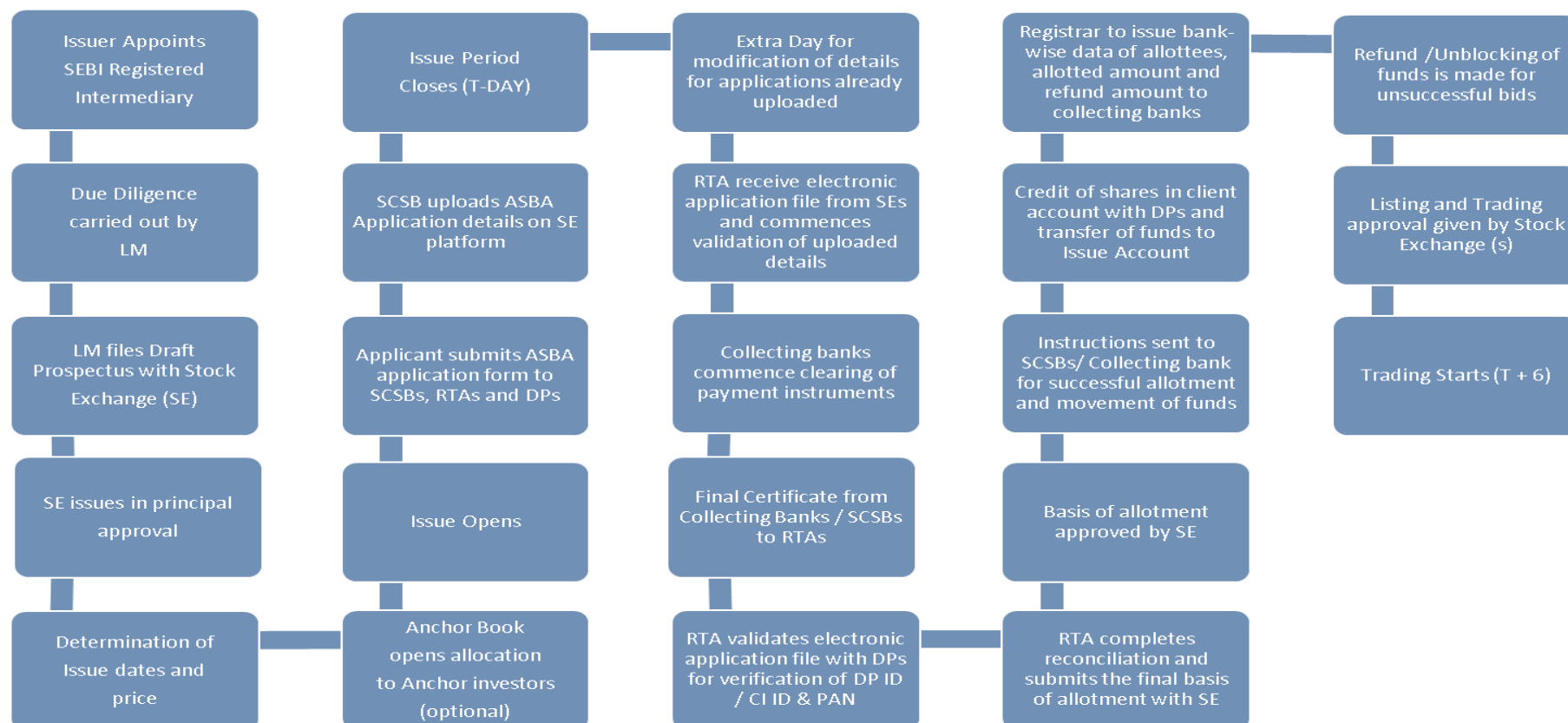
OR

- If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## 2.7 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows





### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

*Each Bidder should check whether it is eligible to apply under applicable law.* Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the RHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the Bid Cum Application Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.



## SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid Cum Application Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the book running lead manager, 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/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form bearing the stamp of an SCSB 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 (Excluding downloaded forms from SE website)
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders applying in the reserved category	Not Applicable

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

### 4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders 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 and the Bid Cum Application Form for non- resident Bidders are reproduced below:



## R Bid Cum Application Form

<p style="text-align: center;"><b>COMMON BID CUM APPLICATION FORM</b></p>	<p style="text-align: center;"><b>MANOMAY TEX INDIA LIMITED - INITIAL PUBLIC ISSUE - R</b></p> <p style="text-align: center;">Registered Office: 32, Heera Panna Market, Pur Road Bhilwara, Rajasthan-311001, India Tel. No. : +91 1482 - 246983; Fax No. : Not Available E-mail: cs@manomaytexindia.com; Website: www.manomaytexindia.com; CIN NO. : U18101RJ2009PLC028647</p> <p>To, The Board of Directors MANOMAY TEX INDIA LIMITED</p> <p style="text-align: center;"><b>BOOK BUILT ISSUE</b> ISIN - INE000000000</p>	<p style="text-align: center;">FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</p>																																																																
<p><b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST BIDDER</b></p> <p>Mr./Ms./M/s. _____</p> <p>Address _____</p> <p>Email _____</p> <p>Tel. No (with STD code) / Mobile _____</p>																																																																		
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<p><b>5. CATEGORY</b></p> <p><input type="checkbox"/> Retail Individual Bidder</p> <p><input type="checkbox"/> Non Institutional Bidder</p> <p><input type="checkbox"/> QIB</p>																																																																		
<p><b>6. INVESTOR STATUS</b></p> <p><input type="checkbox"/> Individual(s) - IND</p> <p><input type="checkbox"/> Hindu Undivided Family* - HUF</p> <p><input type="checkbox"/> Non-Resident Indians (Non-Repatriation basis) - NRI</p> <p><input type="checkbox"/> Bodies Corporate - CO</p> <p><input type="checkbox"/> Banks &amp; Financial Institutions - FI</p> <p><input type="checkbox"/> Mutual Funds - MF</p> <p><input type="checkbox"/> National Investment Funds - NIF</p> <p><input type="checkbox"/> Insurance Funds - IF</p> <p><input type="checkbox"/> Insurance Companies - IC</p> <p><input type="checkbox"/> Venture Capital Funds - VCF</p> <p><input type="checkbox"/> Alternate Investment Funds - AIF</p> <p><input type="checkbox"/> Others (Please Specify) - OTH</p> <p><small>*HUF Should apply only through Karta (Application by HUF would be treated on par with individual)</small></p>																																																																		
<p><b>7. PAYMENT DETAILS</b></p> <p>Amount Paid (₹ in Figures) _____ (₹ in words) _____</p> <p>ASBA Bank A/c No. _____</p> <p>Bank Name &amp; Branch _____</p>																																																																		
<p><b>8. SIGNATURE OF SOLE / FIRST BIDDER</b></p> <p>Date: _____, 2017</p>																																																																		
<p><b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b></p> <p>I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer</p> <p>1) _____</p> <p>2) _____</p> <p>3) _____</p>																																																																		
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<p style="text-align: center;">TEAR HERE</p>																																																																		
<p><b>MANOMAY TEX INDIA LIMITED - INITIAL PUBLIC ISSUE - R</b></p> <p><b>Stamp &amp; Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA</b></p> <p><b>Name of Sole / First Bidder</b> _____</p>																																																																		
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**MANOMAY TEX INDIA LIMITED** 1



