**Prospectus**
*Dated: June 21, 2018*
*Please read Section 26 of Companies Act, 2013*
*Fixed Price Issue*

# JAKHARIA FABRIC LIMITED

**CIN: U17200MH2007PLC171939**

Our Company was incorporated as Jakharia Fabric Private Limited on June 22, 2007, under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration No. 171939. The status of our Company was changed to a public limited company and the name of our Company was changed to Jakharia Fabric Limited by a special resolution passed on April 20, 2018. A fresh certificate of incorporation consequent to the conversion was granted to our Company on April 27, 2018, by the Registrar of Companies, Mumbai. For further details, pertaining to the change of name of our Company and the change in registered office, please refer the chapter *"History and other corporate matters"* beginning on page no.95 of this Prospectus.

**Registered Office:** Office No. 1224, Deoji Nagar, Narpoli Village, Bhiwandi, Thane– 421 302, Maharashtra;
**Tel No.:** +91-25- 2227 8892; **Email**: info@jakhariafabric.com; **Website:** www.jakhariafabric.com
**Contact Person:** Mr. Bhavin Waghela, Company Secretary and Compliance Officer.
**Our Promoters**: Mr. Jignesh Shah, Mr. Nitin Shah and Mr. Dixit Shah

## THE ISSUE

**PUBLIC ISSUE OF 10,92,000 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF JAKHARIA FABRIC LIMITED ("JFL" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ 180 PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 1,965.50 LAKHS ("THE ISSUE"), OF WHICH 60,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 10,32,000 EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.87% AND 25.39%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

## THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 AND THE ISSUE PRICE IS 18 TIMES OF THE FACE VALUE

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.**
*For further details see "Issue Related Information" beginning on page no.188 of this Prospectus.*

In terms of the 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 "*Issue Procedure*" beginning on page no. 195 of this Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

## RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Company, there has been no formal market for the securities of the Company. The Issue Price (as determined and justified by our Company in consultation with the Lead Manager) as stated under "*Basis for Issue Price*" beginning on page no. 62 of this Prospectus 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 of our company or regarding the price at which the shares will be traded after listing.

## GENERAL RISKS

Investment 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 investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. **Specific attention of the Investors is invited to "*Risk Factors*" beginning on page no. 10 of this Prospectus.**

## COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 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 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 offered through this Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE"). Our Company has received an In-principle approval letter dated June 01, 2018 from NSE for listing our shares on the EMERGE Platform of the National Stock Exchange of India Limited. For the purposes of the Issue, the Designated Stock Exchange shall be the National Stock Exchange of India Limited ("NSE").

| LEAD MANAGER TO THE ISSUE | REGISTRAR TO THE ISSUE |
|---|---|
| **ARYAMAN FINANCIAL SERVICES LIMITED**<br>60, Khatau Building, Ground Floor,<br>Alkesh Dinesh Modi Marg, Fort,<br>Mumbai – 400 001<br>**Tel No.:** +91 – 22 – 6216 6999<br>**Fax No.:** +91 – 22 – 2263 0434<br>**Email:** ipo@afsl.co.in<br>**Website:** www.afsl.co.in<br>**Investor Grievance Email:** feedback@afsl.co.in<br>**Contact Person:** Ms. Hiral Motani / Mr. Vatsal Ganatra<br>**SEBI Registration No.:** INM000011344 | **BIGSHARE SERVICES PRIVATE LIMITED**<br>1st Floor, Bharat Tin Works Building,<br>Opp. Vasant Oasis, Makwana Road,<br>Marol, Andheri East, Mumbai – 400 059<br>**Tel No.:** +91 – 22 – 6263 8200;<br>**Fax No.:** +91 – 22 – 6263 8299;<br>**Email:** ipo@bigshareonline.com;<br>**Website:** www.bigshareonline.com<br>**Investor Grievance Email:** investor@bigshareonline.com;<br>**Contact Person:** Mr. Nilesh Chalke<br>**SEBI Registration No.:** INR000001385 |
| **ISSUE OPENS ON** | **ISSUE CLOSES ON** |
| **JUNE 29, 2018** | **JULY 03, 2018** |

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## SECTION I – GENERAL

## DEFINITION AND ABBREVIATION

**General Terms**

| Term | Description |
|---|---|
| Jakharia Fabric Limited / JFL / The Company / Company / We / Us / Our Company | Unless the context otherwise indicates or implies refers to Jakharia Fabric Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in Thane, Maharashtra. |
| Promoter(s) | The Promoters of our company:<br>• Mr. Jignesh Shah<br>• Mr. Nitin Shah<br>• Mr. Dixit Shah |
| Promoter Group | Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations as disclosed in the Chapter titled "*Our Promoter and Promoter Group*" on page no. 116 of this Prospectus. |

**Company related Terms**

| Term | Description |
|---|---|
| Articles / Articles of Association | Unless the context otherwise requires, refers to the Articles of Association of Jakharia Fabric Limited. |
| Auditor of the Company (Statutory Auditor) | M/s. Shah Shroff & Associates, Chartered Accountants, having their office at A-201/703, Winsway Complex, Old Police Lane, Andheri (East), Mumbai – 400 069. |
| Auditor of the Company (Peer Review Auditor) | M/s. V. J. Shah & Co., Chartered Accountants, having their office at 401- 406, K Building, 24,Walchand Hirachand Marg, Ballard Estate, Mumbai – 400 001. |
| Audit Committee | The committee of the Board of Directors constituted on April 27, 2018 as our Company's Audit Committee in accordance with Section 177 of the Companies Act, 2013 |
| Board of Directors / Board | The Board of Directors of Jakharia Fabric Limited, including all duly constituted Committees thereof. |
| CCPS | Compulsorily Covertible Preference Shares |
| Company Secretary and Compliance Officer | Mr. Bhavin Waghela |
| Director(s) | Director(s) of Jakharia Fabric Limited, unless otherwise specified |
| Equity Shares | Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof. |
| Equity Shareholders | Persons holding Equity Share of our Company |
| Key Management Personnel / KMP | Individuals described in the chapter titled "*Our Management*" beginning on page no. 100 of this Prospectus |
| MOA / Memorandum / Memorandum of Association | Memorandum of Association of Jakharia Fabric Limited. |
| Nomination and Remuneration Committee | The committee of the Board of Directors constituted on April 27, 2018 as our Company's Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 |
| Registered Office | The Registered Office of our company which is located at Office No. 1224, Deoji Nagar, Narpoli Village, Bhiwandi, Thane- 421302, Maharashtra. |
| Registrar of Companies / RoC | Registrar of Companies, Mumbai situated at Everest, 100, Marine Drive, Mumbai – 400 002 |
| Restated Financial Statements | The restated financial statements of our Company for nine months period ended December 31, 2018 and for the Financial Years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, which comprises the restated balance sheet, the restated statement of profit and loss and the restated cash flow statement, together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, Indian GAAP, and restated in accordance with the SEBI ICDR Regulations. |

| Term | Description |
|---|---|
| Stakeholders' Relationship Committee | The committee of the Board of Directors constituted on April 27, 2018 as our Company's Stakeholders' Relationship Committee. |
| Stock Exchange | Unless the context requires otherwise, refers to, the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE. |

**Issue Related Terms**

| Term | Description |
|---|---|
| Abridged Prospectus | Abridged Prospectus to be issued under Regulation 58 of SEBI ICDR Regulations and appended to the Application Form |
| Allotment | Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful Bidders, including transfer of the Equity Shares pursuant to the Issue to the successful applicants |
| Allotment Advice | Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange |
| Allottee(s) | The successful applicant to whom the Equity Shares are being / have been Allotted. |
| Applicant | Any prospective investor who makes an application for Equity Shares in terms of this Prospectus. |
| Application Form | The Form in terms of which the applicant shall apply for the Equity Shares of the Company |
| Application Supported by Blocked Amount/ ASBA | An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for all Applicants participating in the Offer. |
| ASBA Account | A bank account maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form. |
| ASBA Applicant(s) | Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form. |
| ASBA Application / Application | An indication to make an offer during the Bid/Offer Period by an Applicant pursuant to submission of the Application Form, to subscribe to the Equity Shares at a price as mentioned in the Prospectus, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in terms of the Prospectus and Application Form. |
| Banker(s) to the Company | Such banks which are disclosed as Bankers to our Company in the chapter titled "*General Information*" on page no. 39 of this Prospectus. |
| Banker(s) to the Issue | The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being Kotak Mahindra Bank.. |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled "*Issue Procedure*" beginning on page no. 195 of this Prospectus. |
| Business Day | Monday to Friday (except public holidays) |
| CAN / Confirmation of Allocation Note | The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange. |
| Collecting Depository Participant(s) or CDP(s) | 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. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Controlling Branches | Such Branches of the SCSBs which co-ordinate Applications by the Applicants with the Registrar to the Offer and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. |
| Demographic Details | The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details. |
| Depositories | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL |
| Depositories Act | The Depositories Act, 1996, as amended from time to time |
| Designated Date | The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the Applicants to the Public Offer Account. |
| Designated | Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs |

| Term | Description |
|---|---|
| Intermediaries / Collecting Agent | and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Offer. |
| Designated CDP Locations | Such locations of the CDPs where Applicants can submit the 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 Application Forms are available on the websites of the Stock Exchange. |
| Designated RTA Locations | Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange. |
| Designated Market Maker | Aryaman Capital Markets Limited (formerly known as Aryaman Broking Limited) will act as the Market Maker and 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 a period as may be notified by amendment to SEBI ICDR Regulations. |
| Designated SCSB Branches | Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf |
| Designated Stock Exchange | SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE |
| Draft Prospectus | The Draft Prospectus dated May 08, 2018 issued in accordance with the SEBI ICDR Regulations. |
| Eligible NRIs | An NRI from such a jurisdiction outside India where it is not unlawful to make an Offer or invitation under this Offer and in relation to whom the Application Form and the Prospectus will constitutes an invitation to purchase the Equity Shares. |
| Escrow Agreement | Agreement dated May 24, 2018 entered into amongst the Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account. |
| Foreign Portfolio Investor / FPIs | Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014. |
| Issue Proceeds | The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please refer the chapter titled "*Objects of the Issue*" beginning on page no. 55 of this Prospectus. |
| Issue / Issue Size / Public Issue / IPO | This Initial Public Issue of 10,92,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 180 per equity share, aggregating to ₹ 1,965.50 lakhs by the Company. |
| Issue Closing date | The date on which the Offer closes for subscription being July 03, 2018. |
| Issue Opening date | The date on which the Offer opens for subscription being June 29, 2018. |
| Issue Price | The price at which the Equity Shares are being offered by our Company in consultation with the Lead Manager, under this Prospectus being ₹ 180 per share. |
| LM / Lead Manager | Lead Manager to the Offer, in this case being Aryaman Financial Services Limited. |
| Listing Agreement / Equity Listing Agreement | Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE |
| Market Maker Reservation Portion | The reserved portion of 60,000 Equity Shares of ₹ 10 each at an issue price of ₹ 180 per Equity Share aggregating to ₹ 108.00 lakhs for the Designated Market Maker in the Public Issue of our Company. |
| Market Making Agreement | The Agreement among the Market Maker, the Lead Manager and our Company dated May 02, 2018 and addendum dated May 24, 2018. |
| Mutual Fund | A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended. |
| Non-Institutional Applicant | All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs) |
| Net Issue | The Net Issue of 10,32,000 Equity Shares of ₹ 10 each at an issue price of ₹ 180 per Equity Share aggregating to ₹ 1,857.60 lakhs by the Company. |
| Non-Resident | A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI. |
| NSE Emerge Platform | SME Platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares |

| Term | Description |
|---|---|
| | Offered under Chapter XB of the SEBI ICDR Regulations. |
| Person or 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 in the jurisdiction in which it exists and operates, as the context requires. |
| Prospectus | This Prospectus dated June 21, 2018 filed with the RoC containing, inter alia, the Issue opening and closing dates and other information. |
| Public Issue Account | Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the ASBA accounts on the Designated Date. |
| Qualified Foreign Investors / QFIs | Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI. |
| Qualified Institutional Buyers / QIBs | Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding and does not include FVCIs and multilateral and bilateral institutions. |
| Registrar and Share Transfer Agents/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 being Bigshare Services Private Limited. |
| Retail Individual Investors | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000. |
| Self Certified Syndicate Bank(s) / SCSBs | A Bank registered with SEBI under the SEBI (Bankers to an Offer) Regulations, 1994 and Issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at http://www.sebi.gov.in/pmd/scsb.pdf. |
| TRS / Transaction Registration Slip | The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application. |
| Underwriters | Aryaman Financial Services Limited and Aryaman Capital Markets Limited. |
| Underwriting Agreement | The Agreement among the Underwriters and our Company dated May 02, 2018 and addendum dated May 24, 2018. |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended. |
| Working Day | All trading days of the Stock Exchange excluding Sundays and Bank holidays in Mumbai. |

**Technical / Industry related Terms**

| Term | Description |
|---|---|
| DG | Diesel Generator |
| DGFT | Directorate General of Foreign Trade |
| ETP Plant | Effluent Treatment Plant |
| FOB | Free on Board / Freight on Board |
| LAPF | Liva Accredited Partner Form |
| MIDC | Maharashtra Industrial Development Corporation |
| MSEDCL | Maharashtra State Electricity Distribution Co. Ltd |
| Mtrs P.A | Meters per anum |
| R.O. Plant | Reverse Osmosis Plant |
| sq. mtrs. | Square meters |

**Conventional Terms / General Terms / Abbreviations**

| Term | Description |
|---|---|
| A/c | Account |
| AGM | Annual General Meeting |
| AIF | Alternative Investment Fund as defined in and registered with SEBI under the Securities |

| Term | Description |
|---|---|
| | and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| AS / Accounting Standards | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| ASBA | Applications Supported by Blocked Amount |
| AY | Assessment Year |
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate |
| Category II foreign portfolio investor(s) / Category II FPIs | FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations |
| Category III foreign portfolio investor(s) / Category III FPIs | FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations |
| CDSL | Central Depository Services (India) Limited |
| CFO | Chief Financial Officer |
| CIN | Company Identification Number |
| CIT | Commissioner of Income Tax |
| Client ID | Client identification number of the Applicant's beneficiary account |
| Companies Act | Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification. |
| Companies Act, 1956 | The Companies Act, 1956, as amended from time to time |
| Companies Act, 2013 | The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date. |
| CLPR Act | Child Labour (Prohibition and Regulation) Act, 1986 |
| CLRA Act | Contract Labour (Regulation and Abolition) Act, 1970 |
| CSR | Corporate Social Responsibility |
| CGST Act | Central Goods and Services Tax Act, 2017 |
| CST | Central Sales Tax |
| DIN | Director Identification Number |
| DIPP | Department Of Industrial Policy and Promotion |
| DP | Depository Participant as defined under the Depositories Act |
| DP ID | Depository Participant's identification |
| ECS | Electronic Clearing System |
| EOGM | Extraordinary General Meeting |
| EMDEs | Emerging Market and Developing Economies |
| EIA | Environmental Impact Assessment |
| EMP | Environment Management Plan |
| EPS | Earnings Per Share |
| EPF Act | Employees Provident Funds and Miscellaneous Provisions Act, 1952 |
| ESI Act | The Employees State Insurance Act, 1948 |
| EXIM Policy | Export-Import Policy |
| 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 |
| FIIs | Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India |
| FPIs | Foreign Portfolio Investors as defined under the SEBI FPI Regulations |
| FIPB | Foreign Investment Promotion Board |
| FTA Act | Foreign Trade (Development and Regulation) Act, 1992 |
| FY / Fiscal / Financial Year | Period of twelve months ended March 31 of that particular year, unless otherwise stated |
| GDP | Gross Domestic Product |
| GoI/Government | Government of India |

| Term | Description |
|---|---|
| GST | Goods & Services Tax |
| HNI | High Networth Individuals |
| HUF | Hindu Undivided Family |
| IAS Rules | Indian Accounting Standards, Rules 2015 |
| IDA Act | Industrial Disputes Act, 1947 |
| IEC | Importer Exporter Code |
| IFRS | International Financial Reporting Standards |
| IGST Act | Integrated Goods and Services Tax Act, 2017 |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Ind AS | Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 |
| I.T. Act | Income Tax Act, 1961, as amended from time to time |
| ICSI | Institute of Company Secretaries Of India |
| IPO | Initial Public Offering |
| ISI | Indian Standards Institution |
| ISIN | International Securities Identification Number |
| ISO | International Organization for Standardization |
| KM / Km / km | Kilo Meter |
| LLP | Limited Liability Partnership |
| L.M. Act | Legal Metrology Act, 2009 |
| Merchant Banker | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| MoF | Ministry of Finance, Government of India |
| MICR | Magnetic ink character recognition |
| MOU | Memorandum of Understanding |
| MSMED Act | Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 |
| MWA Act | Minimum Wages Act, 1948 |
| NA / N. A. | Not Applicable |
| NAV | Net Asset Value |
| NECS | National Electronic Clearing Service |
| NEFT | National Electronic Fund Transfer |
| NoC | No Objection Certificate |
| NRE Account | Non Resident External Account |
| NRIs | A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000 |
| NRO Account | Non Resident Ordinary Account |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| OCB / Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs including overseas trusts, in which not less than 60.00% 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 |
| p.a. | per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAC | Persons Acting in Concert |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PESO | Petroleum and Explosives Safety Organisation |
| PLR | Prime Lending Rate |
| PWA | Payment of Wages Act, 1936 |
| RBI | The Reserve Bank of India |
| ROE | Return on Equity |
| RONW | Return on Net Worth |
| Rupees / Rs. / ₹ | Rupees, the official currency of the Republic of India |

| Term | Description |
|---|---|
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contract (Regulation) Act, 1956, as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| 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 |
| 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 Investor) Regulations, 2000 |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 |
| SEBI LODR Regulations, 2015 / SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on September 2, 2015 |
| SEBI SAST Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| Sec. | Section |
| Securities Act | U.S. Securities Act of 1933, as amended |
| SHWW Act | Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985 |
| STT | Securities Transaction Tax |
| TIN | Taxpayers Identification Number |
| TDS | Tax Deducted at Source |
| T. P. Act | Transfer of Property Act, 1882 |
| US / United States | United States of America |
| USD / US$ / $ | United States Dollar, the official currency of the Unites 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. |

## CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references to "India" contained in this Prospectus are to the Republic of India. In this Prospectus, our Company has presented numerical information in "lakhs" units. One lakhs represents 1,00,000.

### Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from our audited financial statements as on and for the nine months period ending December 31, 2017 and for the Fiscal Years ended March 31, 2017, 2016, 2015, 2014 and 2013 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the section titled "*Risk Factors*", chapters titled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page nos. 10, 74 and 150 of this Prospectus, respectively, and elsewhere in this Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

### Currency, Units of Presentation and Exchange Rates

All references to "Rupees", "Rs." or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "US Dollars" or "USD" are to United States Dollars, the official currency of the United States of America.

This Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

### Definitions

For definitions, please see the Chapter titled "*Definitions and Abbreviations*" on page no. 1 of this Prospectus. In the Section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page no. 242 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

### Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Prospectus has been obtained from industry sources as well as 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 that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Further, the extent to which the industry and market data presented in this 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

All statements contained in this Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "may", "will", "will continue", "will pursue", "contemplate", "future", "goal", "propose", "will likely result", "will seek to" or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the Textile Industry in India and overseas where we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Changes in laws and regulations relating to the sectors/ areas in which we operate and failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner.
- Increasing competition in or other factors affecting the industry in which our Company operates;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our failure to keep pace with rapid changes in technology;
- Fluctuations in operating costs;
- Conflict of Interest with affiliated companies, the promoter group and other related parties
- Our inability to retain the services of our senior management, key managerial personnel and capable employees;
- Changes in political and social conditions in India the monetary policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- The performance of the financial markets in India and globally;

For further discussions of factors that could cause our actual results to differ, please see the section titled "*Risk Factors*", chapters titled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page nos. 10, 74 and 150 of this Prospectus, respectively.

By their nature, certain 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. Forward-looking statements speak only as of this Prospectus. Our Company, our Directors, the Lead Manager, and their respective affiliates or associates do not have any obligation to, and do not intend 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 the SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchange.

## SECTION II – RISK FACTORS

*An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections entitled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations on page nos. 74 and 150 of this Prospectus respectively as well as other financial and statistical information contained in this Prospectus. 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 risks mentioned herein.*

*This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial information of our Company prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto.*

### Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may have material impact quantitatively;
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material individually but may be found material collectively.
4. Some events may not be material at present but may be having material impact in future.

### INTERNAL RISK FACTORS

***1. There are outstanding legal proceedings involving our Company, Promoter and Group Company. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Company, Promoter and Group Company are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums.

Mentioned below are the details of the proceedings pending against our Company, Promoter and Group Company as on the date of this Prospectus along with the amount involved, to the extent ascertainable/quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on April 27, 2018:

***a. Litigations / Proceedings filed against our Company:***

*(₹ in lakhs)*

| Sr. No. | Nature of matter | No. of matters | Amount (to the extent quantifiable) |
|---|---|---|---|
| 1. | Litigation involving Income Tax Liabilities | 1 | 48.66* |
| **Total** | | **1** | **48.66** |

**The aforesaid amount may be subject to additional penalties, interest and/or tax that may be levied by the concerned authorities, the amount of which is unascertainable as on date.*

***b. Litigations / Proceedings filed by our Company, Promoter and Group Company***

*(₹ in lakhs)*

| Sr. No. | Nature of matter | No. of matters | Amount (to the extent quantifiable)* |
|---|---|---|---|
| 1. | Litigation involving Income Tax Liabilities filed by our Company | 1 | Unascertainable |
| 2. | Litigation involving Income Tax Liabilities filed by our Promoter | 3 | 72.21 |
| 3. | Litigation involving Income Tax Liabilities filed by our Group Company | 6 | 97.41 |

**The aforesaid amounts may be subject to additional penalties, interest and/or tax that may be levied by the concerned authorities, the amount of which is unascertainable as on date.*

Any developments in the proceedings, such as a change in Indian law or rulings against our Group Companies and our Subsidiaries by appellate courts or tribunals may constrain us to make provisions in our financial statements that could increase our expenses and current liabilities and the same may result in an adverse material impact on our business, goodwill, results of operations and financial condition. For further details, please refer to the chapter titled "*Outstanding Litigations and Material Developments*" beginning on page 164 of this Prospectus.

***2. Volatility in the prices of raw materials, fabrics, colours & chemicals and other raw materials and non-availability of such raw materials, may adversely impact our total cost of goods sold and our operations.***

Our Company purchases raw materials from various suppliers for our processing operations. Also, processing requires colours and chemicals which are used for dyeing. We do not have any agreement with suppliers with respect to supply of raw materials purchased by us from them. We are therefore, entirely dependent on external suppliers for the raw materials which constitutes a majority of the total cost of raw materials for our processing operations. Any adverse fluctuations in the price of the raw materials, which we may not be able to pass on to our customers could have a material adverse effect on our total cost of production. Further, in the event of any disruption in raw material supply in terms of requisite quantities and qualities, our production schedule may also be adversely affected having an impact on our business operations.

***3. Certain statutory/ regulatory approvals for the proposed project needs to be applied and any delay or non-receipt of such approvals may delay the proposed project of M/.s Jakharia Industries.***

Based on the objects of the Part financing for setting up of processing unit through M/s. Jakharia Industries at Tarapur, MIDC, M/s Jakharia Industries will have to apply for certain statutory/ regulatory approval in relation to the Objects of the Issue. We cannot assure that M/s Jakharia Industries would be able to apply for these licenses/ approvals/ permissions in a timely manner, or that they would be granted such licenses/ approvals/ permissions in a timely manner or at all. Such grant may also be subject to restrictions and/ or permissions which may prejudicially affect the project implementation of M/s. Jakharia Industries thereby affecting its operations, which in turn would have an adverse effect on our return on Investment in Jakharia Industries.

***4. There may be potential conflict of interests between our company and other venture or entities/ enterprises promoted by our promoters or directors.***

We are heavily dependent on our executive directors and their expertise for our strategic as well as day to day operations. The Chairman and Executive Director of our Company, Mr. Jignesh Shah is involved in the management of our Group Company also and he is also a common director between our Company and our Group company viz: Jakharia Synthetic Private Limited which is involved in a similar line of business. However, Jakharia Synthetics Pvt. Ltd. is engaged in the business of processing and job work in relation to yarn and other fabrics. Further Mr. Jignesh Shah, Mr. Nitin Shah and Mr. Manekchand are partners in M/s. Dixit Processors which is involved in a similar line of business. Our Company has invested in M/s. Jakharia Industries to the extent of 85 %. The operational activities of the Partnership firm have not yet commenced. However, the business of the Partnership firm is in the similar business line of ours, with higher level of automisation. Our Company has not entered into "non-compete" agreement with any of the group entities as on date and hence we may face tconflict of interest.

In case of a conflict between us and or any other entity in which our Directors or our Promoter Group members are interested, our Promoters/ Directors may favor such other companies over us. Further, there may be situations in which they are unable to allocate sufficient time to our Company or effectively participate in the management of our Company, which could have a material adverse effect on our business. If any such actual or perceived conflicts of interests are not resolved suitably, our business, results of operations and/or the interest of our other

shareholders may be adversely affected. For further details, please see "*Our Management*" and "*Our Promoters and Promoter Group*" and "*Annexure XXVIII-Related Party Transactions*" under the chapter titled "*Financial Statements*" beginning on page nos. 100 116, and 125 respectively of this Prospectus.

5. ***The implementation of the project of M/s. Jakharia Industries into which the proposed Issue proceeds are to be invested is under progress and the partnership firm has not placed order for machines and equipments as mentioned in the objects of the Issue.***

   M/s Jakharia Industries has not placed orders for machineries and equipments as mentioned in the objects of the Issue. The civil works at the proposed processing unit is under progress. Any delay in placing the orders for machinery/ or supply of plant and machinery or completion of civil work may result in time and cost overruns, and may affect our profitability.

   Since the part funding for the plant and machinery is from the IPO proceeds, any delay in access to IPO proceeds would eventually delay the process of placing the orders for certain machineries. The purchase of plant and machinery would require us to consider factors including but not limited to pricing, delivery schedule and after-sales maintenance. Our Company is further subject to risks on account of inflation in the price of plant and machinery. There may also be a possibility of delay at the suppliers' end in providing timely delivery of these machineries, which in turn may delay the implementation of our project. For further details, please refer to the chapter titled '*Objects of the Issue*' beginning on page no. 55 of this Prospectus.

6. ***Our Company is in use and occupation of the premises on land bearing Plot No. 13/1, MIDC Industrial Area Saravali, Kalyan Bhiwandi Road, District: Thane taken on leave and license basis from Bhalotia Bleaching and Dyeing Private Limited which is taken on lease basis by Bhalotia Bleaching and Dyeing Private Limited from MIDC. However, no approvals or permissions of MIDC have been obtained for such use and occupation of the said land by the Company.***

   The land bearing Plot No. 13/1, MIDC Industrial Area Saravali, Kalyan Bhiwandi Road, District: Thane (the "**said Land**") has been taken on lease basis by Bhalotia Bleaching and Dyeing Private Limited from MIDC. The lease deed executed in this regard mandates that any sub-letting of the said Land by Bhalotia Bleaching and Dyeing Private Limited would require prior permission of MIDC. Conversely, the use and occupation of the said Land has been licensed to the Company by Bhalotia Bleaching and Dyeing Private Limited under a Conducting Agreement dated December 12, 2017.However, no permission or approval has been obtained from MIDC either by the Company or Bhalotia Bleaching and Dyeing Private Limited in this regard, although possession for use of the said Land has already been granted to the Company pursuant to the Conducting Agreement dated December 12, 2017 and the Company's manufacturing unit on the said Land is operative. Till date of this Prospectus, neither Bhalotia Bleaching and Dyeing Private Limited nor the Company has received any default notice or communication raising any sort of objection from MIDC pertaining to the said Land. However, it cannot be assured that there will be no objection raised by MIDC in future. Further, in the event, either Bhalotia Bleaching and Dyeing Private Limited or the Company receive any default notice from MIDC, either of them may be required to pay the penalty demanded or even vacate the said Land or the ex facto permission for use and occupation of the said Land may be denied by MIDC, in which case there may be a shutdown of our manufacturing facility at Saravali, MIDC which may have an adverse effect on our business, results of operations and financial condition.

7. ***Our Company had availed an amount of ₹ 1,168.07 lakhs as unsecured loans from Directors/ Promoters, Promoter Group, and Group Entities which are repayable on demand. Any demand from the lenders for repayment of such unsecured loan may affect our cash flow and financial condition. Also, such unsecured loans may be recalled at any time which may have an adverse effect on our business, prospects, financial condition and results of operations.***

   Our Company had availed an amount of ₹ 1,168.07 lakhs as unsecured loan from Directors/ Promoters, Promoter Group and Group Entities which may be recalled at any time. These Loans availed from Directors and related parties are interest free from April 01, 2017. However, earlier interest was provided at the rate of 12%. These loans are repayable on demand. Sudden recall for the repayment may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden.

   Further, our Company will not be able to raise funds at short notice and thus result in shortage of working capital funds. For further details, please refer to the section "*Unsecured Loans*" under "*Restated Financial Statements*" beginning on page no. 125 of this Prospectus. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

Our Company may obtain in future, unsecured loans from Directors/ Promoters, Promoter Group and Group Companies, some of which may be recalled at any time at the option of the lender. If the unsecured loans so obtained by our Company are recalled at any time, the financial condition of our Company may be adversely affected having an effect on our business, prospects and results of operations also.

***8. We may face a financial risk on account of not meeting our export obligations.***

We have obtained licenses under Export Promotion Capital Goods scheme ("EPCG") as listed under the heading *"EPCG Licences"* in the chapter titled "*Our Busines*s". As per the licensing requirement under the said scheme, we are required to export goods of a defined amount, failing which, we have to make payment to the Government of India equivalent to the duty benefit enjoyed by us under the said scheme along with interest. As on December 31, 2017 our export obligation is USD 35.91 lakhs. In case of any default, our company will have to bear the penalty, which may have an impact on the financial condition of our Company.

***9. M/s. Jakharia Industries (Partnership Firm) faced cost overrun issues and delay in setting up of the proposed unit located at MIDC Tarapur, in which our company is a partner which is proposed to be made operational by part financing the setting up of Processing unit.***

Our Company proposed to set up an additional fabrics processing unit through M/s. Jakharia Industries (Partnership Firm), in which our Company is a partner. This Processing house is being set up with a proposed capacity of 360 lakh meters p.a. This project was initially scheduled to be implemented with a lower capacity; however, due to delay in obtaining pollution control clearance, the project remained un-implemented. Since M/s. Jakharia Industries did not get the pollution control clearance, the Project was delayed by a period of over 24 months. Thereon, after obtaining such clearances, our management has based on their market demand analysis re-worked the size of the project. Further due to change in the size of the project, the proposal was submitted again for approval, which lead to delay in the project implementation and further there was increase in cost of the project.

In case of any future event which may lead to any change in the proposed project, there may be delay in the implementation of the project further leading to cost overrun issues or in case of occurrence of such events, it may affect our growth plans and financial performance.

***10. Some of the premises used by our Company including our Registered Office and Processing units are not owned by our Company.***

The premises used by our Company as its Registered Office is taken on leave and license basis from our Director(s), which is also operated by our Group Company i.e. Jakharia Synthetics Pvt. Ltd. on sharing basis. The processing house located in MIDC Area of Saravali is taken on leave and license basis. There can be no assurance that these agreements will be renewed upon expiry or on terms and conditions acceptable to us. The processing house located in MIDC Area of Tarapur is taken on the basis of lease agreement for 95 years. The said plot is taken on long-term lease from M.I.D.C. As on date of this Prospectus there are no litigations or disputes on our occupancy of such lands with M.I.D.C. However, any defaults in complying with the said terms and conditions/covenants on our part may be subjected to penal provisions and it may also lead to the cancellation of such lease, which will adversely affect our business, financial conditions and results of operations.

Further, any failure to renew these agreements or procure new premises will increase our costs or may force us to look out for alternative premises which may not be available or which may be available at more expensive prices. Any or all of these factors may have a material adverse effect upon our business, results of operations and financial condition. For further details please refer to the chapters titled *"Our Business"* beginning on page no. 74 of this Prospectus respectively.

***11. The deployment of the Net Proceeds from the Issue are based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company's management will have flexibility in utilizing the Net Proceeds from the Issue. Any variation in the utilization of our Net Proceeds as disclosed in this Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.***

Our Company intends to primarily use the Net Proceeds from the Issue towards Part finance for setting up of processing unit through M/s Jakharia Industries at Tarapur, MIDC and GCP as described in "*Objects of the Issue*" on page no. 55 of this Prospectus. In terms of Regulation 16 of the SEBI (ICDR) Regulations, we are not required

to appoint a monitoring agency since the Issue size is not in excess of ₹ 10,000 lakhs. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section "Risk Factors", may limit or delay our Company's efforts to use the Net Proceeds from the Issue to achieve profitable growth in its business.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders. . Further, our Promoter or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue, at a price and manner as specified in Chapter VI-A of the SEBI ICDR Regulations pursuant to the SEBI ICDR (Second Amendment) Regulations, 2016 dated February 17, 2016. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoter or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI.

Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer. Our Company will disclose the utilisation of the Net Proceeds under a separate head along with details in its balance sheet until the Net Proceeds remain unutilised, clearly specifying the purpose for which the Net Proceeds have been utilised.

12. ***We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition.

As on date of this Prospectus the Company has filed applications for the following approvals: (i) Application filed before MIDC for No Objection Certificate from the concerned Fire Officer in accordance with the provisions of the Maharashtra Fire Prevention and Life Safety Measures Act, 2006, in respect of the Company's premises located at Plot No. N-83/84, MIDC, KumbhaVali Naka, Tarapur, Boisar District, Palghar, Maharashtra; and (ii) Application filed for Short Term Certificate dated May 10, 2018 before the Directorate of Steam Boilers Mumbai for 3 months from May 8, 2018 for operation of the coal fired boiler bearing no. MR/15141 for the unit at Plot No.A-13, MIDC, Tarapur, Tal. Palghar, District-Thane.

Further, the Company is the process of filing applications for the following approvals: (i) Application filed for registration of Establishments Employing Contract Labour before the office of the Assistant Commissioner of Labour, Palghar-2, in respect of the Company's premises located at Plot No. 13/1, MIDC Industrial Area Saravali, Kalyan Bhiwandi Road, Dist. Thane, Maharashtra-421302.There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all.