## NR Bid Cum Application Form

<p style="text-align: center;"><b>COMMON BID CUM APPLICATION FORM</b></p>	<p style="text-align: center;"><b>MANOMAY TEX INDIA LIMITED - INITIAL PUBLIC ISSUE - NR</b></p> <p style="text-align: center;">Registered Office: 32, Heera Panna Market, Pur Road Bhilwara, Rajasthan-311001, India Tel. No. : +91 1482 - 246983; Fax No. : Not Available E-mail: cs@manomaytexindia.com, Website: www.manomaytexindia.com; CIN NO. : U18101RJ2009PLC028647</p>	<p style="text-align: center;"><b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS</b></p>																																																																																																		
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Bid Options	No. of Equity Shares Bid (In Figures) (Bid must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off"																																																																																																		
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<p style="text-align: center;"><b>5. CATEGORY</b></p> <p><input type="checkbox"/> Retail Individual Bidder</p> <p><input type="checkbox"/> Non Institutional Bidder</p> <p><input type="checkbox"/> QIB</p>																																																																																																				
<p style="text-align: center;"><b>6. INVESTOR STATUS</b></p> <p><input type="checkbox"/> NRI Non-Resident Indian(s) (Repatriation basis)</p> <p><input type="checkbox"/> FII FI or Sub Account not a Corporate/ Foreign Individual</p> <p><input type="checkbox"/> FISA FI Sub Account Corporate/Individual</p> <p><input type="checkbox"/> FVCI Foreign Venture Capital Investor</p> <p><input type="checkbox"/> FPI Foreign Portfolio Investor</p> <p><input type="checkbox"/> OTH Others (Please Specify)</p>																																																																																																				
<p style="text-align: center;"><b>7. PAYMENT DETAILS</b></p> <p style="text-align: right;">PAYMENT OPTION : Full Payment <input type="checkbox"/></p> <p>Amount Paid (₹ in Figures) _____ (₹ in words) _____</p> <p>ASBA Bank A/c No. _____</p> <p>Bank Name &amp; Branch _____</p>																																																																																																				
<p>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 ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("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 CUM APPLICATION FORM GIVEN OVERLEAF.</p>																																																																																																				
<p style="text-align: center;"><b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b></p> <p>_____</p> <p>Date: _____, 2017</p>	<p style="text-align: center;"><b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b></p> <p>I/We authorize the SCSEB to do all acts as are necessary to make the Application in the Offer</p> <p>1) _____</p> <p>2) _____</p> <p>3) _____</p>	<p style="text-align: center;"><b>SYNDICATE MEMBER/BROKER / SCSEB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b></p> <p>_____</p>																																																																																																		
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#### 4.1.1 NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- (a) **Mandatory Fields:** Bidders should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Bidders 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 members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (b) **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder 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 would be required in the Bid Cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid Cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (c) **Impersonation:** Attention of the Bidders 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:

- makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or
- 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
- 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 of the said Act.

- (d) **Nomination Facility to Bidder:** 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 dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

#### 4.1.2 PAN NUMBER OF SOLE /FIRST BIDDER

- (a) PAN (of the sole/first Bidder) provided in the Bid Cum Application Form/Application Form should be exactly the same as the PAN of the person 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 on behalf of the Central or State Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim ("PAN Exempted Bidders"). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid Cum Application Form, irrespective of the Bid Amount. Bids by the Bidders 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 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 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 BIDDERS DEPOSITORY ACCOUNT DETAILS**

- (a) Bidder 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) Bidder should ensure that the beneficiary account provided in the Bid Cum Application Form is active.
- (c) Bidder should note that on the basis of DP ID and Client ID as provided in the Bid Cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to the issue.
- (d) Bidders 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’ sole risk.

#### **4.1.4 BID OPTIONS**

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the 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 may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process. 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.
- 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 Offer 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 Bid Value and Bid Lot:** The Issuer in consultation with the BRLMs may



decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above Rs.1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid 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 may to the RHP or the advertisement regarding the Price Band published by the Issuer.

#### **4.1.4.1 Maximum and Minimum Bid Size**

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and 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 does not exceed Rs. 200,000.
- b) In case the Bid Amount exceeds Rs. 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), then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 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 Rs. 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) RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) In case the Bid Amount reduces to Rs. 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.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least Rs 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/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue 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.
- h) A Bid cannot be submitted for more than the issue size. The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.



- i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the issue Price, the number of Equity Shares Bid for by a Bidder 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.

#### **4.1.4.2 Multiple Bids**

- (a) Bidder should submit only one Bid Cum Application Form. Bidder shall have the option to make a maximum of Bids at three 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 member of the Syndicate, SCSB or Registered Broker 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 are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids :

All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, 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:

- Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.
- 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.
- Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

#### **4.1.5 CATEGORY OF BIDDERS**

- i. The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- ii. An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP.
- iii. The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders 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 may refer to the RHP.

#### **4.1.6 INVESTOR STATUS**

- (a) Each Bidder 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 Bidder, such as NRIs, FPIs and FVCIs may not be allowed to Bid/apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Red Herring Prospectus for more details.
- (c) Bidders 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 should ensure that their investor status is updated in the Depository records.

#### **4.1.7 PAYMENT DETAILS**

- i. The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the Bid Cum Application Form. If 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 the Bid Amount net of Discount. Only in cases where the RHP indicates that part payment may be made, such an option can be exercised by the Bidder. 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 issued, if any.
- ii. Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- iii. Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.
- iv. All Bidders can participate in the Issue only through the ASBA mechanism.
- v. Please note that, providing bank account details in the space provided in the Bid Cum Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

##### **4.1.7.1 Payment instructions for Bidders**

- a) Bidders may submit the Bid Cum Application Form either in electronic mode through the internet banking facility issued by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid Cum Application Form, or in physical mode to any Designated Intermediary.
  - i. Bidders 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, demand draft, 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.
  - ii. Bidders 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.
  - iii. Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
  - iv. From one ASBA Account, a maximum of five Bid Cum Application Forms can be submitted
  - v. Bidders should submit the Bid Cum Application Form only at the Bidding Centre 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
  - vi. Bidders bidding through a Designated Intermediary, other than a SCSB, should note that Bid Cum Application Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid Cum



Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit Bid Cum Application Forms.

- vii. Bidders bidding directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- viii. Upon receipt of the Bid Cum Application 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 Bid Cum Application Form.
- ix. If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid Cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- x. 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.
- xi. Upon submission of a completed Bid Cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid Cum Application Form in the ASBA Account maintained with the SCSBs
- xii. 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.
- xiii. SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.8 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 Bids 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 Bid Cum Application 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.
- (d) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bidders, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Bid/Issue Closing Date.

##### **4.1.8.1 Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.



- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts issued in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

#### **4.1.8.2 Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **4.1.9 SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder is required to sign the Bid Cum Application Form. Bidders 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) In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid Cum Application 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 Bid Cum Application Form.
- (d) Bidders must note that Bid Cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

#### **4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Bidders should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid Cum Application Form.

- (a) All communications in connection with Bid made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the Issue.
  - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.
  - iii. Bidders may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
  - iv. In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
  - v. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
  - vi. In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
  - vii. In case of Bids submitted to the DP, the Bidders should contact the relevant DP.
- (b) The following details (as applicable) should be quoted while making any queries -
  - i. Full name of the sole or First Bidder, Bid Cum Application Form number, Bidder' DP ID,



Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.

ii. name and address of the Designated Intermediary, where the Bid was submitted;

For further details, Bidder may refer to the Red Herring 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 amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise / withdraw their Bid till closure of the Bid/Issue period.
- (c) Revisions can be made only in the desired number of Equity Shares 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 will have to use the services of the SCSB through which such Bidder had placed the original Bid. A sample Revision form is reproduced below:





## Revision Form – R

<b>COMMON BID REVISION FORM</b>	<b>MANOMAY TEX INDIA LIMITED - INITIAL PUBLIC ISSUE - R</b> Registered Office: 32, Heera Panna Market, Pur Road Bhillwara, Rajasthan-311001, India Tel. No. : +91 1482 – 246983; Fax No. : Not Available E-mail: cs@manomaytexindia.com; Website: www.manomaytexindia.com; CIN NO. : U18101RJ2009PLC028647.	<b>FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>																																					
	To, <b>The Board of Directors MANOMAY TEX INDIA LIMITED</b>	<b>BOOK BUILT ISSUE</b> ISIN - INE00000000000																																					
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER'S / SCSB / DP / RTA STAMP &amp; CODE</b>	<b>Bid Cum Application Form No.</b>																																					
<b>SUB-BROKER'S/SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK / SCSB BRANCH STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST BIDDER</b> Mr./Ms./M/s. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____																																					
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b> _____																																					
<b>PLEASE CHANGE MY BID</b>		<b>3. BIDDERS DEPOSITORY ACCOUNT DETAILS</b> <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.																																					
<b>4. FROM (AS PER LAST BID OR REVISION)</b>																																							
<b>Bid Options</b>	<b>No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (in Figures)</b>	<b>Price per Equity Share (₹) / "Cut-off" (In Figures)</b>																																					
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<b>6. PAYMENT DETAILS</b>																																							
<b>PAYMENT OPTION : Full Payment</b> <input type="checkbox"/>																																							
Additional Amount Paid (₹ in Figures) _____ (₹ in words) _____																																							
ASBANK 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 CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("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 CUM APPLICATION FORM GIVEN OVERLEAF.																																							
<b>7.A. SIGNATURE OF SOLE / FIRST BIDDER</b> Date: _____, 201	<b>7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer 1) _____ 2) _____ 3) _____	<b>SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>																																					
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	<b>MANOMAY TEX INDIA LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	<b>Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA</b>																																					
<b>Bid Cum Application Form No.</b>		<b>PAN of Sole / First Bidder</b>																																					
DPID / CLID: _____		<b>Stamp &amp; Signature of SCSB Branch</b>																																					
Additional Amount Blocked (₹ in figures) _____ ASBA A/c No. _____ Bank & Branch _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____		<b>TEAR HERE</b>																																					
<b>MANOMAY TEX INDIA LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	No. of Equity Shares _____ Bid Price _____ Additional Amount Blocked (₹) _____ ASBA Bank A/c No.: _____ Bank & Branch: _____	<b>Name of Sole / First Bidder</b> _____ <b>Acknowledgment Slip for Bidder</b> <b>Bid Cum Application Form No.</b> _____																																					





## Revision Form – NR

<b>COMMON BID REVISION FORM</b>	<b>MANOMAY TEX INDIA LIMITED - INITIAL PUBLIC ISSUE - NR</b> Registered Office: 32, Heera Panna Market, Pur Road Bhilwara, Rajasthan-311001, India Tel. No. : +91 1482 – 246983; Fax No. : Not Available E-mail: es@manomaytexindia.com; Website: www.manomaytexindia.com; CIN NO. : U18101RJ2009PLC028647	<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS</b>
 <b>To,</b> <b>The Board of Directors</b> <b>MANOMAY TEX INDIA LIMITED</b>	<b>BOOK BUILT ISSUE</b> <b>ISIN - INE0000000000</b>	<b>Bid Cum Application Form No.</b>
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER'S / SCSB / DP / RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST BIDDER</b> Mr./Ms./M/s. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
<b>SUB-BROKER'S/SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK / SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b> _____
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>3. BIDDERS DEPOSITORY ACCOUNT DETAILS</b> <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
<b>PLEASE CHANGE MY BID</b>		
<b>4. FROM (AS PER LAST BID OR REVISION)</b>		
<b>Bid Options</b>	<b>No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (in Figures)</b>	<b>Price per Equity Share (₹) "Cut-off" (In Figures)</b>
	8 7 6 5 4 3 2 1	Bid Price: 4 3 2 1    Retail Discount, if any: 3 2 1    Net Price: 4 3 2 1    "Cut-off" (Please ✓ tick)
Option 1		
(OR) Option 2		
(OR) Option 3		
<b>5. TO (REVISED BID) (Only Retail individual Bidders can BID at "Cut-Off")</b>		
<b>Bid Options</b>	<b>No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)</b>	<b>Price per Equity Share (₹) "Cut-off" (In Figures)</b>
	8 7 6 5 4 3 2 1	Bid Price: 4 3 2 1    Retail Discount, if any: 3 2 1    Net Price: 4 3 2 1    "Cut-off" (Please ✓ tick)
Option 1		
(OR) Option 2		
(OR) Option 3		
<b>6. PAYMENT DETAILS</b>		
<b>PAYMENT OPTION : Full Payment</b> <input type="checkbox"/>		
Additional Amount Paid (₹ in Figures) _____ (₹ in words) _____		
ASBANK 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 CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("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 CUM APPLICATION FORM GIVEN OVERLEAF.		
<b>7 A. SIGNATURE OF SOLE / FIRST BIDDER</b>  Date: _____, 201	<b>7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer 1) _____ 2) _____ 3) _____	<b>SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>
<b>TEAR HERE</b>		
 <b>MANOMAY TEX INDIA LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA</b>	<b>Bid Cum Application Form No.</b>
DPID / CLID: _____ PAN of Sole / First Bidder: _____		
Additional Amount Blocked (₹ in figures) _____ ASBA A/c. No. _____		<b>Stamp &amp; Signature of SCSB Branch</b>
Bank & Branch _____		
Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____		
<b>TEAR HERE</b>		
<b>MANOMAY TEX INDIA LIMITED - BID REVISION FORM - NR</b>	<b>Stamp &amp; Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA</b>	<b>Name of Sole / First Bidder</b>
No. of Equity Shares _____ Bid Price _____ Additional Amount Blocked (₹) _____	Option 1 _____ Option 2 _____ Option 3 _____	_____ _____ _____
ASBA Bank A/c No.: _____ Bank & Branch: _____		<b>Acknowledgment Slip for Bidder</b>
		<b>Bid Cum Application Form No.</b>
<b>10 MANOMAY TEX INDIA LIMITED</b>		



#### **4.2.1 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### **4.2.2 BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for 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 members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid Cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, 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 Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP. 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 in case of Bidders.