Our Company requires the following statutory and regulatory registrations, licenses, permits and approvals for our business but the same have not been obtained by us, as on date of this Prospectus:(i) Approvals or permissions from MIDC for occupying the factory premises located at Plot No. 13/1, MIDC Industrial Area Saravali, Kalyan Bhiwandi Road, Dist. Thane, Maharashtra-421302; and (ii) No Objection Certificate from the concerned Fire Officer in accordance with the provisions of the Maharashtra Fire Prevention and Life Safety Measures Act, 2006, in respect of the Company's premises located at Plot No. 13/1, MIDC Industrial Area Saravali, Kalyan Bhiwandi Road, Dist. Thane, Maharashtra-421302. We may be penalized for non-compliance with the aforementioned laws for which we have not obtained the requisite Licenses.

13. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of the relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, please see chapters titled "*Key Industry Regulations and Policies*" and "*Government and Other Statutory Approvals*" at pages 87 and 170 respectively of this Prospectus.***Our Company's manufacturing activities are labour intensive and depend on availability of skilled and unskilled labourers in large numbers. In case of unavailability of such labourers and / or inability to retain such personnel, our business operations could be affected.***

    Our Company has employed 319 employees as on March 31, 2018, which consists of employees all of whom are on payroll. The above includes employees in the Top and middle management (excluding Executive Directors), and also employees who are part of processing unit and office staff. Our operations and performance are labour intensive and depends on our ability to identify, attract and retain both skilled and unskilled labour. In case such labour is unavailable or we are unable to identify and retain such labourers for our existing units, our business could be adversely affected. Additionally we have entered into an arrangement with certain Independent contractors for execution, fulfilment and discharge of work and obligations as provided to the Contractor and that the Contractor shall execute and efficiently handle the work as per our requirements. We have not entered into any agreement for hiring additional labourers and thus availability of appropriately skilled labour cannot be guaranteed. Any failure to hire the appropriate labour may impact the operations and impair our client relations.

14. ***Our Company has entered into certain related party transactions in the past and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

    Our Company has entered into certain transactions with our related parties including our Promoters, Promoter Group, Directors and their relatives and our Group Entities. While we believe that all such transactions have been conducted on the arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties.

    Furthermore, it is likely that we may enter into related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate will not have an adverse effect on our business, results of operations, cash flows and financial condition. For details, please refer "*Annexure XXVIII – Related Party Transactions* under *Financial Statements*" beginning on page no. 125 of this Prospectus.

15. ***Substantial portion of our revenues has been dependent upon our few clients. The loss of any one or more of our major clients would have a material effect on our business operations and profitability.***

    A significant majority of our income from operations is from job work services and rest of the income is derived from sale of finished goods. For the financial year ended March 31, 2017 and for nine months period ended December 31, 2017, our top ten clients accounted for approximately 45.85 % and 52.47 % respectively of our revenue from operations. The loss of any significant client would have a material effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them. Demand for our products and services is based on customer's requirements and further, with the advancement of technology in the market, it may render our current technologies obsolete to fulfil their requirements. This may result in our customers opting for other processors. Any loss of customer base, out of our existing customers, will impact our overall sales, resulting in decline in our revenues.

    While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

16. ***Our Company has reported certain negative cash flows from its operating, investing and financing activities, details of which are given below. Sustained negative cash flow could impact our growth and business in the future.***

Our Company had reported certain negative cash flows from its operating, investing and financing activities in the previous years as per the restated financial statements and the same are summarized as under:

*(₹ in lakhs)*

| Particulars | For period ending December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Cash flow from Operating Activities | 574.46 | 208.49 | 956.81 | 800.77 | 555.78 | 677.59 |
| Cash flow from Investing Activities | (524.75) | (634.69) | (795.10) | (119.17) | (155.89) | (397.46) |
| Cash flow from Financing Activities | (33.03) | 214.96 | (131.73) | (662.70) | (220.03) | (278.55) |

For details, please refer "*Management's Discussion and Analysis of Financial Conditions and Results of Operations of our Company"* on page no. 150 of this Prospectus.

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 our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

***17. Contingent liabilities could adversely affect our financial condition. Crystallization of any of these contingent liabilities may adversely affect our financial condition.***

As of December 31, 2017, our contingent liabilities as indicated in our Restated Financial Statements and also certified by our statutory auditors were as follows:

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Disputed income tax demand | 92.03 | 43.78 | 43.78 | 43.18 | 43.18 | 43.18 |
| Bank guarantee | 88.92 | 68.92 | 78.92 | 78.92 | 29.66 | 29.66 |
| Corporate guarantee | - | - | 300.00 | 300.00 | - | - |
| **Total** | **180.95** | **112.70** | **422.70** | **422.10** | **72.84** | **72.84** |

Any default in payment under such arrangement may have an adverse effect and may result into difficulty in arranging of funds for re-payment and may also adversely affect our operations and financials.

In the event that any of our contingent liabilities materialize, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future. For further information, please refer *"Annexure XXX – Schedule of Contingent Liabilities, As Restated"* under *Restated Financial Statement Report* starting on page no. 125 of this Prospectus.

***18. Our Promoters play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us. Our success also depends on our key managerial personnel and our ability to attract and retain them. Any loss of our key managerial personnel could adversely affect our business, operations and financial condition.***

Our Company is promoted by a group of individuals, having an experience of over 3 decades. The success of our business operations is attributable to our Promoters, Directors and key management personnel. We believe that our relation with our Promoters, who have rich experience in setting up business, developing markets, managing customers and handling overall businesses, has enabled us to experience growth and profitability. We depend significantly on the expertise, experience and continued efforts of our key managerial personnel. For further details on the key managerial personnel of our Company please refer to the chapter titled "*Our Management*" beginning on page no. 100 of this Prospectus. We benefit from our relationship with our Promoters and Key Managerial Persons and our success depends upon their continuing services, who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business. Our Promoters has been actively involved in the day to day operations and management since the incorporation of the Company.

Our Promoters, along with the key managerial personnel, have over the years built relations with clients, distributors and other persons who are connected with us. As such, any loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

19. ***We have not identified any alternate source of raising the funds mentioned as our 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans and financial performance. Further in case of any delay in the completion of the Issue, there would be a corresponding delay in implementation schedule.***

Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and financial performance. The delay/shortfall in receiving these proceeds could result in inadequacy of funds for setting up the processing unit being set up through M/s. Jakharia Industries alongwith Plant and machinery, which may result in borrowing of funds on unfavourable terms for M/s Jakharia Industries, both of which scenarios may affect the business operations of M/s. Jakharia Industries, thereby having an adverse effect on our return on Investment in M/s. Jakharia Industries.

The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to consider alternative source for meeting the fund requirement. We therefore, cannot assure that we would be able to execute the proposed investment plan within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and financial performance.

20. ***Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay out debts, could adversely affect our operations.***

Our business requires significant amount of working capital. Major Portion of our working capital is utilized towards debtors and inventory. We have been sanctioned working capital of₹ 200 lakhs from the existing bankers. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, 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. Further, we have high Debtors which may result in a high risk in case of non-payment by these Debtors. In the event we are not able to recover our dues from our Debtors, we may not be able to maintain our Sales level and thus adversely affecting our financial health.

21. ***Our operating results in the recent past have shown a declining trend. Further future decline in our operating performance could adversely affect our financial performance.***

The below table shows the trend of our financial performance on the basis of Total Revenue, Earning Before Interest Tax Depreciation and Amortisation (EBITDA) and Profit after Tax (PAT):

| Particulars | For period ending December 31, 2017 | For the Year ended March 31, | | |
|---|---|---|---|---|
| | | 2017 | 2016 | 2015 |
| Revenue | 5,348.03 | 7,479.05 | 7,676.12 | 8,847.49 |
| EBITDA | 412.32 | 901.96 | 1,062.15 | 1,073.99 |
| PAT | 189.12 | 338.82 | 446.17 | 432.86 |

Our Management believes this recent trend will not continue. However if such a trend continues, it will affect our financial performance.

22. ***Our Company does not have any agreement with the third party service providers to whom we outsource some processes like printing, weaving and other allied work; consequently we are exposed to supply fluctuations for the same, ultimately which may have an adverse impact on our business and results of operations.***

Our Company relies to some extent on local third parties for outsourcing some of the processes like printing, weaving and other related work on yarn, grey fabric and finished fabric, as and when required. Our Company has such arrangement for outsourcing the work to third party service providers, wherein the Company has not entered

into any agreement with them. To the extent works are outsourced, we are dependent on third party service providers and any delay/ failure on their part may adversely affect our operations and turnaround time/ delivery schedule. Further, any failure on our part to ensure quality from such service providers may adversely affect our reputation and business.

Further, we cannot assure you that our third party service providers will continue to be associated with us on reasonable terms, or at all. Since such third party service providers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such third party service providers, which may cause them to cater to our competitors alongside, or even instead of us. In case of we are unable to outsource certain allied activities like printing, weaving etc., we may have to get this work done at the terms and conditions prevalent at that point, and consequently which may have an impact on our business, financial condition and results of operation.

***23. Our Company has incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations.***

As on December 31, 2017, our company had ₹ 1085.16 lakhs of outstanding debt consisting of secured loans as on our balance sheet (including current maturities) in relation to various facilities from the bank(s). In the event that we fail to meet our debt servicing obligations under our financing documents, the relevant lender(s) could declare us to be in default, accelerate the maturity of our obligations or even sell our Company's movable and immovable assets. We cannot assure investors that in the event of any such acceleration we will have sufficient resources to repay these borrowings. Failure to meet obligations under debt financing agreements may have an adverse effect on our cash flows, business and results of operations. Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flows generated by our business. We cannot assure you that we will generate sufficient cash to enable us to service existing or proposed borrowings. Incurring significant indebtedness may limit our flexibility in planning for or reacting to changes in our business & industry and limit our ability to borrow additional funds. Further, our level of indebtedness has important consequences to our Company, such as:

- Increasing our vulnerability to general adverse economic, industry and competitive conditions;
- Limiting our flexibility in planning for, or reacting to, changes in our business and the industry; affecting our credit rating;
- Limiting our ability to borrow more money both now and in the future; and
- Increasing our interest expenditure and adversely affecting our profitability, since almost all of our debt bears interest at floating rates.

If any of these risks were to materialise, our business and results of operations may be adversely affected.

***24. We are dependent on third party transportation providers for the delivery of raw materials and products. Accordingly, continuing increase in transportation costs or unavailability of transportation services for our products, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects***

We use third party transportation providers for the supply of most of our raw materials and for delivery of our products to our customers. We procure raw materials from our vendors from Maharashtra and Gujarat and also import certain plant and machinery. Also, our finished products are sold and delivered to different location within the country and also exported to a few countries. Most of these raw material and finished products are transported to and from our processing units by third party transportation service providers. Transportation strikes could have an adverse effect on our receipt of goods, raw materials and our ability to deliver our products to our customers.

Non-availability of ships, trucks and flights could adversely affect delivery of our products. In addition, transportation costs in India have been steadily increasing over the past several years. While usually the end consumer bears the freight cost, we may not always be able to pass on these costs to our customers. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects. In addition, India's physical infrastructure is less developed than that of many developed nations, and problems with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including our supply of raw materials and the delivery of our products to customers by third-party transportation providers. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could

interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

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

The State of Maharashtra and especially Bhiwandi is a hub for the Textile Industry and this has resulted in huge competitive pressures. We may have to confront pressures in respect of pricing; product quality etc. from the clients and such pressures may put strain on our profit margins which may consequently affect the financial position of our Company. Competition emerges not only from the organized sector but also from the unorganized sector and from both small and big players. We are also in direct competition with the leading processing house in India as well as the local units. Our Competitiveness is also measured by the technology we adopt as the textile industry is rapidly growing in India and in International Markets. Some of our clients might export their final products which in turn compel us to meet international standards also. Our inability to compete with this intense competition; local, national and international will have material adverse impact on our Company's financial position.

26. ***Our Company generally does business with our customers on purchase order basis and we have not entered into long term contracts with any 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 or distributors. Any change in the buying pattern of our customers or distributors from us can adversely affect the business of our Company. Further, our inability to add new buyers to our sales portfolio may hamper growth of our business and profitability. 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.

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

Our processing operations involve daily use of various machineries and technical equipments. 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 contract with any competent third party.

However, we conduct in-house machinery maintenance periodically in order to ensure the quality of the machinery used in the process and further avoid any mishaps. The machines are cleaned on periodic basis to ensure quality of the processing of the cloth. Further, we also maintain certain spare parts of the machines in case of breakdown of the machines. Despite of the above maintenance, in case of any future event which leads to breakdown of the machinery and our failure to reduce the downtime in case of occurrence of such events, may adversely affect our productivity, business and results of operations.

28. ***Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.***

We may encounter problems in executing the orders in relation to our products and services, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions, may result in the postponement of the delivery of products or cause its cancellation. Further, since we do not execute contracts with our customers, the order could be cancelled or there could be changes in scope and/ or scheduled delivery of the products. Accordingly, it is difficult to predict with certainty if, when, and to what extent we may be able to deliver the orders placed. Failure to deliver products on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our business In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty, delay or default in payment with regard to the orders placed with us, or any material disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. Any delay, modification, cancellation of order by our large customers may have material adverse effect on our financial condition and results of operations.

29. ***Our insurance coverage may not adequately protect us against all material hazards and the policies do not cover all risks, specifically risks like product defect / liability risk, loss of profits and workmen's compensation, In the***

***event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.***

Our business, processing units, plant and machinery and other assets could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be fully compensated by insurance. There can be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by our Company or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

While we believe that we maintain insurance coverage in amounts consistent with industry norms in each of our processing unit, our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and workmen's compensation, and are subject to exclusions and deductibles. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had 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. For details on the insurance policies taken by our Company, please refer to the chapter titled "*Our Business*" beginning on page no. 74 of this Prospectus.

***30. The Company has outstanding debtors for a period of more than six months. Inability to recover the same may impact our cash flows and financial condition.***

As on March 31, 2017 and December 31, 2017, our Company had ₹ 209.69 lakhs and ₹ 80.13 lakhs of debtors respectively, outstanding for more than six months. This amount corresponds to 12.19 % and 5.10 % of the total debtors outstanding as on March 31, 2017 and December 31, 2017. If we are unable to recover the said amount from our debtors, we have to write-off the same amount as a bad debt resulting in a cash flow shortage and consequently affecting our financial condition. Further, we cannot guarantee that there will be lower or no debtors outstanding for more than six months in the future and that we will be able to recover the amount for such debtors. In case of such events, we may have recurring bad debts which may adversely affect our business operations and financial conditions.

***31. In addition to normal remuneration, other benefits and reimbursement of expenses our Directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Some of our Directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration, incentives or benefits and reimbursement of expenses. We cannot assure you that our Directors would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

***32. There are various negative covenants in the sanction letters issued to us by our lender(s), which could put us at a competitive disadvantage and could have an adverse effect on our business, results of operations and financial condition.***

The sanction letter issued to us contains provisions that restrict our ability to do, among other things, any of the following:

- Changing or alter the Capital Structure of the Company;
- Non-declaring of dividends/ withdrawal of any amount in any form of salary/ remuneration/ incentive/ commission by the Promoters/ Directors in case of overdue with the Bank
- Change in directorship/ ownership/ promoters/ major shareholders without the written consent of the Bank.

Further the company has created a charge on its assets in favour of it's banker. In case of default by the company in repayment of the loans, banker may exercise their rights over the security, which may be detrimental to the interest of the company. For further details, please refer "*Financial Indebtedness*" beginning on page no. 161 of this Prospectus.

Additionally, our borrowings are secured by our movable assets (whether existing or future) and by a personal guarantee of our Promoter / Promoter Group/ Directors (excluding Independent Directors). Such securities enable the lenders to cancel any outstanding commitments, accelerate the repayment, exercise cross default provisions and enforce their security interests on the occurrence of events of default such as a breach of financial covenants, failure to obtain the proper consents, failure to perfect security as specified and such other covenants that are not cured. It is possible that we may not have sufficient funds upon such an acceleration of our financial obligations to pay the principal amount and interest in full. Further, if we are forced to issue additional equity to the lenders, your ownership interest in our Company will be diluted. It is also possible that future financing agreements may contain similar or more onerous covenants and may also result in higher interest cost. If any of these events were to occur, our business, results of operations and financial condition may be adversely affected.

***33. Our Company is dependent on the continuing operation of our manufacturing facilities. Any significant interruption, delay in production at, or shutdown of any of our manufacturing unit could have a material adverse effect on our business, results of operations and financial condition.***

Our Company's Processing house is located at Tarapur, Boisar (MIDC Limits) and Saravali, Bhiwandi (MIDC Limits) which are subject to the normal risks of industrial production, including equipment breakdowns, explosions, labour stoppages, natural disasters, performance below expected levels of output or efficiency, industrial accidents, power interruptions and the need to comply with directives of relevant government authorities. In case of any disruption at such facilities, it may adversely affect the cycle, and may lead to time over-run in the execution of the project.

All of these manufacturing facilities require a significant amount and continuous supply of electricity and any shortage or non-availability of electricity may adversely affect our operations. The manufacturing process of our products requires significant electricity. Our Company depends on Maharashtra State Electricity Distribution Co. Ltd. for unit located at Tarapur, Boisar (MIDC Limits) and Torrent Power Limited for unit located at Saravali, Bhiwandi (MIDC Limits) for supply of our energy requirements. However, our Company owns D.G. sets which we use during such power crisis. But the use of such alternative arrangements is costly and it affects the profitability of our Company.