#### **4.2.3 PAYMENT DETAILS**

- (a) All Bidders are required to make payment 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 issued, if any.
- a) 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.
- (b) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP. 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.

- b) 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.

#### **4.2.4 SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### **4.3 SUBMISSION OF REVISION FORM/ BID CUM APPLICATION FORM /APPLICATION FORM**

#### **4.3.1 Bidders may submit completed Bid Cum Application form / Revision Form in the following manner:-**

<b>Mode of Bid</b>	<b>Submission of Bid Cum Application form</b>
All investors Bids	To the Bid cum Application Collecting Intermediaries as mentioned in the Red herring Prospectus/ Bid Cum Application Form

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

## **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 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 (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 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.
- 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 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 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 BRLMs 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 on the Designated Date. 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:
  - 1) the Bids accepted by the Designated Intermediaries,
  - 2) the Bids uploaded by the Designated Intermediaries, and
  - 3) the Bid Cum Application Forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLM 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, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM 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, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

### **5.6 GROUNDS OF REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;



- PAN not mentioned in the Bid Cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
  - Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five Bid Cum Application Forms/Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
  - The amounts mentioned in the Bid Cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
  - Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the RHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid Cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid Cum Application Forms, Bid/Issue Opening Date advertisement and the RHP and as per the instructions in the RHP and the Bid Cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
  - Inadequate funds in the bank account to block the Bid Amount specified in the Bid Cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
  - Bids not uploaded on the terminals of the Stock Exchanges; and
  - Where no confirmation is received from SCSB for blocking of funds
  - 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/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;





- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Details of ASBA Account not provided in the Bid Cum Application Form

For details of instructions in relation to the Bid Cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

## 5.7 BASIS OF ALLOCATION

- The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders 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. For details in relation to allocation, the Bidder may refer to the RHP.
- 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 and in consultation with the BRLMs 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.
- 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 may refer to the RHP.
- Illustration of the Book Building and Price Discovery Process**

Bidders 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 can bid at any price within the Price Band. For instance, assume a Price Band of Rs.20 to Rs 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, 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 (Rs.)	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., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 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.

## **SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

This being Book Built Issue, this section is not applicable for this Issue.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. 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 Issue for Sale of specified securities). However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.

### **7.1 BASIS OF ALLOTMENT**

Allotment will be made in consultation with the SME Platform of BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - i. Each successful Bidder shall be allotted [●] equity shares; and
  - ii. The successful Bidder out of the total bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- (d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares issued, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the issue specified under the Capital Structure mentioned in this RHP.





- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Bidders as described below:
- i. As per Regulation 43 (4) of SEBI (ICDR), as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. The balance net issue of shares to the public shall be made available for allotment to
    - individual bidders other than retails individual investors and
    - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
  - iii. The unsubscribed portion of the net issue to any one of the categories specified in a) or b) shall/may be made available for allocation to bidders in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE- the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

## 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- (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 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 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) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may 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 6 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 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 Red Herring Prospectus/ Prospectus. The Designated Stock Exchange may be as disclosed in the Red Herring Prospectus/ Prospectus with which the Basis of Allotment may 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 Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the RHP/Prospectus.

If such money is not repaid within eight days 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 eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, 2013 and as disclosed in the RHP.

### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest at a rate prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

### **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 50 failing which the entire application monies may be refunded forthwith.

## **MODE OF REFUND**

Within 6 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 Bids and also for any excess amount blocked on Bids.

### **8.2.4 Mode of making refunds**

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.



### **8.3 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 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
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, issue / allotment of Equity Shares pursuant to the Issue to successful Applicants.
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
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.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
Application Supported by Blocked Amount Form/ Bid Cum Application Form	An application from, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
ASBA Account	An account maintained with an SCSB and specified in the Bid Cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid Cum Application Form
ASBA form/ Bid Cum Application form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Surat, Ahmedabad, Jaipur, Udaipur
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public issue Account will be opened and in this case being ICICI Bank Limited and IndusInd Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 332 of this Red Herring Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period by a Bidder 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 in accordance with the Red Herring Prospectus and Bid Cum Application Form.
Bid Amount	The highest value of optional Bids indicated in the Bid Cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid Cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the

Term	Description
	Registered Brokers will not accept any Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Regional newspaper [●], each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Regional newspaper [●], each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
ASBA Form/ Bid Cum Application	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus
Bidder	Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/RHP/Prospectus and the Bid Cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Issue
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid Cum Application 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 website of BSE.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/transferred , after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will 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 no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLMs. Only Retail Individual

Term	Description
	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.
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid Cum Application Forms used by Bidders/Applicants (Anchor Investor) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid Cum Application 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 Bid Cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time
Designated Date	The date on which the Collection Banks transfer funds from the public issue Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid Cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bud cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time
Designated Stock Exchange	The designated stock exchange as disclosed in the Red herring prospectus/ Prospectus of the issuer
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid Cum Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.



Term	Description
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus 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 Issue
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 DRHP
Equity Shares	Equity Shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First/sole Bidder	Bidder whose name shall be mentioned in the Bid Cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
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, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further Public Offering
Issuer/Company	The Issuer proposing the initial public Offering /further public Offering as applicable
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(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
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 DRHP/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 issue or invitation under the Issue and in relation to whom the DRHP/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 sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which





Term	Description
	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 Rs. 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 DRHP/RHP/Prospectus and the Bid Cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
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
Issue	Public issue of equity shares of the issuer
Other Investors	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs and will be advertised at least five Working Days prior to the Bid/Issue Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and [●] edition of the Bengali newspaper [●], each with wide circulation
Pricing date	The date on which our Company in consultation with the BRLMs, will finalise the Issue 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, inter alia, the Issue Price, the size of the Issue and certain other information
Public Issue Account	Account opened with the Banker to the Issue i.e. ICICI Bank Limited and IndusInd Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (zed) of the SEBI (ICDR) Regulations, 2009.
RTGS	Real Time Gross Settlement
Red Herring Prospectus or	The Red Herring Prospectus to be issued in accordance with Section 32 of

Term	Description
RHP	the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be issued and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited having registered office at E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai– 400 072, India
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
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)
Reservation Portion	The portion of the issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
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
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which issue the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries</a> or at such other website as may be prescribed by SEBI from time to time
Specified Locations	Bidding centres where the Syndicate shall accept Bid Cum Application Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate or Members of	The BRLM and the Syndicate Members



Term	Description
the Syndicate	
Syndicate Agreement	Agreement dated January 31, 2017 entered into amongst the BRLMs, the Syndicate Members, our Company in relation to the procurement of Bid Cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Pantomath Stock Broker Private Limited
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The agreement dated February 21, 2017 entered into between the Underwriter and our Company
Working Day	“Working Day” means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (b) Bid/Issue Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are Foreign Investment Promotion Board (“**FIPB**”) and the Reserve Bank of India (“**RBI**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), has issued consolidated FDI Policy Circular of 2016 (“**FDI Policy 2016**”), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. Further, DIPP has issued Press note 5, dated June 24, 2016 which introduces few changes in FDI Policy 2016. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2016 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“**RBI**”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2016, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.



### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2016, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FII, FPI, NRI, FVCI, LLPs, DRs and Investment Vehicles under Schedule 1, 2, 2A, 3, 6, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49 % or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **i. Investment by FIIs under Portfolio Investment Scheme (PIS):**

With regards to purchase/sale of share/s convertible debentures by a registered FII under PIS the total holding by each FII/SEBI approved sub-account of FII shall not exceed 10 % of the total paid-up equity capital or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs/sub-accounts of FIIs put together shall not exceed 24 % of paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body. For arriving at the ceiling on holdings of FIIs, shares/ convertible debentures acquired both through primary as well as secondary market will be included. However, the ceiling will not include investment made by FII through off-shore Funds, Global Depository receipts and Euro-Convertible Bonds. With regard to convertible debentures, these investments permitted to be made shall not exceed 5 % of the total paid-up equity capital or 5% of the paid-up value of each series of convertible debentures issued by an Indian Company, and shall also not exceed the over-all ceiling limit of 24 % of paid-up equity capital or paid up value of each series of convertible debentures.

#### **ii. Investment by Registered Foreign Portfolio Investor (RFPI) under Foreign Portfolio Investment (FPI) Scheme**

With respect to purchase/sale of shares or convertible debentures or warrants, a RFPI registered in accordance with SEBI (FPI) Regulations, 2014 as amended in regular intervals may purchase shares or convertible debentures or warrants of an Indian company under FPI scheme. The total holding by each RFPI shall be below 10 % of the total paid-up equity capital or 10 % of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all RFPI put together shall not exceed 24 % of paid-up equity capital or paid up value of each series of convertible debentures. The said limit of 24 % will be called aggregate limit. However, the aggregate limit of 24 % may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its General Body. For arriving at the ceiling on holdings of RFPI, shares or convertible debentures or warrants acquired both through primary as well as secondary market will be included. However, the ceiling will exclude investment made by RFPI through





of off-shore Funds, Global Depository Receipts and Euro-Convertible Bonds but include holding of RFPI and deemed RFPI in the investee company for computation of 24 % or enhanced limit.

**iii. Investment by NRI on repatriation and non-repatriation basis under PIS:**

With respect to purchase/sale of shares and/or convertible debentures by a NRI on a stock exchange in India on repatriation and/or non-repatriation basis under PIS is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2000. Further, with regard to limits:

- the paid-up value of shares of an Indian company, purchased by each NRI both on repatriation and on non-repatriation basis, does not exceed 5 % of the paid-up value of shares issued by the company concerned;
  - the paid-up value of each series of convertible debentures purchased by each NRI both on repatriation and non-repatriation basis does not exceed 5 % of the paid-up value of each series of convertible debentures issued by the company concerned;
  - the aggregate paid-up value of shares of any company purchased by all NRIs does not exceed 10 % of the paid up capital of the company and in the case of purchase of convertible debentures
  - the aggregate paid-up value of each series of debentures purchased by all NRIs does not exceed 10 % of the paid-up value of each series of convertible debentures;
- However, the aggregate ceiling of 10 % may be raised to 24 % if a special resolution to that effect is passed by the General Body of the Indian company concerned.

**iv. Investment by NRI on Non-repatriation basis**

As per current FDI Policy 2016, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase and sale of shares and convertible debentures or warrants by a NRI on Non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

**Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.**

**Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the**



**basis of the final terms and conditions and the information contained in this Red Herring Prospectus.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.



## SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule II to the Companies Act and the SEBI Regulations, the main provisions of our Articles relating, inter alia, to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles

Sr. No	Particulars	
1.	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	<b>Table F Applicable.</b>
	<b>Interpretation Clause</b>	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>Act</b>
	(b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
	(e) *"The Company" shall mean MANOMAY TEX INDIA LIMITED	
	(f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	<b>Executor or Administrator</b>
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>
	(h) Words importing the masculine gender also	<b>Gender</b>

Sr. No	Particulars	
	include the feminine gender.	
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
	(j) The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>
	(k) "Meeting" or "General Meeting" means a meeting of members.	<b>Meeting or General Meeting</b>
	(l) "Month" means a calendar month.	<b>Month</b>
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
	(q) "Office" means the registered Office for the time being of the Company.	<b>Office</b>
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	<b>Register of Members</b>
	(v) "Seal" means the common seal for the time being of the Company.	<b>Seal</b>
	(w) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
	(x) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
	(y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
	(z) "Variation" shall include abrogation; and "vary" shall include abrogate.	<b>Variation</b>
	(aa) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>

Sr. No	Particulars	
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear the same meaning in Articles</b>
	<b>CAPITAL</b>	
3.	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	<b>Increase of capital by the Company how carried into effect</b>
5.	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.	<b>New Capital same as existing capital</b>
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	<b>Non Voting Shares</b>
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the	<b>Voting rights of preference shares</b>

Sr. No	Particulars	
	rights attached to his Preference Shares.	
9.	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof , the following provisions-shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) 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 security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	<b>Provisions to apply on issue of Redeemable Preference Shares</b>
10.	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<b>Reduction of capital</b>
11.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise	<b>Debentures</b>

Sr. No	Particulars	
	and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	
12.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed there under.	<b>Issue of Sweat Equity Shares</b>
13.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	<b>ESOP</b>
14.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.	<b>Buy Back of shares</b>
15.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which 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.	<b>Consolidation, Sub-Division And Cancellation</b>
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	<b>Issue of Depository Receipts</b>
17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	<b>Issue of Securities</b>
	<b>MODIFICATION OF CLASS RIGHTS</b>	
18.	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided	<b>Modification of rights</b>

Sr. No	Particulars	
	<p>into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p>	
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>
<b>19.</b>	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium 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 so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	<b>Shares at the disposal of the Directors.</b>
<b>20.</b>	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	<b>Power to issue shares on preferential basis.</b>
<b>21.</b>	The shares in the capital shall be numbered	<b>Shares should be Numbered</b>



Sr. No	Particulars	
	progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	<b>progressively and no share to be subdivided.</b>
22.	An 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 shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
23.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	<b>Directors may allot shares as full paid-up or partly paid up</b>
24.	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 become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	<b>Deposit and call etc. to be a debt payable immediately.</b>
25.	Every Member, or his heirs, executors, administrators, or legal representatives, 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 Company's regulations, require on date fixed for the payment thereof.	<b>Liability of Members.</b>
26.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
	<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>	
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	<b>CERTIFICATES</b>	
28.	(a) Every member shall be entitled, without	<b>Share Certificates.</b>



Sr. No	Particulars	
	<p>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 provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that 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 one of several joint holders shall be sufficient delivery to all such holder. Such certificate 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 coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. 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.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint</p>	

Sr. No	Particulars	
	<p>owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) 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.</p>	
29.	<p>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 lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates 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.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<p><b>Issue of new certificates in place of those defaced, lost or destroyed.</b></p>
30.	<p>(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.</p>	<p><b>The first named joint holder deemed Sole holder.</b></p>
	<p>(b) The Company shall not be bound to register more</p>	<p><b>Maximum number of joint</b></p>