***34. We have not made any provisions for decline in value of our Investments***

**35.** As on December 31, 2017, we hold investments in Unquoted Equity Instruments aggregating to ₹ 1.00 lakh as per Restated Financial Statements. We have not made any provision for the decline in value of these investments and hence as and when these investments are liquidated, we may book losses based on the actual value we can recover for these investments and if lower than the cost, the same could adversely affect our results of operations. ***Our operations are prone to fire and could expose us to the risk of liabilities, lost revenues and increased expenses.***

Our operations are subject to fire hazards associated with the large scale processing of textiles in high temperature steam and other processes. This hazard can cause personal injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage, and may result in the suspension of operations and the imposition of civil and criminal liabilities.

There may be additional claims of injury by employees or members of the public due to fire, or alleged exposure to the fire in the future. Liabilities incurred as a result of these events may materially impact our financial position. We maintain Fire insurance against these liabilities, but the insurance proceeds may not be adequate to fully cover the substantial liabilities, lost revenues or increased expenses that we might incur.

***36. Excessive dependence on Kotak Mahindra Bank for obtaining various facilities.***

Most of our fund based and non fund base financial assistance has been sanctioned by Kotak Mahindra Bank. We have been sanctioned the financial assistance secured by mortgage of certain properties, personal guarantee of our Promoter and Promoter Group member(s) etc. For further details, please refer the chapter '*Financial Indebtedness*' beginning on page no.161 of this Prospectus. Any default under such arrangement or non renewal, or renewal of the sanction on adverse term with such lender may result into difficulty in arranging of funds for re-payment and may also adversely affect our operations and financials.

***37. Our inability to upgrade to the latest technology may adversely affect our growth, market position and profitability.***

Modernisation and technology up-gradation is essential to reduce costs and increase the output. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. However, our existing state-of-the-art manufacturing units have machineries with latest technology and we strive to keep our technology, equipments and machinery in line with the latest technological standards. But in future, due to advancement in technology we may be required to implement new technology or upgrade the machineries and other equipment's which will lead to additional capital expenditure, so as to compete with our various competitors. In the event that we are not able to respond to such technological advancement in a timely manner, we may lose our competitive edge thereby adversely affecting our profits.

***38. 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 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 favourable 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.

***39. We may not be able to sustain effective implementation of our business and growth strategies.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. We may not be able to execute our strategies in the future. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long term business outlook.

Further, we operate in a highly 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. Our inability to implement our business strategies and sustain our growth may impair our financial growth and thus result in an adverse impact on our Company's share price.

***40. Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.***

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

***41. Our employees may unionize in the future, thereby restricting the flexibility of our labour policies.***

As on date, our employees are not represented by any labour union. However, our employees may unionise in the future. While we consider our current labour relations to be satisfactory there can be no assurance that we will not experience future disruptions to our operations due to disputes including strikes, work stoppages, or increase wage demands by our employees or other problems with work force which may adversely affect our business or operations. In that case, there may be restrictions on the flexibility of our labour policies.

***42. Our Promoter and Promoter Group will continue to retain majority shareholding in us after the Issue, which will allow them to exercise significant influence over us and potentially create conflicts of interest.***

After the competition of Initial Public issue of 10,92,000 new equity shares to general public still, our Promoter and Promoter Group may beneficially own approximately 67.39 % of our post-Issue equity share capital. As a result, the Promoter Group may have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest. In addition, for so long as the Promoter Group continues to exercise significant control over the Company, they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

***43. The rate of interest for the loans obtained by us from the bank is variable and any increase in interest rates may adversely affect our results of operations and financial condition.***

Our Company is susceptible to changes in interest rates and the risks arising there from. Our sanction letters provide for interest at variable rates with a provision for the periodic resetting of interest rates. Further the lenders are entitled to change the applicable rate of interest depending upon the policies of the RBI and a contractually agreed spread, and in the event of an adverse change in our Company's credit risk rating. For further details of interest payable on our borrowings, please refer to the chapter titled "*Financial Indebtedness"* on page no. 161 of this Prospectus. Further, in recent years, the Government of India has taken measures to control inflation, which have included tightening the monetary policy by raising interest rates. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition.

***44. Our Promoters and Directors (except Independent Directors) have extended personal guarantees in connection with certain of our debt facilities. There can be no assurance that such personal guarantees will be continued to be provided by our Promoters/ Directors in the future or can be called at any time, affecting the financial.***

Our Promoters and Directors (except Independent Directors) have provided personal guarantees for our borrowings to secure our loans. If any of these guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters/ Directors in connection with our Company's borrowings.

***45. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and there can be no assurance that we will be able to pay dividends in the future.***

We currently intend to invest our future earnings, if any, to fund our growth. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Hence, there can be no assurance that we will be able to pay dividends in the future.

***46. The requirements of being a public listed company may strain our resources and impose additional requirements.***

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a quarterly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

**RISK FACTORS RELATED TO EQUITY SHARES**

***47. Any further issuance of Equity Shares by Our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company could dilute the investors' shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

***48. There is no existing market for our Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue and, as a result, you could lose a significant portion or all of your investment.***

There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares. Prior to the Issue, there has not been a public market for the Equity Shares of our Company. Further, we cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue Price. The market price of the Equity Shares on the Stock Exchanges may fluctuate after listing as a result of several factors, including the following:

- Volatility in the Indian and other Global Securities Markets;
- The performance of the Indian and Global Economy;
- Risks relating to our business and industry, including those discussed in this Prospectus;
- Strategic actions by us or our competitors;
- Investor perception of the investment opportunity associated with the Equity Shares and our future performance;
- Adverse media reports about us, our shareholders or Group Companies;
- Future sales of the Equity Shares;
- Variations in our quarterly results of operations;
- Differences between our actual financial and operating results and those expected by investors and analysts;
- Our future expansion plans;
- Perceptions about our future performance or the performance of Textile companies generally;
- Performance of our competitors in the Indian textile industry and the perception in the market about investments in the textile sector;
- Significant developments in the regulation of the textile industry in our key locations;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant developments in India's economic liberalisation and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share

Price could fluctuate significantly as a result of market volatility. A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

***49. Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements, and that of our Subsidiary and the dividends they distribute to us. In the past, we have not made dividend payments to the Shareholders of our Company. The Company may decide to retain all future earnings, if any, for use in the operations and expansion of the business. In such situation, the Company 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 and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot state with any certainty whether we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

***50. You may be subject to Indian taxes arising out of capital gains on sale of 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.

**EXTERNAL RISK FACTORS**

***51. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

***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 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. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act,

2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavour to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

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. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). 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 the regulatory framework could adversely affect our operations and growth prospects.***

Our Company is subject to various regulations and policies. For details see section titled "*Key Industry Regulations and Policies*" beginning on page no. 87 of this Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

***54. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse affects on our operations and financial performance.***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

***55. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and neighbouring countries might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other\ adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

***56. Instability in financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in

other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in Nifty, NSE's/ SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

***57. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance and ability to obtain financing for capital expenditures.

**PROMINENT NOTES**

1. Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.

2. The Net Worth of our Company is ₹ 2,186.13 lakhs and the book value of each Equity Share was ₹ 73.56 as on December 31, 2017 as per our Restated Financial Statements. For more information, please refer the Section titled "*Financial Information*" beginning on page no. 125 of this Prospectus.

3. Public Issue of 10,92,000 Equity Shares for cash at price of ₹ 180 per share including a premium of ₹ 170 aggregating to ₹ 1,965.60 lakhs. The Issue will constitute 26.87 % of the post-issue paid-up Equity Share capital of our Company.

4. The average cost of acquisition of Equity Shares by our Promoters is:

| Promoter | Average cost (₹) |
|---|---|
| Mr. Jignesh Shah | 9.56 |
| Mr. Nitin Shah | 3.85 |
| Mr. Dixit Shah | 7.81 |

5. Investors are advised to refer to the chapter titled "*Basis for Issue Price*" beginning on page no. 62 of this Prospectus.

6. The details of transactions by our Company with our Group Companies or associate during the last year are disclosed under "*Annexure XXVIII - Related Party Transactions*" under *Restated Financial Statements* beginning on page no. 125 of this Prospectus.

7. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, 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 6 (six) months immediately preceding the date of this Prospectus.

8. Our Company was incorporated as Jakharia Fabric Private Limited on June 22, 2007 under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration No. 171939. The status of our Company was changed to a public limited company and the name of our Company was changed to Jakharia Fabric Limited by a special resolution passed on April 20, 2018. A fresh Certificate of Incorporation consequent upon conversion was issued on April 27, 2018 by the Registrar of Companies, Mumbai. The Company's Corporate Identity Number is U17200MH2007PLC171939.

## SECTION III – INTRODUCTION

## SUMMARY OF OUR INDUSTRY

**Indian Economic Scenario**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

The tax collection figures between April 2017- February 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.
India's foreign exchange reserves were US$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.
*(Source:https://www.ibef.org/economy/indian-economy-overview)*

**INDIAN TEXTILE INDUSTRY**

Textile plays a major role in the Indian economy

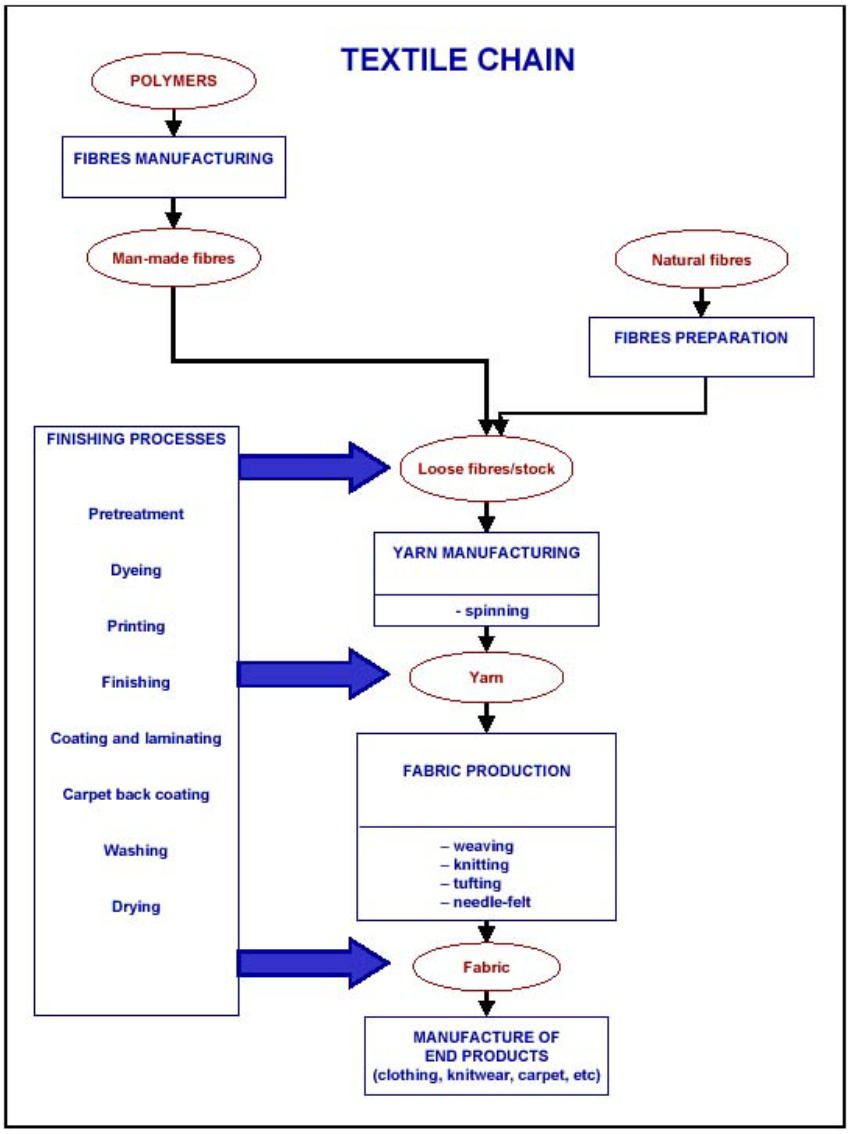
(i) It contributes 14 per cent to industrial production and 4 per cent to GDP
(ii) With over 45 million people, the industry is one of the largest source of employment generation in the country

- ✓ The industry accounts for nearly 15 per cent of total exports
- ✓ The size of India's textile market in 2016 was around US$ 137 billion, which is expected to touch US$ 226 billion market by 2023, growing at a CAGR of 8.7 per cent between 2009-23E
- ✓ As of June 2017, the central government is planning to finalize and launch the new textile policy in the next three months. The policy aims to achieve US$ 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs.
- ✓ Production of raw cotton in India grew from 28 million bales in FY07 and further increased to 35.1 million bales in FY17
- ✓ During FY07-17, raw cotton production expanded at a CAGR of 2.3 per cent
- ✓ During FY16(1), of the overall amount of raw cotton produced in the country, domestic consumption totaled to 30 million bales, while in FY15(1), the domestic consumption of raw cotton stood at 30.4 million bales
- ✓ Raw cotton and man-made fibres are major segments in this category

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 13 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 45 million people directly and 20 million people 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.
*(Source: https://www.ibef.org/industry/textiles.aspx)*




*(Source : http://wiki.zero-emissions.at/index.php?title=File:Info_about_textiles4.jpg)*

**Market Size**

The Indian textiles industry, currently estimated at around US$ 120 billion, is expected to reach US$ 230 billion by 2020. The Indian Textile Industry contributes approximately 2 per cent to India's Gross Domestic Product (GDP), 10 per cent of manufacturing production and 14 per cent to overall Index of Industrial Production (IIP).

Indian khadi products sales increased by 33 per cent year-on-year to Rs 2,005 crore (US$ 311.31 million) in 2016-17 and is expected to exceed Rs 5,000 crore (US$ 776.33 million) sales target for 2018-19, as per the Khadi and Village Industries Commission (KVIC).

The production of cotton in India is estimated to increase by 9.3 per cent year-on-year to reach 37.7 million bales in FY 2017-18. The total area under cultivation of cotton in India is expected to increase by 7 per cent to 11.3 million hectares in 2017-18, on account of expectations of better returns from rising prices and improved crop yields during the year 2016-17. Indian exports of locally made retail and lifestyle products grew at a compound annual growth rate (CAGR) of 10 per cent from 2013 to 2016, mainly led by bedding bath and home decor products and textiles.

**Road Ahead**

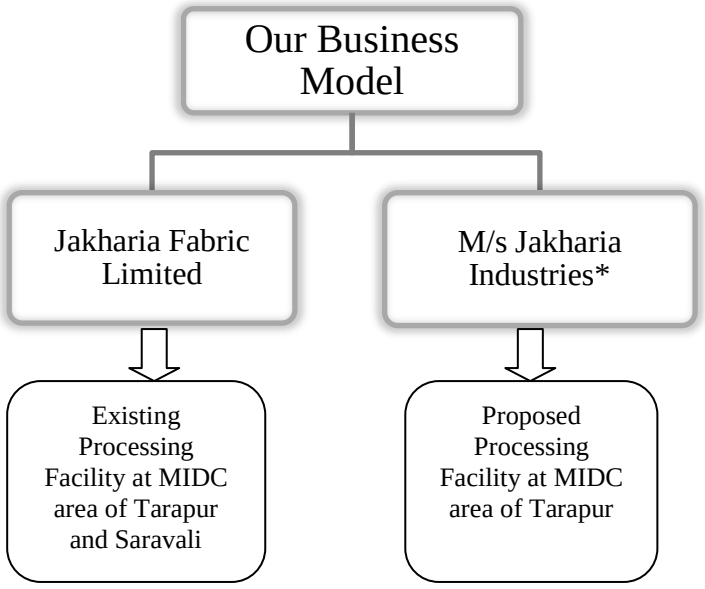
The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The domestic market for apparel and lifestyle products, currently estimated at US$ 85 billion, is expected to reach US$ 160 billion by 2025.

The Indian cotton textile industry is expected to showcase a stable growth in FY2017-18, supported by stable input prices, healthy capacity utilisation and steady domestic demand
*(Source: https://www.ibef.org/industry/textiles.aspx)*

## SUMMARY OF OUR BUSINESS

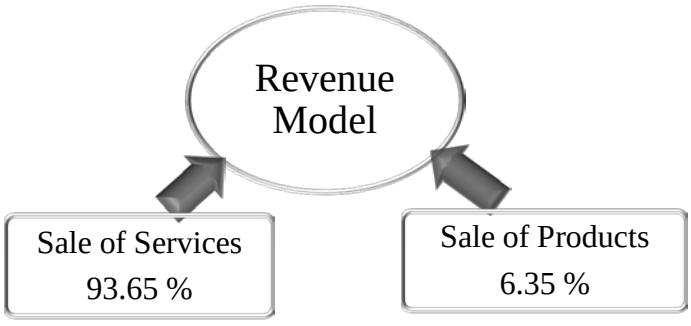
Our Company is engaged in the business of dyeing and processing of fabrics on job work basis for other textile companies as well as for own manufacturing product lines. Our Company procures Grey Fabric from the market and further dyes and finishes the same as per the client's requirements on the basis of quality of the fabric, sizing requirements etc. Our Company also outsources certain processes like weaving of the fabric and printing as per the demand of the customers based on the quality required. Our Company manufactures and processes the fabric specially suitable for Shirtings.

Our Company is in process of setting up an additional processing facility at Plot No. J1/1, MIDC Tarapur Industrial Area, Boisar, Palghar – 401 506. This facility is being set up through M/s Jakharia Industries, which is a Partnership Firm, wherein our Company is a partner. The Partnership firm is set up with an intention to establish a new processing house with a proposed capcity of 360 lakh meters p.a. for colouring, dying, printing and finishing and processing working or manufacturing of cotton, linen, wool synthetics and various other textile products.




** Our Company is a Partner in M/s. Jakharia Industries, a Partnership firm.*

The following diagram depicts breakup of revenue, percentage wise based on Job work services provided and the sale of fabric manufactured by us for the period ended December 31, 2017:




We have positioned ourselves as a multi-product, multi-fibre and multi-market player ensuring that our products include a diverse mix of fabrics mainly catering to domestic market and also to the international market at certain times. Wide ranges of fabric are processed at our Processing house which includes cotton, polyester, viscose and man-made & blended fabrics. For further details, please refer "*Services and Products* under *Our Business*" beginning on page no. 74 of this Prospectus.

Our Company has set-up two (2) processing units located at MIDC Area of Saravali, Bhiwandi in Maharashtra and MIDC Area of Tarapur, Bhiwandi in Maharashtra. The plant has the facilities for dyeing and processing wide range of fabrics.

We have dedicated semi-automatic machines and skilled operators for manual checking of raw materials as well as Finished Goods. Our Testing and QC Technical team combined with our testing equipments ensures the quality of raw material dispensed in the production process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

Our revenue from operations for the financial year ending 2016-17, 2015-16 and 2014-15 was ₹ 7,479.05 lakhs, ₹ 7,676.12 lakhs and ₹ 8,847.49 lakhs respectively. Our Net Profit after tax for the above mentioned periods i.e. in the last 3 years was ₹ 338.82 lakhs in F. Y. 2016-17, ₹ 446.17 lakhs in F. Y. 2015-16 and ₹ 432.86 lakhs in F.Y. 2014-15. Our Revenue from operations for nine months period ending December 31, 2017 was ₹ 5,348.03 lakhs and the net profit after tax was ₹ 189.12 lakhs.

**OUR STRENGTHS**

**Well experienced management team**

Our Company is led by a group of individuals, having an experience of over 3 decades and has a proven background and rich experience in textile industry. We have an experienced and professional management team with strong asset management, execution capabilities and considerable experience in this industry. The team comprises of personnel having technical, operational and business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations.

Our Management team consists of a mix of individuals with technical and commercial experience in the textile industry. Our team is well qualified and experienced in textile industry and has been responsible for the growth of our operations. We believe the stability of our management team and the industry experience brought in coupled with their strong client relationships, will enable us to continue to take advantage of future market opportunities and expand into new markets. For further details of the educational qualifications and experience of our Management Team and our Key Managerial Personnel please refer the chapter titled "*Our Management*" beginning on page no. 100 of this Prospectus.

**Low labour cost**

Our Company employs skilled, semi-skilled and unskilled labour for various processes of our manufacturing process. Labour is available in abundance in India. Thus, our labour costs are maintained at realistic levels. Added to that we have kept ourselves updated on the latest available technologies and continuously look for new technological developments and value adding equipment to enhance the performance of our machines such that the labour input required is maintained while the production / productivity is improved.

Additionally we have an arrangement with certain Contractors for execution, fulfilment and discharge of work and obligations as per our requirements.

***Quality Assurance***

Our Products pass through quality checks at various stages of the Process. The quality assurance measures taken by the Company includes thorough checking of all raw material and other inputs right down to finished goods. We maintain high standards for quality control and have semi- automatic/ mechanical machines and manual checking being operated by skilled operators under proper quality control and strict supervision.

***Product mix***

Our Company deals in a range of varied quality product meant for Shirting. Our Product portfolio includes cotton fabric, polyester fabric, viscose fabric and man-made & blended fabrics. Our Company processes a wide range of Products, having a speciality in Polyester and Blended based fabrics. Our Company processes wide range of fabric consisting of 100% cotton, polyester and various blends, regenerated and manmade fabrics viz. Viscose, Rayon, Modal, Bamboo, Flax, Cotton Excel Blended, Polyester, Lycra, Acrylic, Linen, etc. These products have wide scale applications in the ready-made garment industry.

***Cost effective production and timely fulfilment of orders***

Timely fulfilment of the orders is a prerequisite in our industry. Our Company has taken various steps in order to ensure adherence to timely fulfilment and also to achieve greater cost efficiency at our existing processing units. These steps include identifying quality grey cloth and Colours & Chemical suppliers (which forms a bulk of our raw material cost), smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. Our Company also enjoys good relations with our suppliers of fabric and Colours & Chemicals which is the primary raw material for our products and services offered and as a consequence has had the benefit of timely supplies of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfilment of orders of our customers. Our Company constantly endeavours to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

**OUR STRATEGIES**

Our strategic objective is to improve and consolidate our position as a Textile Processing Unit with a continuous growth philosophy. Below points represents our continuous growth philosophy being implemented:

***Diversifying and increasing penetration in markets***

Our Company provides job work service in Domestic market and the products are sold in domestic market as well as global market to some extent. The domestic market also offers opportunities in term of sub-geographic penetration and product/ market diversification. Our Company will seek to grow its marketing reach domestically to explore hither to untapped markets and segments as part of its strategy to mitigate market risk and widen growth prospects. Our Company will continue to explore opportunities in various countries where it can supply value added products to enhance its geographical reach.

***Expand our global footprint***

Through a combination of increased capacities, reduced costs, wider range of products and services adhering to global standards, marketing initiatives, competitive pricing and more efficient use of resources, we intend to expand our global footprint and become a preferred supplier.

***Optimal Utilization of Resources***

Our Company constantly endeavours to improve our service process and the production process. We have invested significant resources, and intend to further invest in our activities to develop automized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for operations of our Company which enable us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

***High productivity / Operational Excellence***

Managerial expertise, trained workforce and modernization of the Processing units results in consistent high level of productivity. We have established modern production facilities at each of our plant and we are continuously on the look- out for new/ updated technologies. Our investments in value adding equipments / attachments to our machines has resulted in twin benefits of consistent high quality and improved productivity, ensure enhanced operational efficiency.

***Investment in M/s. Jakharia Industries***

We have made investment in M/s. Jakharia Industries (Partnership Firm), with the intention of targeting further penetration in the Textile industry, further creating a wide market locally as well as internationally. We believe that the Partnership will prove to be beneficial for the Company helping to create a brand image of the Group. We believe that, with a wide Product mix and the available market mix for the processed fabric alongwith the modernised facilities adds to the positive factors. We seek to develop our Brand Image by continuing to expand our product portfolio and services offered by adding product categories to complement our product mix and the market mix.

## SUMMARY OF FINANCIAL INFORMATION

**Annexure I**

**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **EQUITY AND LIABILITIES** | | | | | | |
| **Shareholder's funds** | | | | | | |
| a) Share Capital | 297.18 | 297.18 | 297.18 | 297.18 | 288.68 | 288.68 |
| b) Reserves & Surplus | 1,888.95 | 1,699.83 | 1,361.01 | 914.84 | 464.98 | 113.23 |
| **Total Shareholders Fund** | **2,186.13** | **1,997.01** | **1,658.19** | **1,212.02** | **753.66** | **401.92** |
| **Non-Current liabilities** | | | | | | |
| a) Long Term Borrowings | 2,008.26 | 2,060.93 | 1,547.25 | 1,110.74 | 1,572.74 | 1,474.29 |
| b) Deferred Tax Liabilities | - | 4.47 | - | - | - | - |
| c) Long Term Provisions | 42.69 | 30.77 | 21.37 | 13.54 | 7.66 | 4.41 |
| **Total** | **2,050.95** | **2,096.17** | **1,568.62** | **1,124.28** | **1,580.40** | **1,478.70** |
| **Current liabilities** | | | | | | |
| a) Short Term Borrowings | 124.43 | 117.50 | 170.62 | 324.91 | 263.80 | 208.69 |
| b) Trade Payables | 1,426.65 | 1,471.62 | 2,156.47 | 1,934.83 | 1,473.47 | 1,427.51 |
| c) Other Current Liabilities | 276.04 | 157.43 | 398.83 | 443.04 | 391.67 | 368.16 |
| d) Short Term Provisions | 6.07 | 4.07 | 1.43 | 5.14 | 5.05 | 0.01 |
| **Total** | **1,833.18** | **1,750.62** | **2,727.36** | **2,707.92** | **2,133.99** | **2,004.37** |
| **T O T A L** | **6,070.27** | **5,843.80** | **5,954.17** | **5,044.23** | **4,468.05** | **3,884.99** |
| | | | | | | |
| **ASSETS** | | | | | | |
| **Non-Current Assets** | | | | | | |
| a) Fixed Assets | | | | | | |
| i) Tangible Assets | 3,653.05 | 3,545.91 | 3,422.76 | 3,240.22 | 3,110.73 | 2,951.22 |
| ii) Intangible Assets | - | - | - | - | - | - |
| Gross Block | 3,653.05 | 3,545.91 | 3,422.76 | 3,240.22 | 3,110.73 | 2,951.22 |
| Less: Accumulated Depreciation | 1,783.84 | 1,655.42 | 1,475.05 | 1,303.20 | 1,112.17 | 752.81 |
| **Net Block** | **1,869.20** | **1,890.49** | **1,947.71** | **1,937.02** | **1,998.56** | **2,198.41** |
| iii) Capital Work in Progress | 236.77 | 236.77 | 236.77 | - | - | - |
| b) Non-Current Investment | 1,333.81 | 911.75 | 389.00 | 1.00 | 1.00 | 1.00 |
| c) Deferred Tax Assets | 35.22 | - | 13.72 | 34.97 | 59.37 | 36.25 |
| d) Long term Loans & Advances | 528.25 | 614.74 | 603.68 | 409.53 | 364.86 | 254.77 |
| e) Other Non-Current Assets | 56.65 | 58.80 | 10.59 | 0.70 | 1.75 | 1.75 |
| **Total** | **4,059.91** | **3,712.56** | **3,201.47** | **2,383.22** | **2,425.54** | **2,492.17** |
| **Current Assets** | | | | | | |
| a) Inventories | 351.79 | 325.61 | 458.85 | 282.96 | 465.86 | 281.52 |
| b) Trade Receivables | 1,572.37 | 1,720.14 | 1,822.69 | 2,130.82 | 1,350.29 | 1,064.80 |
| c) Cash and Cash Equivalents | 68.91 | 52.06 | 263.30 | 233.32 | 214.42 | 34.56 |
| d) Short Term Loans & Advances | 14.71 | 27.73 | 200.60 | 7.60 | 5.29 | 5.65 |
| e) Other Current Assets | 2.58 | 5.70 | 7.26 | 6.30 | 6.65 | 6.28 |
| **Total** | **2,010.36** | **2,131.24** | **2,752.69** | **2,661.01** | **2,042.51** | **1,392.81** |
| **T O T A L** | **6,070.27** | **5,843.80** | **5,954.17** | **5,044.23** | **4,468.05** | **3,884.99** |

**Annexure II**

**STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED**

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **INCOME:** | | | | | | |
| Revenue from Operations | 5,348.03 | 7,479.05 | 7,676.12 | 8,847.49 | 7,557.32 | 4,782.48 |
| Other Income | 28.21 | 223.79 | 47.37 | 69.76 | 25.40 | 4.95 |
| **Total Income** | **5,376.25** | **7,702.84** | **7,723.49** | **8,917.25** | **7,582.72** | **4,787.43** |
| | | | | | | |
| **EXPENSES:** | | | | | | |
| Cost of Material Consumed | 2637.67 | 3639.04 | 2,717.48 | 3,681.91 | 4,247.13 | 2,077.63 |
| Change in Inventory | (49.90) | 138.54 | (134.89) | 98.94 | (79.98) | (62.70) |
| Employee benefits expenses | 779.84 | 795.53 | 871.75 | 689.47 | 498.38 | 336.87 |
| Finance costs | 73.90 | 234.65 | 219.92 | 242.77 | 258.73 | 262.37 |
| Depreciation and amortisation expense | 128.42 | 181.89 | 181.31 | 191.03 | 359.36 | 387.21 |
| Administrative and other expenses | 1,595.49 | 2,203.19 | 3,199.92 | 3,372.14 | 1,854.36 | 1,729.66 |
| **Total expenses** | **5,165.43** | **7,192.83** | **7,055.49** | **8,276.25** | **7,137.99** | **4,731.05** |
| **Profit before Prior period item, exceptional item, extraordinary items and tax** | **210.81** | **510.01** | **668.00** | **641.00** | **444.73** | **56.39** |
| Prior period items | - | - | - | - | - | - |
| **Profit before exceptional item, extraordinary items and tax** | **210.81** | **510.01** | **668.00** | **641.00** | **444.73** | **56.39** |
| Exceptional items | - | - | - | - | - | - |
| **Profit before extraordinary items and tax** | **210.81** | **510.01** | **668.00** | **641.00** | **444.73** | **56.39** |
| Extraordinary items | - | - | - | - | - | - |
| **Net Profit /(Loss) before tax** | **210.81** | **510.01** | **668.00** | **641.00** | **444.73** | **56.39** |
| Less: Tax expense | | | | | | |
| Current tax | 61.38 | 153.00 | 200.58 | 183.74 | 111.20 | 11.26 |
| MAT credit | - | - | - | - | - | (11.26) |
| Deferred tax | (39.69) | 18.19 | 21.25 | 24.40 | (23.12) | (24.55) |
| **Total Tax Expense** | **21.69** | **171.19** | **221.83** | **208.14** | **88.08** | **(24.55)** |
| | | | | | | |
| **Net Profit /(Loss) after tax** | **189.12** | **338.82** | **446.17** | **432.86** | **356.66** | **80.94** |

**Annexure III**

**CASH FLOW STATEMENT, AS RESTATED**

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Cash flow from operating activities:** | | | | | | |
| Net Profit Before Tax | 210.81 | 510.01 | 668.00 | 641.00 | 444.73 | 56.39 |
| Adjustments for: | | | | | | |
| Depreciation & Amortization | 128.42 | 181.89 | 181.31 | 191.03 | 359.36 | 387.21 |
| Dividend received | (0.12) | (0.12) | (0.12) | (0.12) | (0.15) | (0.15) |
| (Profit)/Loss on sale of fixed asset | - | (0.34) | 3.44 | - | - | - |
| Interest &Financecost | 73.90 | 234.65 | 219.92 | 242.77 | 258.73 | 262.37 |
| Interest received | (4.45) | (12.38) | (25.11) | (10.31) | (3.62) | (4.80) |
| **Operating Profit Before Working Capital Changes** | **408.58** | **913.71** | **1,047.44** | **1,064.36** | **1,059.05** | **701.02** |
| Adjusted for (Increase)/ Decrease: | | | | | | |
| Trade Receivables | 147.77 | 102.55 | 308.14 | (780.54) | (285.48) | (589.67) |
| Inventories | (26.18) | 133.24 | (175.89) | 182.90 | (184.34) | (35.42) |
| Short Term Loans and Advances | 13.02 | 172.87 | (193.00) | (2.30) | 0.36 | 46.59 |
| Other Current Assets | 3.12 | 1.56 | (0.96) | 0.35 | (0.37) | (0.13) |
| Other Non-Current Assets | 2.16 | (48.22) | (9.89) | 1.05 | - | 0.02 |
| Trade Payables | (44.97) | (684.85) | 221.64 | 461.36 | 45.95 | 522.22 |
| Short Term Provisions | 2.00 | 2.64 | (3.71) | 0.09 | 5.04 | (17.50) |
| Long Term Provisions | 11.92 | 9.40 | 7.83 | 5.88 | 3.25 | 4.41 |
| Other Current Liabilities | 118.60 | (241.40) | (44.21) | 51.37 | 23.52 | 57.31 |
| **Cash Generated From Operations** | **636.01** | **361.49** | **1,157.39** | **984.51** | **666.98** | **688.86** |
| Less: Tax Provision | 61.38 | 153.00 | 200.58 | 183.74 | 111.20 | 11.26 |
| **Net Cash Flow from/(used in) Operating Activities: (A)** | **574.63** | **208.49** | **956.81** | **800.77** | **555.78** | **677.59** |
| | | | | | | |
| **Cash Flow From Investing Activities:** | | | | | | |
| Purchase of Fixed Assets | (107.14) | (124.80) | (198.34) | (129.49) | (159.51) | (402.26) |
| Sale of Fixed Assets | - | 0.48 | 2.90 | - | - | - |
| Capital Work-in-progress | - | - | (236.77) | - | - | - |
| Increase / (Decrease) in Non-Current Investment | (422.06) | (522.75) | (388.00) | - | - | - |
| Interest Income | 4.45 | 12.38 | 25.11 | 10.31 | 3.62 | 4.80 |
| **Net Cash Flow from/(used in) Investing Activities: (B)** | **(524.75)** | **(634.69)** | **(795.10)** | **(119.17)** | **(155.89)** | **(397.46)** |
| | | | | | | |
| **Cash Flow from Financing Activities:** | | | | | | |
| Issue of Share Capital including securities premium | | - | - | 25.50 | - | - |
| Increase / (Decrease) in Long Term Borrowing | (52.67) | 513.68 | 436.51 | (461.99) | 98.45 | 162.63 |
| Increase / (Decrease) in Short Term Borrowing | 6.93 | (53.12) | (154.29) | 61.11 | 55.11 | 7.91 |
| Increase / (Decrease) in Long Term Loans and Advances | 86.49 | (11.06) | (194.15) | (44.68) | (110.08) | (186.86) |
| Dividend Received | 0.12 | 0.12 | 0.12 | 0.12 | 0.15 | 0.15 |
| Interest & Financial Charges | (73.90) | (234.65) | (219.92) | (242.77) | (258.73) | (262.37) |