Sr. No	Particulars	
	than three persons as the joint holders of any share.	<b>holders.</b>
<b>31.</b>	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	<b>Company not bound to recognise any interest in share other than that of registered holders.</b>
<b>32.</b>	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	<b>Installment on shares to be duly paid.</b>
	<b>UNDERWRITING AND BROKERAGE</b>	
<b>33.</b>	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	<b>Commission</b>
<b>34.</b>	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
	<b>CALLS</b>	
<b>35.</b>	<p>(1) 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 a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.</p> <p>(2) A call may be revoked or postponed at the discretion of the Board.</p> <p>(3) A call may be made payable by installments.</p>	<b>Directors may make calls</b>

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36.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
37.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
38.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
39.	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 members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	<b>Directors may extend time.</b>
40.	If any Member fails to pay any call 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 not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<b>Calls to carry interest.</b>
41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	<b>Sums deemed to be calls.</b>
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share	<b>Proof on trial of suit for money due on shares.</b>

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	in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that 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 was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	
43.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares 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 Member of 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 forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>
44.	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, 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 on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	<b>Payments in Anticipation of calls may carry interest</b>
	<b>LIEN</b>	
45.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and	<b>Company to have Lien on shares.</b>

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	upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	
46.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	<b>As to enforcing lien by sale.</b>
47.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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.	<b>Application of proceeds of sale.</b>
	<b>FORFEITURE AND SURRENDER OF SHARES</b>	
48.	If any Member fails to pay the whole or any part of any call or installment or any moneys 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, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call	<b>If call or installment not paid, notice maybe given.</b>



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	or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	
49.	<p>The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.</p> <p>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p>	<b>Terms of notice.</b>
50.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	<b>On default of payment, shares to be forfeited.</b>
51.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	<b>Notice of forfeiture to a Member</b>
52.	Any shares 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 in their absolute discretion shall think fit.	<b>Forfeited shares to be property of the Company and maybe sold etc.</b>
53.	Any Member 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 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	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>



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	the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	
54.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture.</b>
55.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have 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.	<b>Evidence of Forfeiture.</b>
56.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchase and allottee of Forfeited shares.</b>
57.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	<b>Cancellation of share certificate in respect of forfeited shares.</b>
58.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>
59.	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 purchasers shall not be bound to see to the regularity	<b>Validity of sale</b>

Sr. No	Particulars	
	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.	
60.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
	<b>TRANSFER AND TRANSMISSION OF SHARES</b>	
61.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	<b>Execution of the instrument of shares.</b>
62.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;	<b>Transfer Form.</b>
63.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the	<b>Transfer not to be registered except on production of instrument of transfer.</b>

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	Company has been transmitted by operation of law.	
64.	<p>Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register—</p> <p>(a) any transfer of shares on which the company has a lien.</p> <p>That registration of transfer shall however 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;</p>	<b>Directors may refuse to register transfer.</b>
65.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	<b>Notice of refusal to be given to transferor and transferee.</b>
66.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	<b>No fee on transfer.</b>
67.	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made there under close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	<b>Closure of Register of Members or debenture holder or other security holders.</b>
68.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	<b>Custody of transfer Deeds.</b>
69.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	<b>Application for transfer of partly paid shares.</b>
70.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the	<b>Notice to transferee.</b>

Sr. No	Particulars	
	transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	
<b>71.</b>	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<b>Recognition of legal representative.</b>
<b>72.</b>	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.	<b>Titles of Shares of deceased Member</b>
<b>73.</b>	Where, in case of partly paid Shares, an application	<b>Notice of application when to</b>

Sr. No	Particulars	
	for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	<b>be given</b>
74.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they 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 this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	<b>Registration of persons entitled to share otherwise than by transfer.(transmission clause).</b>
75.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
76.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
77.	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 or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had 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 require to regard or	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>

Sr. No	Particulars	
	attend or give effect to any notice which may be given to them 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 Directors shall so think fit.	
<b>78.</b>	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
<b>79.</b>	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
<b>NOMINATION</b>		
<b>80.</b>	<p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	<b>Nomination</b>
<b>81.</b>	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the</p>	<b>Transmission of Securities by nominee</b>



Sr. No	Particulars	
	<p>death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	
	<b>DEMATERIALIZATION OF SHARES</b>	
82.	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	<b>Dematerialisation of Securities</b>
	<b>JOINT HOLDER</b>	
83.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	<b>Joint Holders</b>
84.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	<b>Joint and several liabilities for all payments in respect of shares.</b>
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	<b>Title of survivors.</b>
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	<b>Receipts of one sufficient.</b>
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall	<b>Delivery of certificate and giving of notices to first named holders.</b>



Sr. No	Particulars	
	deemed to be service on all the holders.	
	<b>SHARE WARRANTS</b>	
85.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon 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 persons 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>Power to issue share warrants</b>
86.	<p>(a) 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 call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of 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 deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>	<b>Deposit of share warrants</b>
87.	<p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) 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 holder of the Share included in the warrant, and he shall be a Member of the Company.</p>	<b>Privileges and disabilities of the holders of share warrant</b>
88.	The Board may, from time to time, make bye-laws as to 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.	<b>Issue of new share warrant coupons</b>
	<b>CONVERSION OF SHARES INTO STOCK</b>	
89.	<p>The Company may, by ordinary resolution in General Meeting.</p> <p>a) convert any fully paid-up shares into stock; and</p>	<b>Conversion of shares into stock or reconversion.</b>

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	b) re-convert any stock into fully paid-up shares of any denomination.	
90.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	<b>Transfer of stock.</b>
91.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<b>Rights of stock holders.</b>
92.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.	<b>Regulations.</b>
	<b>BORROWING POWERS</b>	
93.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	<b>Power to borrow.</b>
94.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment	<b>Issue of discount etc. or with special privileges.</b>

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	of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	
95.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
96.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
97.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
98.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given.</b>
	<b>MEETINGS OF MEMBERS</b>	
99.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM.</b>
100.	(a) The Directors may, whenever they think fit,	<b>Extra-Ordinary General</b>

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	convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Meeting by Board and by requisition</b>
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>
101.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.	<b>Meeting not to transact business not mentioned in notice.</b>
102.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not 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 Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	<b>Chairman of General Meeting</b>
103.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
104.	a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. d) 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	<b>Chairman with consent may adjourn meeting.</b>

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	transacted at an adjourned meeting.	
<b>105.</b>	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>
<b>106.</b>	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
<b>107.</b>	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.	<b>Demand for poll not to prevent transaction of other business.</b>
	<b>VOTES OF MEMBERS</b>	
<b>108.</b>	No Member 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, upon a poll or electronically, or be reckoned in a quorum 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 or lien.	<b>Members in arrears not to vote.</b>
<b>109.</b>	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	<b>Number of votes each member entitled.</b>
<b>110.</b>	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote.</b>
<b>111.</b>	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	<b>Vote of member of unsound mind and of minor</b>
<b>112.</b>	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made	<b>Postal Ballot</b>



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	there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	
<b>113.</b>	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
<b>114.</b>	<p>a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joint holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	<b>Votes of joint members.</b>
<b>115.</b>	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	<b>Votes may be given by proxy or by representative</b>
<b>116.</b>	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>
<b>117.</b>	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	<b>Members paying money in advance.</b>
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any	<b>Members not prohibited if share not held for any specified period.</b>