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Dividend Paid | - | - | - | - | (4.91) | - |
| **Net Cash Flow from/(used in) Financing Activities ( C)** | **(33.03)** | **214.96** | **(131.73)** | **(662.70)** | **(220.03)** | **(278.55)** |
| **Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)** | **16.85** | **(211.24)** | **29.98** | **18.90** | **179.86** | **1.59** |
| **Cash & Cash Equivalents at Beginning of the Year** | **52.06** | **263.30** | **233.32** | **214.42** | **34.56** | **32.97** |
| **Cash & Cash Equivalents at End of the Year** | **68.91** | **52.06** | **263.30** | **233.32** | **214.42** | **34.56** |

Note: The cash flow statement has been prepared on the basis of restated statement of profit & loss and balance sheet

## THE ISSUE

## PRESENT ISSUE IN TERMS OF THIS PROSPECTUS

| | |
|---|---|
| **Equity Shares Offered[(1)]:**<br>Present Issue of Equity Shares by our Company[(2)]: | 10,92,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 180 per share aggregating ₹ 1,965.60 lakhs. |
| ***Of which:*** | |
| **Issue Reserved for the Market Makers** | 60,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 180 per share aggregating ₹ 108.00 lakhs |
| **Net Issue to the Public** | 10,32,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 180 per share aggregating ₹ 1,857.60 lakhs |
| | **Of Which[(3)]:** |
| | 5,16,000 Equity Shares of ₹ 10 each at a price of ₹ 180 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs |
| | 5,16,000 Equity Shares of ₹ 10 each at a price of ₹ 180 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs |
| | |
| **Equity Shares outstanding prior to the Issue** | 29,71,830 Equity Shares |
| **Equity Shares outstanding after the Issue** | 40,63,830 Equity Shares |
| **Objects of the Issue** | Please see the chapter titled "*Objects of the Issue*" beginning on page no. 55 of this Prospectus |

*[(1)] This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details, please see the section titled "Issue Related Information" beginning on page no. 188 of this Prospectus.*

*[(2)] The present Issue has been authorized pursuant to a resolution of our Board dated April 27, 2018 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of our shareholders held with shorter notice on May 02, 2018.*

*[(3)] This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. The allocation' is 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 the chapter titled "Issue Structure" beginning on page no. 193 of this Prospectus.*

## GENERAL INFORMATION

Our Company was incorporated Jakharia Fabric Private Limited on June 22, 2007 under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration No. 171939. Subsequently, the status of our Company was changed to a public limited company and the name of our Company was changed to Jakharia Fabric Limited vide Special Resolution dated April 20, 2018. A fresh certificate of incorporation consequent upon conversion was granted to our Company on April 27, 2018, by the Registrar of Companies, Mumbai. The Corporate Identity Number of our Company is U17200MH2007PLC171939.

For further details, please refer to the chapter titled "*History and Certain Corporate Affairs*" beginning on page no. 95 of this Prospectus.

**Brief Company and Issue Information**

| | |
|---|---|
| **Registered Office** | **Address:** Office No.1224, Deoji Nagar, Narpoli Village, Bhiwandi- 421 302, Thane, Maharashtra.<br>**Tel No:** +91-25- 2227 8892<br>**Email:** info@jakhariafabric.com<br>**Website:** www.jakhariafabric.com |
| **Date of Incorporation** | June 22, 2007 |
| **Company Registration No.** | 171939 |
| **Company Identification No.** | U17200MH2007PLC171939 |
| **Address of Registrar of Companies** | Everest, 100, Marine Drive, Mumbai – 400 002.<br>**Tel No.:** +91 22 2281 2627/ 2202 0295 /2284 6954<br>**Fax No.:** +91 22 2281 1977 |
| **Issue Programme** | Issue Opens on: June 29, 2018<br>Issue Closes on: July 03, 2018 |
| **Designated Stock Exchange** | SME Platform of NSE i.e. NSE EMERGE |
| **Chief Financial Officer** | **Name:** Mr. Manojkumar Tiwari<br>**Address:** Office No.1224, Deoji Nagar, Narpoli Village, Bhiwandi- 421 302, Thane, Maharashtra.<br>**Tel No:** +91-25- 2227 8892<br>**Email:** info@jakhariafabric.com |
| **Company Secretary & Compliance Officer** | **Name:** Mr. Bhavin Waghela<br>**Address:** Office No.1224, Deoji Nagar, Narpoli Village, Bhiwandi- 421 302, Thane, Maharashtra.<br>**Tel No:** +91-25- 2227 8892<br>**Email:** info@jakhariafabric.com |

**Board of Directors of our Company**

The following table sets forth the Board of Directors of our Company:

| Name | Designation | Director's Identification No. |
|---|---|---|
| Jignesh Shah | Chairman and Executive Director | 00256315 |
| Nitin Shah | Managing Director | 01869318 |
| Dixit Shah | Whole Time Director | 01911262 |
| Himatlal Shah | Whole Time Director | 02415630 |
| Manekchand Shah | Whole Time Director | 01911237 |
| Rajashri Kovil | Non Executive Independent Director | 07011925 |
| Anant Sawant | Non Executive Independent Director | 08093208 |
| Mukul Vora | Non Executive Independent Director | 08108391 |

For further details pertaining to the educational qualification and experience of our Directors, for details please refer to the chapter titled "*Our Management*" beginning on page no. 100 of this Prospectus.

*Note: Investors can contact the Company Secretary and Compliance Officer and/ or the Registrar to the Issue in case of any pre or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and unblocking of funds. All grievances relating to the Application process may be*

*addressed to the Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of Applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSB/ Designated Intermediary, where the Application Form was submitted by the Applicants.*

**Details of Key Intermediaries pertaining to this Issue and Our Company**

## LEAD MANAGER TO THE ISSUE

**ARYAMAN FINANCIAL SERVICES LIMITED**
60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg
Opp. P.J. Tower (BSE Building), Fort, Mumbai - 400 001
**Tel. No.:** +91 22 6216 6999
**Fax No.:** +91 22 2263 0434
**Website:** www.afsl.co.in
**Email:** ipo@afsl.co.in
**Investor Grievance Email:** feedback@afsl.co.in
**Contact Person:** Ms. Hiral Motani / Mr. Vatsal Ganatra
**SEBI Registration No.:** INM000011344

## REGISTRAR TO THE ISSUE

**BIGSHARE SERVICES PRIVATE LIMITED**
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis
Makwana Road, Marol, Andheri (East), Mumbai – 400 059
**Tel. No.:** +91 22 6263 8200
**Fax No.:** +91 22 6263 8299
**Email:** ipo@bigshareonline.com
**Investor Grievance Email:** investor@bigshareonline.com
**Website:** www.bigshareonline.com
**Contact Person:** Mr. Nilesh Chalke
**SEBI Registration No.:** INR000001385

## LEGAL COUNSEL TO THE ISSUE

**M/S KANGA & CO. (ADVOCATES & SOLICITORS)**
Readymoney Mansion,
43, Veer Nariman Road, Fort, Mumbai – 400 001
**Tel No.:** +91 22 6623 0000 / 2288
**Fax No.:** +91 22 6633 9656 / 57
**Email:** chetan.thakkar@kangacompany.com
**Website:** www.kangacompany.com
**Contact Person:** Mr. Chetan Thakkar

## STATUTORY AUDITOR OF THE COMPANY

**M/s. SHAH SHROFF & ASSOCIATES, Chartered Accountants**
A-201/703, Winsway Complex,
Old Police Lane, Andheri (East), Mumbai – 400 069
**Tel No.:** +91- 22 – 6127 7488 / 6770 8374
**Fax No.:**+91-22- 2684 3381
**Email:** shahshroff@gmail.com
**Contact Person:** Mr. Yashesh Shroff

## PEER REVIEW AUDITOR OF THE COMPANY

**M/s. V. J. SHAH & CO., Chartered Accountants**
401- 406, K Building, 24,Walchand Hirachand Marg,
Ballard Estate, Mumbai – 400 001
**Tel No.:** +91- 22–2266 6363/ 4096 6263
**Email:** vjshah@gmail.com
**Contact Person:** Mr. Nirav Malde

## BANKER TO OUR COMPANY

**Kotak Mahindra Bank Ltd.**
5th Floor, 12 BKC, Plot No C-12, G Bloak,
Bandra Kurla Complex, Bandra East, Mumbai – 400 051
**Tel No.:** +91 8879760669
**Email:** pooja.bhayani@kotak.com
**Website:** www.kotak.com
**Contact Person:** Ms. Pooja Bhayani

## BANKER TO THE ISSUE

**Kotak Mahindra Bank Ltd.**
Kotak Infiniti, 6th Floor, Building No. 21, Infinity Park,
Off Western Express Highway, General AK Vaidya Marg,
Malad East, Mumbai – 400 097
**Tel No.:** 022-66056588
**Fax No.:** 022-67132416
**Email:** cmsipo@kotak.com
**Website:** www.kotak.com
**Contact Person:** Mr. Prashant Sawant

## SELF CERTIFIED SYNDICATE BANKS

The lists of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on http://www.sebi.gov.in. For details on designated branches of SCSBs collecting the ASBA Application Forms, please see the above mentioned SEBI link.

## BROKERS TO THIS ISSUE

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at BSE Limited, as updated from time to time.

## REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept 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 Limited, as updated from time to time.

## COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept 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 Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

## INTER-SE ALLOCATION OF RESPONSIBILITIES

Aryaman Financial Services Limited is the Sole Lead Manager to this Issue, and hence is responsible for all the Issue management related activities.

## MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 10,000 lakhs and hence our Company has not appointed a monitoring agency for this issue.

Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, 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, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, 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 Prospectus.

**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.

**TRUSTEES**

This being an Issue of Equity Shares, the appointment of trustees is not required.

**DETAILS OF THE APPRAISING AUTHORITY**

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

**CREDIT RATING**

This being an Issue of Equity Shares, no credit rating is required.

**EXPERT OPINION**

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

Our Company has received written consent from the Peer Review Auditor namely, M/s. V. J. Shah & Co. and from the Statutory Auditor namely, M/s. Shah Shroff & Associates, Chartered Accountants to include their names as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as "Expert" as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Restated Financial Statements dated May 24, 2018 and the Statement of Tax Benefits dated May 02, 2018, issued by them respectively, included in this Prospectus and such consents has not been withdrawn as on the date of this Prospectus.

However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

**ISSUE PROGRAMME**

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

| Event | Indicative Date |
|---|---|
| Issue Opening Date | June 29, 2018 |
| Issue Closing Date | July 03, 2018 |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On and before July 06, 2018 |
| Initiation of Allotment / Refunds / Unblocking of Funds | On and before July 09, 2018 |
| Credit of Equity Shares to demat accounts of Allottees | On and before July 10, 2018 |
| Commencement of trading of the Equity Shares on the Stock Exchange | On and before July 11, 2018 |

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. 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.

Applications 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 (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between 10.00 a.m. and 3.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications 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 Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public issuing, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager nor the Selling Shareholder is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

**UNDERWRITING**

This Issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement dated May 02, 2018 and addendum dated May 24, 2018 with the Underwriters for the Equity Shares proposed to be issued through the Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have given their consent for inclusion of their name in the Draft Prospectus/ Prospectus as Underwriters and have indicated their intention to underwrite the following number of specified securities being issued through this Issue:

| Details of the Underwriter | No. of Shares Underwritten | Amt Underwritten (₹ in lakhs) | % of the Total Issue Size Underwritten |
|---|---|---|---|
| **Aryaman Financial Services Ltd.**<br>60, Khatau Building, Ground Floor<br>Alkesh Dinesh Modi Marg<br>Opp. P.J. Tower (BSE Building)<br>Fort, Mumbai 400 001<br>**Tel. No.:** +91 22 6216 6999<br>**Fax No.:** +91 22 2263 0434<br>**Email:** ipo@afsl.co.in | 10,32,000 | 1,857.60 | 94.51 % |
| **Aryaman Capital Markets Ltd.**<br>60, Khatau Building, Ground Floor<br>Alkesh Dinesh Modi Marg<br>Opp. P.J. Tower (BSE Building)<br>Fort, Mumbai 400 001<br>**Tel. No.:** +91 22 6216 6999 | 60,000 | 108.00 | 5.49 % |

| Details of the Underwriter | No. of Shares Underwritten | Amt Underwritten (₹ in lakhs) | % of the Total Issue Size Underwritten |
|---|---|---|---|
| **Fax No.:** +91 22 2263 0434<br>**Email:** aryacapm@gmail.com | | | |
| **Total** | **10,92,000** | **1,965.60** | **100.00 %** |

As per Regulation 106 P (2) of SEBI (ICDR) Regulations, 2009, the Lead Manager has agreed to underwrite to a minimum extent of 15 % of the Issue out of its own account.

In the opinion of the Board of Directors (based on certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above – mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

**WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for 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 Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

## MARKET MAKER

**Aryaman Capital Markets Ltd.**
60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg
Opp. P.J. Tower (BSE Building), Fort, Mumbai 400 001
**Tel. No.:** +91 22 6216 6999
**Fax No.:** +91 22 2263 0434
**Email:** aryacapm@gmail.com
**Contact Person:** Mr. Harshad Dhanawade
**SEBI Registration No.:** INZ000004739
**Market Maker Reg. No.:** SMEMM0651421122012

**Details of the Market Making Arrangement for this Issue.**

Our Company and the Lead Manager, Aryaman Financial Services Limited have entered into an agreement dated May 02, 2018 and addendum dated May 24, 2018 with Aryaman Capital Markets Ltd., a Market Maker registered with the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE in order to fulfil the obligations of Market Making and ACML has given its consent for inclusion of its name in the Prospectus as Market Maker.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the NSE and SEBI regarding this matter from time to time.

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

1. The Market Maker 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 shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.

2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than A 1,00,000 shall be allowed to issue their holding to the Market Maker 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.

3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE from time to time.

4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.

5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.

6. 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 National Stock Exchange of India Limited i.e. NSE EMERGE and Market Maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.

7. 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 or 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.

8. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

9. The Market Maker shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

   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 Lead Manager to arrange for another Market Maker 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, 2009. Further the Company and the Lead Manager reserve the right to appoint other Market Makers 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 five or as specified by the relevant laws and regulations applicable at that particulars point of time.

10. **Risk containment measures and monitoring for Market Maker**: SME Platform of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

11. **Punitive Action in case of default by Market Maker**: SME Platform of NSE 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 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.

**All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.**

## CAPITAL STRUCTURE

The share capital of the Company as on the date of this Prospectus is set forth below:

(₹ in lakhs, except share data)

| Sr. No. | Particulars | Aggregate Value at Nominal Value | Aggregate Value at Issue Price |
|---|---|---|---|
| **A** | **Authorised Share Capital** | | |
| | 50,00,000 Equity Shares of face value of ₹ 10 each | 500.00 | - |
| | | | |
| **B** | **Issued, Subscribed and Paid-up Share Capital before the Issue** | | |
| | 29,71,830 Equity Shares of face value of ₹ 10 each | 297.18 | - |
| | | | |
| **C** | **Present Issue in terms of this Prospectus[(1)]** | | |
| | Issue of 10,92,000 Shares of ₹ 10 each at a price of ₹ 180 per equity Share | 109.20 | 1,965.60 |
| | ***Which comprises of:*** | | |
| | 60,000 Shares of ₹ 10 each at a price of ₹ 180 per Equity Share reserved as Market Maker Portion | 6.00 | 108.00 |
| | Net Issue to Public of 10,32,000 Shares of ₹ 10 each at a price of ₹ 180 per Equity Share to the Public | 103.20 | 1,857.60 |
| | *Of which[(2)]:* | | |
| | 5,16,000 Shares of ₹ 10 each at a price of ₹ 180 per Equity Share will be available for allocation for Investors of up to ₹ 2 lakhs | 51.60 | 928.80 |
| | 5,16,000 Shares of ₹ 10 each at a price of ₹ 180 per Equity Share will be available for allocation for Investors of above ₹ 2 lakhs | 51.60 | 928.80 |
| | | | |
| **D** | **Equity Share Capital after the Issue** | | |
| | 40,63,830 Equity Shares of ₹ 10 each | 406.38 | |
| | | | |
| **E** | **Securities Premium Account** | | |
| | Before the Issue (as on date of this Prospectus) | 343.67 | |
| | After the Issue | 2,200.07 | |

(1) *The present Issue has been authorized pursuant to a resolution of our Board dated April 27, 2018 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on May 02, 2018.*

(2) *Allocation to all categories shall be made on a proportionate basis, subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.*

Our Company has no outstanding convertible instruments as on the date of this Prospectus.

**Changes in Authorized Share Capital**

Since incorporation, the capital structure of our Company has been altered in the following manner:

1. The initial authorised share capital of ₹ 1,00,000 divided into 10,000 Equity Shares of ₹ 10/- each was increased to ₹ 2,50,00,000 divided into 25,00,000 Equity Shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on November 21,2009.

2. The authorised share capital of ₹ 2,50,00,000 divided into 25,00,000 equity shares of ₹ 10/- each was increased to ₹ 3,50,00,000 divided into 35,00,000 equity shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on November 28, 2011.

3. Spilt in Authorised Capital of ₹ 3,50,00,000 divided into 35,00,000 equity shares of ₹ 10/- each into ₹ 3,00,00,000 divided into 30,00,000 equity shares of ₹ 10/ - each and ₹ 50,00,000 divided into 5,00,000 preference shares of ₹ 10/- each, pursuant to resolution of shareholders passed at the EGM held on December 24, 2011.

4. Consolidation of ₹ 3,00,00,000 divided into 30,00,000 equity shares of ₹ 10/ - each and ₹ 50,00,000 divided into 5,00,000 preference shares of ₹ 10/ - each into ₹ 3,50,00,000 divided into 35,00,000 equity shares of ₹ 10/ - each, pursuant to resolution of shareholders passed at the EGM held on March 26, 2018.

5. The authorised share capital of ₹ 3,50,00,000 divided into 35,00,000 equity shares of ₹ 10 each was increased to ₹ 5,00,00,000 divided into 50,00,000 equity shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on March 26, 2018.

**NOTES TO THE CAPITAL STRUCTURE**

**1.** Share Capital History of our Company:

*a. Equity Share Capital*

Our Company has made allotments of Equity Shares from time to time. The following is the Equity Share Capital Build-up of our Company:

| Date of Allotment of Equity Shares | No. of Equity Shares | Face Value (₹) | Issue Price (₹) | Nature / Reason of Allotment | Nature of Consideration | Cumulative No. of Equity Shares | Cumulative Paid Up Share Capital |
|---|---|---|---|---|---|---|---|
| Upon Incorporation | 10,000 | 10 | 10 | Subscription to MoA | Cash | 10,000 | 1,00,000 |
| March 25, 2011 | 17,59,000 | 10 | 10 | Further Allotment | Cash | 17,69,000 | 1,76,90,000 |
| December 12, 2011 | 8,84,500 | 10 | Nil | Bonus Allotment[(1)] | Other than Cash | 26,53,500 | 2,65,35,000 |
| August 27, 2014 | 85,000 | 10 | 30 | Further Allotment | Cash | 27,38,500 | 2,73,85,000 |
| March 08, 2018 | 2,33,330 | 10 | -[(2)] | Conversion of CCPS | Cash[(3)] | 29,71,830 | 2,97,18,300 |

[(1)] *Pursuant to EGM held on December 12, 2011, our Company had issued 8,84,500 Bonus Shares in the ratio of 1:2 i.e. 1 equity share for every 2 equity shares held by the shareholders, by way of capitalization of free reserve of the Company.*

[(2)] *Pursuant to Board Meeting held on March 08 2018, our Company had allotted 2,33,330 Equity Shares of ₹ 10 each pursuant to conversion of 2,33,330 Preference Shares of ₹ 10 each, which were originally issued on March 10, 2012 for cash at a price of ₹ 150 per share.*

[(3)] *Cash amount received at the time of allotment of Compulsorily Convertible Preference Shares.*

*b.* Our Company has not issued any Equity Shares for consideration other than cash expect for the Equity Shares as mentioned under:

| Date of Allotment | No. of Equity Shares | FV (₹) | Issue Price (₹) | Allotted Person | Benefits Accrued to the Company |
|---|---|---|---|---|---|
| December 12, 2011 | 8,84,500 | 10 | Nil | Bonus allotment - Allotted to all the Equity Shareholders of the Company[(1)] | Expansion of capital |

[(1)] *Pursuant to EGM held on December 12, 2011, our Company had issued 8,84,500 Bonus Shares in the ratio of 1:2 i.e. 1 equity share for every 2 equity shares held by the shareholders, by way of capitalization of free reserve of the Company.*

*c.* No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956.

*d.* No bonus shares have been issued out of Revaluation Reserves.

*e.* No shares have been issued at a price lower than the Issue Price within the last one year from the date of this Prospectus.

*f. Shareholding of our Promoters:*

Set forth below are the details of the build-up of shareholding of our Promoters:

| Date of Allotment / Transfer | Nature of Transaction | Consider-ation | No. of Shares | Face Value (₹) | Issue Price (₹) | Cumulative no. of Shares | % of Pre-Issue Paid Up Capital | % of Post-Issue Paid Up Capital | Lock – in Period |
|---|---|---|---|---|---|---|---|---|---|
| **Mr. Jignesh Shah** | | | | | | | | | |
| Upon Incorporation | Subscription to MOA | Cash | 5,000 | 10 | 10 | 5,000 | 0.17% | 0.12% | 3 Years |
| March 25, 2011 | Further Allotment | Cash | 75,000 | 10 | 10 | 80,000 | 2.69% | 1.97% | 3 Years |
| December 12, 2011 | Bonus Allotment | Other than Cash[(1)] | 40,000 | 10 | Nil | 1,20,000 | 4.04% | 2.95% | 3 Years |
| August 27, 2014 | Further Allotment | Cash | 17,000 | 10 | 30 | 1,37,000 | 4.61% | 3.37% | 1 Year |
| **Mr. Nitin Shah** | | | | | | | | | |
| March 25, 2011 | Allotment | Cash | 3,00,000 | 10 | 10 | 3,00,000 | 10.09% | 7.38% | 3 Years |
| December 12, 2011 | Bonus Allotment | Other than Cash[(1)] | 1,10,000<br>40,000 | 10 | Nil | 4,50,000 | 15.14% | 11.07% | 3 Years<br>1 Year |
| August 27, 2014 | Further Allotment | Cash | 17,000 | 10 | 30 | 4,67,000 | 15.71% | 11.49% | 1 Year |
| May 04, 2018 | Gift | Other than Cash[(2)] | 4,45,833 | 10 | Nil | 9,12,833 | 30.72% | 22.46% | 1 Year |
| **Mr. Dixit Shah** | | | | | | | | | |
| March 25, 2011 | Allotment | Cash | 2,20,000 | 10 | 10 | 2,20,000 | 7.40% | 5.41% | 3 Years |
| December 12, 2011 | Bonus Allotment | Other than Cash[(1)] | 85,000<br>25,000 | 10 | Nil | 3,30,000 | 11.10% | 8.12% | 3 Years<br>1 Year |
| August 27, 2014 | Further Allotment | Cash | 17,000 | 10 | 30 | 3,47,000 | 11.68% | 8.54% | 1 Year |

[(1)] *Pursuant to EGM held on December 12, 2011, our Company has allotted 8,84,500 Bonus Shares to all the shareholders of the Company as on the mentioned date in the ratio of 1:2 i.e. 1 equity share for every 2 equity shares held by the shareholders, by way of capitalization of free reserve of the Company.*

[(2)] *These shares have been transferred via gift deed.*

**Notes:**

- None of the shares belonging to our Promoter have been pledged till date.

- The entire post Issue Promoters' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 2 of the "*Notes to the Capital Structure*" beginning on page no. 46 of this Prospectus.

- Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed for this purpose.

- All the shares held by our Promoters, were fully paid-up on the respective dates of acquisition of such shares.

*g.* Except as disclosed below, none of the members of the Promoters, Promoters Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of the Draft Prospectus:

| Date of Transfer | Name of Transferor | Name of Transferee | No. of Shares (F.V. ₹ 10) | Price (₹) | Nature of Transaction | Nature of Consideration[(1)] |
|---|---|---|---|---|---|---|
| May 02, 2018 | Champaben Shah | Himatlal Shah | 2,00,000 | Nil | Gift | Other than Cash |
| May 03, 2018 | Himatlal Shah | Kantaben Shah | 4,24,833 | Nil | Gift | Other than Cash |
| May 03, 2018 | Himatal Shah | Manekchand Shah | 1,88,833 | Nil | Gift | Other than Cash |
| May 04, 2018 | Kantaben Shah | Nitin Shah | 4,45,833 | Nil | Gift | Other than Cash |

*(1) These shares have been transferred via gift deed.*

*h.* None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of the Draft Prospectus.

**2. Promoters' Contribution and other Lock-In details:**

***a. Details of Promoters' Contribution locked-in for 3 years***

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoters shall be considered as promoters' 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.

The details of the Promoter's Equity Shares proposed to be locked-in for a period of three years are as follows:

| Name of Promoter | No. of Shares locked in[(1)] | As a % of Post Issue Share Capital |
|---|---|---|
| Mr. Jignesh Shah | 1,20,000 | 2.95% |
| Mr. Nitin Shah | 4,10,000 | 10.09% |
| Mr. Dixit Shah | 3,05,000 | 7.51% |

*(1) For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please refer Note no. 1(f) under "Notes to Capital Structure" beginning on page no. 46 of this Prospectus.*

We confirm that in compliance with regulation 33 of SEBI ICDR Regulations, the minimum Promoter contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources or from bonus issue against equity shares which are ineligible for minimum promoters' contribution.

- Equity Shares acquired by the Promoter during the preceding one year, at a price lower than the price at which Equity Shares are being issued to public in the Issue, except the bonus shares issued.

- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

- The Equity Shares held by the Promoter and Issued for minimum 20% Promoters' Contribution are not subject to any pledge.

- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.

- Equity shares issued to our Promoters on conversion of Partnership Firms into Limited Companies.

The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters' Contribution constituting 20% of the post-Issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

**We further confirm that our Promoters' Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds**.

***b. Details of Shares locked-in for one year***

a. Pursuant to Regulation 37 of the SEBI (ICDR) Regulations, in addition to the Promoters' Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue.

b. Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoter can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.

c. Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoter/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

d. Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoter, which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

**3. Pre-Issue and Post-Issue Shareholding of our Promoter and Promoter' Group**

Set forth is the shareholding of our Promoter and Promoter Group before and after the proposed Issue:

| Category of Promoters | Pre Issue | | Post Issue | |
|---|---|---|---|---|
| | No. of Shares | % | No. of Shares | % |
| **1. Promoters** | | | | |
| Jignesh Shah | 1,37,000 | 4.61% | 1,37,000 | 3.37% |
| Nitin Shah | 9,12,833 | 30.72% | 9,12,833 | 22.46% |
| Dixit Shah | 3,47,000 | 11.68% | 3,47,000 | 8.54% |
| **2. Promoter Group (as defined by SEBI (ICDR) Regulations)** | | | | |
| Jakharia Synthetics Pvt. Ltd. | 6,15,000 | 20.69% | 6,15,000 | 15.13% |
| Manekchand Shah | 5,05,833 | 17.02% | 5,05,833 | 12.45% |
| Shejal Shah | 75,000 | 2.52% | 75,000 | 1.85% |
| Himatlal Shah | 60,834 | 2.05% | 60,834 | 1.50% |
| Suryaben Shah | 60,000 | 2.02% | 60,000 | 1.48% |
| Champaben Shah | 25,000 | 0.84% | 25,000 | 0.62% |
| **3. Other Persons, Firms or Companies whose shareholding is aggregated for the purpose of** | - | - | - | - |

| Category of Promoters | Pre Issue | | Post Issue | |
|---|---|---|---|---|
| | No. of Shares | % | No. of Shares | % |
| **disclosing in the Prospectus under the heading "Shareholding of the Promoter Group".** | | | | |
| | | | | |
| **Total Promoter & Promoter Group Holding** | **27,38,500** | **92.15%** | **27,38,500** | **67.39%** |
| **Total Paid up Capital** | **29,71,830** | **100%** | **40,63,830** | **100%** |

**4. The top ten shareholders of our Company and their Equity Shareholding is as set forth below:**

a. The top ten Shareholders of our Company and their equity holding as on the date of this Prospectus are:

| Sr. No. | Particulars | No. of Equity Shares | % of Pre-Issue Equity Share Capital |
|---|---|---|---|
| 1. | Nitin Shah | 9,12,833 | 30.72% |
| 2. | Jakharia Synthetics Pvt Ltd | 6,15,000 | 20.69% |
| 3. | Manekchand Shah | 5,05,833 | 17.02% |
| 4. | Dixit Shah | 3,47,000 | 11.68% |
| 5. | Jignesh Shah | 1,37,000 | 4.61% |
| 6. | Shejal Shah | 75,000 | 2.52% |
| 7. | Himatlal Shah | 60,834 | 2.05% |
| 8. | Suryaben Shah | 60,000 | 2.02% |
| 9. | Vasant Vithaldas Joshi HUF | 33,666 | 1.13% |
| 10. | Vasant Vithaldas Joshi | 33,000 | 1.11% |
| **Total** | | **27,80,166** | **93.55%** |

b. The top ten Shareholders of our Company and their equity holding ten days prior to date of this Prospectus are:

| Sr. No. | Particulars | No. of Equity Shares | % of Pre-Issue Equity Share Capital |
|---|---|---|---|
| 1. | Nitin Shah | 9,12,833 | 30.72% |
| 2. | Jakharia Synthetics Pvt Ltd | 6,15,000 | 20.69% |
| 3. | Manekchand Shah | 5,05,833 | 17.02% |
| 4. | Dixit Shah | 3,47,000 | 11.68% |
| 5. | Jignesh Shah | 1,37,000 | 4.61% |
| 6. | Shejal Shah | 75,000 | 2.52% |
| 7. | Himatlal Shah | 60,834 | 2.05% |
| 8. | Suryaben Shah | 60,000 | 2.02% |
| 9. | Vasant Vithaldas Joshi HUF | 33,666 | 1.13% |
| 10. | Vasant Vithaldas Joshi | 33,000 | 1.11% |
| **Total** | | **27,80,166** | **93.55%** |

c. The top ten Shareholders of our Company and their equity holding two years prior to date of this Prospectus are:

| Sr. No. | Particulars | No. of Equity Shares | % of Shares then Equity Share Capital |
|---|---|---|---|
| 1. | Jakharia Synthetics Pvt Ltd | 6,15,000 | 22.46% |
| 2. | Himatlal Shah | 4,74,500 | 17.33% |
| 3. | Nitin Shah | 4,67,000 | 17.05% |
| 4. | Dixit Shah | 3,47,000 | 12.67% |
| 5. | Manekchand Shah | 3,17,000 | 11.58% |
| 6. | Champaben Shah | 2,25,000 | 8.22% |
| 7. | Jignesh Shah | 1,37,000 | 5.00% |
| 8. | Shejal Shah | 75,000 | 2.74% |
| 9. | Suryaben Shah | 60,000 | 2.19% |

| Sr. No. | Particulars | No. of Equity Shares | % of Shares then Equity Share Capital |
|---|---|---|---|
| 10. | Kantaben Shah | 21,000 | 0.77% |
| **Total** | | **27,38,500** | **100.00%** |

**5.** Neither the Company, nor it's Promoter, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.

**6.** None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled "*Our Management*" beginning on page no. 100 of this Prospectus.

**7.** Investors may note that in case of over-subscription, in all the categories, the allocation in the Issue shall be as per the requirement of Regulation 43(4) of SEBI (ICDR) Regulations, as amended from time to time. The allotment will be on proportionate basis as detailed under "*Basis of Allotment*" in the chapter titled "*Issue Procedure*" beginning on page no. 195 of this Prospectus.

**8.** An investor cannot make an application for more than the number of Equity Shares Issued in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

**9.** An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. 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 the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

**10.** Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines

**11.** No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoter to the persons who receive allotments, if any, in this Issue.

**12.** As on date of this Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoter or shareholders or any other person any option to receive Equity Shares after the Issue.

**13.** There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.

**14.** Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of this Prospectus the entire pre-Issue share capital of the Company has been made fully paid up.

**15.** Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.

**16.** We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Prospectus.

**17.** As on date of this Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.

**18.** Our Company shall ensure that transactions in the Equity Shares by our Promoter and our Promoter Group between the date of this Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.

**19.** The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.

**20.** Our Company has Twenty-three (23) shareholders, as on the date of this Prospectus.

**21.** Our Company has not re-valued its assets since incorporation.

**22.** Our Company has not made any public issue since its incorporation.

**23.** Shareholding Pattern of the Company

The following is the shareholding pattern of the Company as on the date of this Prospectus

| Category (I) | Category of Share- holder (II) | No. of Share-holder (III) | No. of fully paid-up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares Underlying Depository Receipts (VI) | Total Nos. Shares held (VII) = (IV) + (V) + (VI) | Share holding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII)As a % of (A+B+C2) | Number of Voting Rights held in each Class of securities (IX) | | | | No of Underlying Outstanding Convertible securities (incl. Warrants) (X) | Share Holding as a % assuming Full convertible securities (as a% of Diluted Share Capital)(XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked In shares (XII) | | No. of shares Pledged Or Otherwise encumbered (XIII) | | No. of Equity shares held in De-mat form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of voting Right | | | 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) | |
| | | | | | | | | Class- Equity | Class | Total | | | | | | | | |
| (A) | Promoter & Promoter Group | 9 | 27,38,500 | - | - | 27,38,500 | 92.15% | 27,38,500 | | 27,38,500 | 92.15% | - | 92.15% | - | - | - | - | - |
| (B) | Public | 14 | 2,33,330 | - | - | 2,33,330 | 7.85% | 2,33,330 | | 2,33,330 | 7.85% | - | 7.85% | - | - | - | - | - |
| (C) | Non Promoter Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | **Total** | **23** | **29,71,830** | **-** | **-** | **29,71,830** | **100%** | **29,71,830** | **-** | **29,71,830** | **100%** | **-** | **100%** | **-** | **-** | **-** | **-** | **-** |

Public Shareholders holding more than 1% of the pre-issue paid-up capital of our Company

| Sr. No. | Particulars | No. of Shares | % of Shares Pre-Issue Share Capital |
|---|---|---|---|
| 1 | Mr. Vasant Vithaldas Joshi | 33,000 | 1.11% |
| 2 | Vasant Vithaldas Joshi HUF | 33,666 | 1.13% |
| **Total** | | **66,666** | **2.24%** |

# SECTION IV – PARTICULARS OF THE ISSUE

## OBJECTS OF THE ISSUE

The objectives of the Issue are to raise funds for:

- Part finance the setting up of processing unit through investment in M/s. Jakharia Industries at MIDC Tarapur, Bhiwandi, Maharashtra.
- Funding Expenditure for General Corporate Purposes

Also, the listing of our Equity Shares on the SME Exchange, we believe, would provide liquidity to our shareholders, enhance our visibility and better our brand name.