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	specified period preceding the date on which the vote was taken.	
118.	Any person entitled under Article 73 (transmission clause) to transfer any share 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 at least forty-eight hours 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 Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members.</b>
119.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	<b>No votes by proxy on show of hands.</b>
120.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	<b>Appointment of a Proxy.</b>
121.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
122.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy notwithstanding death of a member.</b>
123.	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting	<b>Time for objections to votes.</b>



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	at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	
124.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
	<b>DIRECTORS</b>	
125.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	<b>Number of Directors</b>
126.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification shares.</b>
127.	The following shall be the First Director of the Company 1. Sureshchandra Hiralal Laddha 2. Kailashchandra Laddha	<b>First Director</b>
128.	(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled. (c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board. (d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as	<b>Nominee Directors.</b>

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	such Director/s.	
<b>129.</b>	The Board may appoint an Alternate Director to act for a Director (hereinafter called “The Original Director”) during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for 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 India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	<b>Appointment of alternate Director.</b>
<b>130.</b>	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	<b>Additional Director</b>
<b>131.</b>	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	<b>Directors power to fill casual vacancies.</b>
<b>132.</b>	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees.</b>
<b>133.</b>	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses Incurred by Director on Company's business.</b>
	<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>	
<b>134.</b>	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time,	<b>Meetings of Directors.</b>

Sr. No	Particulars	
	summon a meeting of the Board.	
135.	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.	<b>Chairperson</b>
136.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>Questions at Board meeting how decided.</b>
137.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>
138.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee 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 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.	<b>Directors may appoint committee.</b>
139.	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 regulations made by the Directors under the last preceding Article.	<b>Committee Meeting show to be governed.</b>
140.	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the	<b>Chairperson of Committee Meetings</b>

Sr. No	Particulars	
	meeting.	
<b>141.</b>	<p>a) A committee may meet and adjourn as it thinks fit.</p> <p>b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p>	<b>Meetings of the Committee</b>
<b>142.</b>	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall 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.	<b>Acts of Board or Committee shall be valid notwithstanding effect in appointment.</b>
	<b>RETIREMENT AND ROTATION OF DIRECTORS</b>	
<b>143.</b>	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	<b>Power to fill casual vacancy</b>
	<b>POWERS OF THE BOARD</b>	
<b>144.</b>	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However 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.	<b>Powers of the Board</b>
<b>145.</b>	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings,	<b>To acquire any property , rights etc.</b>

Sr. No	Particulars	
	machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	<b>To take on Lease.</b>
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	<b>To erect &amp; construct.</b>
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	<b>To pay for property.</b>
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	<b>To insure properties of the Company.</b>
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the	<b>To open Bank accounts.</b>

Sr. No	Particulars	
	Directors may think fit.	
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	<b>To secure contracts by way of mortgage.</b>
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	<b>To accept surrender of shares.</b>
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	<b>To appoint trustees for the Company.</b>
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	<b>To conduct legal proceedings.</b>
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>
	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such	<b>To give Security byway of indemnity.</b>



Sr. No	Particulars	
	mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine signing powers.</b>
	(16) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees.</b>
	(17) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the	<b>Transfer to Reserve Funds.</b>



Sr. No	Particulars	
	other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.	
	(18) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	<b>To appoint and remove officers and other employees.</b>
	(19) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	<b>To appoint Attorneys.</b>
	(20) Subject to Sections 188 of the Act, for or in	<b>To enter into contracts.</b>

Sr. No	Particulars	
	relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	
	(21) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	<b>To make rules.</b>
	(22) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	<b>To effect contracts etc.</b>
	(23) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	<b>To apply &amp; obtain concessions licenses etc.</b>
	(24) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	<b>To pay commissions or interest.</b>
	(25) To redeem preference shares.	<b>To redeem preference shares.</b>
	(26) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	<b>To assist charitable or benevolent institutions.</b>
	(27) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (28) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(29) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such	

Sr. No	Particulars	
	<p>persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p>	
	<p>(30) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(31) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(32) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(33) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(34) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or</p>	

Sr. No	Particulars	
	<p>privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(35) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(36) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(37) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
	<b>MANAGING AND WHOLE-TIME DIRECTORS</b>	
146.	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	<b>Powers to appoint Managing/Whole time Directors.</b>
147.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	<b>Remuneration of Managing or Whole time Director.</b>

Sr. No	Particulars	
148.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	<b>Powers and duties of Managing Director or Whole-time Director.</b>
	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>	
149.	a) Subject to the provisions of the Act,—	<b>Board to appoint Chief</b>

Sr. No	Particulars	
	<p>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;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising 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.</p>	<b>Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b>
	<b>THE SEAL</b>	
<b>150.</b>	<p>(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.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	<b>The seal, its custody and use.</b>
<b>151.</b>	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 authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two 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.	<b>Deeds how executed.</b>
	<b>Dividend and Reserves</b>	
<b>152.</b>	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.	<b>Division of profits.</b>



Sr. No	Particulars	
	<p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) 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 share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	
<b>153.</b>	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	<b>The company in General Meeting may declare Dividends.</b>
<b>154.</b>	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<b>Transfer to reserves</b>
<b>155.</b>	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	<b>Interim Dividend.</b>
<b>156.</b>	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	<b>Debts may be deducted.</b>
<b>157.</b>	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
<b>158.</b>	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 share is issued on terms providing that it shall rank for dividends as from a particular date such	<b>Dividends in proportion to amount paid-up.</b>



Sr. No	Particulars	
	share shall rank for dividend accordingly.	
159.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles .</b>
160.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>
161.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
162.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders.</b>
163.	a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	<b>Dividends how remitted.</b>
164.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	<b>Notice of dividend.</b>
165.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>
	<b>CAPITALIZATION</b>	
166.	(1) 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 Profit and Loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of	<b>Capitalization.</b>

Sr. No	Particulars	
	<p>dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	
167.	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company 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.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such</p>	Fractional Certificates.

Sr. No	Particulars	
	directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.	
168.	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	<b>Inspection of Minutes Books of General Meetings.</b>
169.	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	<b>Inspection of Accounts</b>
	<b>FOREIGN REGISTER</b>	
170.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	<b>Foreign Register.</b>
	<b>DOCUMENTS AND SERVICE OF NOTICES</b>	
171.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	<b>Signing of documents &amp; notices to be served or given.</b>
172.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	<b>Authentication of documents and proceedings.</b>
	<b>WINDING UP</b>	

Sr. No	Particulars	
173.	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) 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 members, 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.</p> <p>(ii) 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 members or different classes of members.</p> <p>(iii) 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 member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	
	<b>INDEMNITY</b>	
174.	<p>Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.</p>	<b>Directors' and others right to indemnity.</b>
175.	<p>Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or</p>	<b>Not responsible for acts of others</b>

Sr. No	Particulars	
	deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	
	<b>SECRECY</b>	
176.	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	<b>Secrecy</b>
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	<b>Access to property information etc.</b>



## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Red Herring Prospectus which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 32, Heera Panna Market, Pur Road Bhilwara 311001, Rajasthan. from date of filing this Red Herring Prospectus with RoC to Bid Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### Material Contracts

1. Issue Agreement dated January 31, 2017 between our Company and the BRLM.
2. Registrar Agreement dated January 31, 2017 between our Company and Bigshare Services Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated February 21, 2017 between our Company and Underwriter viz. BRLM
4. Market Making Agreement dated January 31, 2017 between our Company, Market Maker and the BRLM.
5. Bankers to the Issue Agreement dated February 21, 2016 amongst our Company, the BRLM, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated March 01, 2017
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated February 17, 2017
8. Syndicate Agreement dated January 31, 2017 between our Company, the BRLM and Syndicate Member viz. Pantomath Stock Brokers Private Limited.

#### Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company along with certificates of incorporation as amended from time to time.
2. Resolutions of the Board of Directors dated January 18, 2017 in relation to the Issue and other related matters.
3. Special resolution of the Shareholders' passed at the Extra-ordinary General meeting dated January 24, 2017 authorizing the Issue.
4. Statement of Tax Benefits dated January 20, 2017 issued by our Peer Reviewed Auditor, Birani & Associates, Chartered Accountants.
5. Report of the Peer Reviewed Auditor, Birani & Associates, Chartered Accountants, dated January 20, 2017 on the Restated Financial Statements for the period ended September 30, 2017 and for the financial years ended as on March 31, 2016, 2015, 2014, 2013 & 2012 of our Company.
6. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditors, Peer Reviewed Auditors, Banker to the Company, Legal Advisor to the Issue, the Book Running Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Bankers to the Issue, Refund Banker to the Offer and Syndicate Member to the Issue to act in their respective capacities.
7. Copy of approval from BSE Limited vide letter dated March 01, 2017, to use the name of BSE in this Issue document for listing of Equity Shares on SME Platform of BSE Limited.



8. Due Diligence Certificate dated February 13, 2017 from BRLM to BSE Limited.

None of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes





## DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Red Herring Prospectus are true and correct.

**Signed by all the Promoters & Directors of our Company**

<b>Name and Designation</b>	<b>Signature</b>
<b>Kailashchandra Laddha</b> <i>Promoter, Chairman &amp; Whole Time Director</i> <i>DIN: 01880516</i>	Sd/-
<b>Kantadevi Laddha</b> <i>Promoter</i>	Sd/-
<b>Maheshchandra Laddha</b> <i>Promoter &amp; Non Executive Director</i> <i>DIN: 02333125</i>	Sd/-
<b>Pramila Laddha</b> <i>Promoter</i>	Sd/-
<b>Kamlesh Laddha</b> <i>Whole Time Director</i> <i>DIN: 03520135</i>	Sd/-
<b>Yogesh Laddha</b> <i>Promoter &amp; Managing Director</i> <b>DIN: 02398508</b>	Sd/-
<b>Pallavi Laddha</b> <i>Promoter &amp; Whole Time Director</i> <b>DIN:- 06856220</b>	Sd/-
<b>Kailashchandra Hiralal Laddha HUF</b> <i>Promoter</i>	Sd/-
<b>Maheshchandra Kailashchandra Laddha HUF</b> <i>Promoter</i>	Sd/-
<b>Basant Porwal</b> <i>Independent Director</i>	Sd/-
<b>Shriniwas Bhattad</b> <i>Independent Director</i>	Sd/-
<b>Dilip Porwal</b> <i>Additional Director</i>	Sd/-

Signed by Chief Financial Officer and Company Secretary & Compliance officer of the Company.

Sd/-

**Bharat Agal**

**Chief Financial Officer**

Sd/-

**Prateek Jain**

**Company Secretary and  
Compliance Officer**

**Place:** Bhilwara

**Date:** . March 02, 2017

## Annexure A

### DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	DRA Consultants Limited	2.96	10	October 13, 2016	12.00	184% (-2.98%)	3.66% (-2.69%)	Not Applicable
2.	Gretex Industries Limited	3.96	20	October 14, 2016	24.00	-8.00% (-3.34%)	-0.26% (-2.36%)	Not Applicable
3.	Sakar Health Care Limited	14.85	50	October 14, 2016	52.80	-4.00% (-3.34%)	0.17% (-2.36%)	Not Applicable
4.	Bindal Exports Limited	1.99	16	October 17, 2016	17.00	0.31% (-4.45%)	0.22% (-0.88%)	Not Applicable
5.	Mewar Hi-Tech Engineering Limited	2.33	22	October 17, 2016	26.40	-23.75 (-4.45%)	-0.19% (-0.88%)	Not Applicable
6.	Shashijit Infraprojects Limited	3.49	15	October 17, 2016	15.25	0.00% (-4.45%)	0.10% (-0.88%)	Not Applicable
7.	Agro Phos India Limited	12.93	22	November 16, 2016	26.40	-6.59% (0.52%)	0.03% (6.75%)	Not Applicable
8.	Majestic Research Services and Solutions Limited	9.43	114	December 14, 2016	140.00	56.27% (2.42%)	Not Applicable	Not Applicable
9.	Maheshwari Logistics Limited	27.17	68	January 16, 2017	71.80	5.51% (0.97%)	Not Applicable	Not Applicable
10.	Madhav Copper Limited	4.48	81	February 06, 2017	90.50	Not Applicable	Not Applicable	Not Applicable

Note:- Majestic Research Services and Solutions Limited is a Further Public Offering managed by Pantomath



Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> days, scrips are not traded then last trading price has been considered.
5. As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

### SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO/FPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar day 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%
13-14	*1	6.85	-	-	-	-	1	-	-	-	-	-	1	-
14-15	**5	56.84	-	-	-	-	-	5	-	-	-	-	1	4
15-16	***9	54.01	-	-	1	3	2	3	-	-	2	4	3	-
16-17	****20##\$	132.99	-	-	5	4	3	7	-	-	1	3	-	2

\*The scripts of Si. Vi. Shipping Corporation Limited was listed on March 6, 2014.

\*\*The scripts of Women's Next Loungeries Limited, Ultracab (India) Limited, Momai Apparels Limited, Jet Infraventure Limited and Supreme(India) Impex Limited were listed on April 21, 2014, October 10, 2014, October 16, 2014, November 25, 2014, and March 31, 2015 respectively.

\*\*\*The scripts of Filtra Consultants and Engineers Limited, Ambition Mica Limited, Jiya Eco Products Limited, M.D. Inducto Cast Limited, Majestic Research Services and Solutions Limited, Mangalam Seeds Limited, Sri Krishna Constructions (India) Limited, Patdiam Jewellery Limited and Vidli Restaurants Limited were listed on April 15, 2015, July 14, 2015, July 16, 2015, July 16, 2015, July 16, 2015, August 12, 2015, October 01, 2015, October 16, 2015 and February 15, 2016 respectively.

\*\*\*\*The scripts Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos India Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited and Madhav Copper Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016, December 14, 2016, January 16, 2017 and February 06, 2017 respectively.



##The Scripts of Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultants Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos India Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited and Madhav Copper Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days and 30 Days respectively from the date of listing.

\$ As on 30<sup>th</sup> trading day the closing price of the scripts Ruby Cables Limited and Shashijit Infraprojects Limited were at par with the issue price. Hence, they are not considered for counting the number of IPOs trading at discount and premium.