***Issue Proceeds & Net Proceeds***

The details of the proceeds of the Issue are set forth in the table below:

| Particulars | Amount (₹ in lakhs) |
|---|---|
| Gross Proceeds from Issue | 1,965.60 |
| Less: Issue related Expenses[(1)] | 68.16 |
| **Net Proceeds from Issue** | 1,897.44 |

*(1) The Issue expenses are estimated expenses and subject to change.*

***Requirements of Funds***

The fund requirements described below are based on internal management estimates and our Company's current business plan and have not been appraised by any bank, financial institution.

The net proceeds of the Issue are to be utilized as shown below:

| Sr. No. | Particulars | Amount (₹ in lakhs) |
|---|---|---|
| 1. | Part finance the setting up of processing unit through investment in M/s. Jakharia Industries at MIDC Tarapur, Bhiwandi, Maharashtra. | 1,810.00 |
| 2. | Expenditure for General Corporate Purposes | 87.44 |
| **TOTAL** | | 1,897.44 |

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may, subject to compliance with applicable laws and regulations, also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object *vis-à-vis* the utilization of Issue Proceeds.

In case of variations in the actual utilization 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. If surplus funds are unavailable or in case of cost overruns, we expect that the shortfall will be met from internal accruals and/or entering into funding arrangements as required. Any variation in the objects of the Issue shall be undertaken in accordance with the terms of the Companies Act and the rules framed there under.

In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured / Bridge Loans and in such case the Funds raised shall be utilized towards repayment of Unsecured Loans or recouping of Internal Accruals. However, we confirm that except as mentioned below no unsecured / bridge financing has been availed as on date for the above mentioned objects, which is subject to being repaid from the Net Issue Proceeds.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled "*Risk Factors*" beginning on page no. 10 of this Prospectus.

## DETAILS OF THE FUND REQUIREMENTS

***1. Part finance the setting up of processing unit through investment in M/s. Jakharia Industries at Plot No J-1/1, MIDC Tarapur, Bhiwandi, Maharashtra.***

Our Company is a textile fabrics processing unit with an aggregate installed capacity of 760 lakh meters p.a operating through 2 units located at Tarapur, MIDC and Saravali, MIDC. To meet the growing orders and business requirements, we require to expand our production capacities. However, due to lack of space, we are unable to substantially increase the present units installed capacities. Our Group has acquired land at MIDC, Tarapur in the name of M/s. Jakharia Industries, a partnership firm, in which our Company is a partner with 85% share of profit.

We propose to set up an additional fabrics processing unit in M/s. Jakharia Industries with a proposed capacity of 360 lakh meters p.a. This project was initially scheduled to be implemented with a lower capacity; however, due to delay in obtaining pollution control clearance, the project remained un-implemented. Thereon, after obtaining such clearances, our management has based on their market demand analysis re-worked the size of the project and the same is now scheduled to be completed by April 2019.

We believe that our Company will earn benefits of economies of scale by increasing its processing capabilities and also earn share of profit from such Partnership firm which would in turn add to the operating results of our Company in the future.

The details of such project's proposed costs and means of finance as estimated by our management are as below:

**Cost of Project**

| Sr No | Particulars | Amount (₹ in lakhs) |
|---|---|---|
| 1. | Land and Building | 1,797.60 |
| 2. | Plant and Machinery | 4,583.89 |
| 3. | Other Capex Items | 769.88 |
| 4. | Pre-operative expense and Contingency | 550.92 |
| **Total** | | **7,702.29** |

**Means of Finance**

| Sr No | Particulars | Amount (₹ in lakhs) |
|---|---|---|
| 1. | Pre- IPO owned funds / Internal Accruals/ Partners, Relatives Loan[(1)] | 2,067.54 |
| 2. | Banks/ Institutional Borrowings[(2)] | 3,500.00 |
| 3. | Further Partners Loan/ Unsecured Borrowings | 324.75 |
| 4. | Net proceeds of the IPO | 1,810.00 |
| **Total** | | **7,702.29** |

(1) *M/s. Shah Shroff & Associates, Chartered Accountants have vide their certificate dated June 07, 2018 confirmed that an aggregate amount of ₹ 2067.54 lakhs has already been deployed by M/s. Jakharia Industries towards this project as on April 30, 2018.*

(2) *M/s Jakharia Industries has received a loan sanction from Kotak Bank Limited for ₹ 3,500 lakhs term loan which is to be used for this project.*

We confirm that firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance, excluding the amount to be raised through proposed issue and existing identifiable internal accruals, have been made.

**Details of various elements of Cost of Project**

**1. Land and Building (including civil works and repairing)**

M/s. Jakharia Industries has already acquired the factory land and building at an aggregate cost of ₹ 1,007.00 lakhs. The aggregate land area is 21,280 sq. mtrs. and the building shed is 60,000 sq feet. This land has been

acquired by way of Deed of Assignment and Transfer from Trans Freight Containers Limited. Thereafter, M/s. Jakharia Industries received the consent and order letter from MIDC and thus the leasehold title of the land is now registered in the name of M/s Jakharia Industries.

The total built up area of the civil works comprising of RCC factory building including ground plus one floor (consisting of mezzanine floor), admeasuring 88,000 sq. ft. The site development cost for setting up new integrated facilities is ₹ 790.60 lakhs.

**2. Plant and Machinery**

| Sr. No. | Particulars | No. of Quantity | Cost* |
|---|---|---|---|
| 1. | Menzel Open Width Continous Scouring And Bleaching Range With Microprocessor Attachments And Automatic Chemical Dosing | 1 | 402.16 |
| 2. | Menzel Plc Controlledfull Automatic Fabric Mercerising Machine | 1 | 439.20 |
| 3. | Plc Controlled Compressive Shrinking Range | 2 | 181.44 |
| 4. | Quadraple Effect Caustic Recovery Plant Cap 7500 Lph Feedcrp For Mercerizer 5000 Ltrs /Hr | 1 | 120.78 |
| 5. | Menzel High Speed Computer Controlled Padding Mangle With Silicate Dosing Along With Level Control & Ratio Control Mechanism | 1 | 87.84 |
| 6. | Menzel Open Width Pad Steam Continuos Dyeing | 1 | 406.26 |
| 7. | Menzel Plc Controlled Multi Chamber Washing Range With 5 Chambers | 1 | 184.22 |
| 8. | Menzel Plc Based Fully Automatic Jigger With Servo/Microprocessor Control 250 Kg Capacity | 3 | 36.60 |
| 9. | Menzel Plc Based Fully Automatic Jigger With Servo/Microprocessor Control500 Kg Capacity | 1 | 26.84 |
| 10. | 3 Bowl Bendcon Calendering Machine | 1 | 129.06 |
| 11. | Double Drum Ultrasoft Sueding Machine Lafer | 1 | 107.11 |
| 12. | Plc Based Rotary Screen Printing Machine, Fully Automatic With Magnetic Squeege Rotary Printing Machine | 1 | 448.62 |
| 13. | Laser Engraver | 1 | 271.71 |
| 14. | Menzel Plc Controlled Multi Chamber Washing Range With 5 Chmbers | 1 | 274.50 |
| 15. | Menzel Plc Based Loop Ager With Arrangement For Moist And Superheated Steaming With Minimum Speed Of 20 Mtrs Per Minute | 1 | 120.78 |
| 16. | Other Accessories For Print (Stork) | 1 | 48.80 |
| 17. | Plc Controlled Multichamber Stenter With Arrangement Of Thermic Fluid Heating | 1 | 364.75 |
| 18. | Rotary Screw Compressor | 3 | 27.59 |
| 19. | Plc Based Multi Fuel Fired Boiler (Thermic Fluid) With Automatic Control On Combustion Efficiency And Micro Duct Collector Model 4000 U Vta(4 Pass) Capable Of Generating 40.00 Lac Kcal/Hr With Standard Accessories | 1 | 134.40 |
| 20. | Plc Based Multi Fuel Fired Boiler (Ibr Steam) With Automatic Control On Combustion Efficiency And Micro Duct Collector Capacity 12000Kgs/Hr With Standard Accessories | 5 | 234.24 |
| 21. | Chemical Auto Dispensing | 1 | 160.83 |
| 22. | Fire Fighting | 1 | 98.54 |
| 23. | Laboratory | 1 | 56.00 |
| 24. | Scrap Folding | 3 | 5.91 |
| 25. | Soft Flow | 2 | 36.60 |
| 26. | Rotating Station MonoHydrolic Lift | 3 | 15.25 |
| 27. | Batching Trolley | 100 | 48.80 |
| 28. | Basket Trolley | 250 | 5.19 |
| 29. | Hydrolic Lift | 1 | 14.64 |
| 30. | Water Softner 3 Lac Ltrs/Day | 1 | 5.00 |
| 31. | Water Softner 10 Lac Ltrs/Day | 1 | 10.00 |
| 32. | Ms Storange Tank For Caustic 12 Ton | 1 | 3.30 |
| 33. | Peroxide Storage Tank | 1 | 6.20 |

| | | | |
|---|---|---|---|
| 34. | Bleach Storage Tank | 1 | 6.40 |
| 35. | Ss Storage Tank For Acid 6 And 3 Tons | 1 | 6.40 |
| 36. | Fork Lift | 1 | 50.00 |
| 37. | Machine Erection Charges | 1 | 7.93 |
| **Total** | | | **4,583.89** |

***** *The above mentioned cost is based on various quotations from various suppliers.The transactions will be made at arms length basis.*

**3. Other Capex Items (Effluent Treatment Plant and Electrical Installations)**

Other Capex Items consists of Effluent Treatment Plant (ETP) and Electrical Installations amounting to ₹ 417.88 lakhs and ₹ 352.00 lakhs respectively. These figures are based on management estimates and further the estimates are based on discussion with suppliers.

**4. Pre-operative expense and Contingency**

Our Company has considered pre-operative expense as ₹ 375.92 lakhs considering processing fees, technical know-how and interest during the construction period and has also created contingency amounting to ₹ 175.00 lakhs as an estimate in order to provide for escalation of prices estimated, change in the plan or change in the quotations

**Current Status of the Project (Funds deployed)**

*(₹ in lakhs)*

| Particulars | Amount deployed | Status |
|---|---|---|
| Land and Building | 1,565.46 | Under Progress |
| Plant and Machinery | 194.22 | Under Progress |
| Other Capex and Pre-operative expenses | 307.86 | Under Progress |
| **Total** | **2,067.54** | |

M/s. Shah Shroff & Associates, Chartered Accountants have vide their certificate dated June 07, 2018 confirmed that an aggregate amount of Rs. 2,067.54 lakhs has already been deployed by M/s. Jakharia Industries towards this project and the same were funded majorly from Pre-IPO Partners owned funds/ Unsecured Loans (Partners and Relatives) and internal accruals.

***2. Expenditure for General Corporate Purpose:***

We propose to deploy ₹ 87.44 lakhs aggregating to 4.61 % of the Net Proceeds of the Issue towards General Corporate Purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/ leased and operated facilities or premises or towards repayment/ pre-payment of liabilities or towards brand promotion activities or any other purposes as may be approved by our Board.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

**ISSUE RELATED EXPENSES**

The total estimated Issue Expenses are ₹ 68.16 lakhs, which is 3.47 % of the total Issue Size. The details of the Issue Expenses are tabulated below:

| Sr. No. | Particulars | Amount (₹ in lakhs) | % of Total Expenses | % of Total Issue size |
|---|---|---|---|---|
| 1. | Issue Management fees including fees and reimbursements of Market Making fees, selling commissions, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses. | 48.30 | 70.86 % | 2.46 % |
| 2. | Brokerage [(1)(2)(3)] | 8.00 | 11.74 % | 0.41 % |
| 3. | Printing & Stationery, Distribution, Postage, etc. | 2.00 | 2.93 % | 0.10 % |

| Sr. No. | Particulars | Amount (₹ in lakhs) | % of Total Expenses | % of Total Issue size |
|---|---|---|---|---|
| 4. | Advertisement and Marketing Expenses | 2.00 | 2.93 % | 0.10 % |
| 5. | Stock Exchange Fees, Regulatory and other Expenses | 7.86 | 11.53 % | 0.40 % |
| **Total** | | **68.16** | **100.00 %** | **3.47 %** |

*(1) The SCSBs and other intermediaries will be entitled to a commission of ₹ 10 per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.*

*(2) The SCSBs would be entitled to processing fees of ₹ 10 per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.*

*(3) Further the SCSBs and other intermediaries will be entitled to selling commission of 0.01 % of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.*

The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.

**Schedule of Implementation**

All of the above objects are proposed to be utilised in the Financial Year 2018-19.

| Sr. No. | Particulars | Start Date | End date |
|---|---|---|---|
| 1 | Acquisition of Land | February 2016 | Completed |
| 2 | Civil works | June 2016 | February 2019 |
| 3 | Placing of Plant & Machinery Order | December 2016 | September 2018 |
| 4 | Installation of Machine | October 2018 | February 2019 |
| 5 | Trial Run / Testing | March 2019 | March 2019 |
| 6 | Commercial Production | April 2019 | - |

**Year wise Deployment of Balance Funds**

The funds are proposed to be deployed in the Financial Year 2018 - 19.

**Working Capital Requirement**

No Working Capital is being raised for the proposed unit through M/s. Jakharia Industries through this Issue. We expect to meet our working capital requirements in the future through internal accruals &bank finance. M/s. Jakharia Industries has received a sanction of Working Capital limit to ₹ 200 lakhs for this project from Kotak Mahindra Bank Limited.

**Appraisal and Bridge Loans**

The objects have not been appraised by any banks, financial institutions or agency. Also, our Company has not entered into any bridge finance arrangements that will be repaid from the Net Proceeds of the Issue. However, our Company may draw down such amounts, as may be required, from an overdraft arrangement or short term advances in form of director loans or ICDs, to finance any of the above mentioned objects until the completion of the Issue.

Any amount that is drawn down from such bridge financing during this period to finance above mentioned objects will be repaid from the Net Proceeds of the Issue.

**Interim Use of Funds**

Pending utilization of the Net Issue Proceeds for the purposes described above, our Company will deposit the Net Issue Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Net Issue Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

**Monitoring of Utilization of Funds**

There is no requirement for a monitoring agency as the Issue size is less than ₹ 10,000 lakhs. Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, 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, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, 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 Prospectus.

**Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, 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. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

**Other Confirmations**

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

## BASIC TERMS OF THE ISSUE

**Terms of the Issue**

The Equity Shares being Issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of the Draft Prospectus / Prospectus, Application Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices 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, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

**Authority for the Issue**

The present Issue has been authorized pursuant to a resolution of our Board dated April 27, 2018 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on May 02, 2018.

**Other Details**

| | |
|---|---|
| **Face Value** | The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws. |
| **Issue Price per Share** | The Equity Shares pursuant to this Prospectus are being issued at a price of ₹ 180 each. |
| **Market Lot and Trading Lot** | The Market lot and Trading lot for the Equity Share is 800 and in multiples of 800 thereafter; subject to a minimum allotment of 800 Equity Shares to the successful applicants. |
| **Terms of Payment** | Applications should be for a minimum of 800 equity shares and in multiples of 800 equity shares thereafter. The entire Issue Price of the equity shares of ₹ 180 per share is payable on application.<br><br>In case of allotment of lesser number of equity shares than the number applied, the excess amount paid on application shall be refunded / unblocked to the applicants. |
| **Ranking of the Equity Shares** | The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank *pari - passu* in all respects including dividends with the existing Equity Shares of the Company. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment. |

**Minimum Subscription**

The requirement for 90% minimum subscription in terms of Regulation 14 of the ICDR Regulations is not applicable to the Issue. In terms of Regulation 106P(1) of the ICDR Regulations, the Issue is not restricted to any minimum subscription level and is 100% underwritten. Further, pursuant to Regulation 106R of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 50.

If we do 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, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after we become liable to pay the amount, we shall pay interest prescribed under the applicable provisions of the Companies Act, 2013.

## BASIS FOR ISSUE PRICE

*The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 180 per Equity Share and is 18 times of the face value. Investors should read the following basis with the sections titled "Risk Factors" and "Financial Information" and the chapter titled "Our Business" beginning on page nos. 10, 125 and 74 respectively of this Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.*

**Qualitative Factors**

We believe that the following strengths help differentiate us from our competitors and enable us to compete successfully in our industry:

- Well experienced Management
- Quality Assurance
- Product Mix

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see "*Our Business - Our Strengths*" beginning on page no. 74 of this Prospectus.

**Quantitative Factors**

Information presented in this chapter is derived from restated financial statements prepared in accordance with Indian GAAP.

**1) Earnings per Share (EPS)**

(i) Basic EPS:

| Year ended March 31, | Basic | |
|---|---|---|
| | EPS (in ₹ )[(1)] | Weight |
| 2017 | 12.37 | 3 |
| 2016 | 16.29 | 2 |
| 2015 | 16.01 | 1 |
| **Weighted Average** | **14.28** | |
| For December 31, 2017[(2)] | 6.91 | |

(1) *Based on Restated Financials of our Company*
(2) *Not Annualised*

(ii) Diluted EPS:

| Year ended March 31, | Diluted | |
|---|---|---|
| | EPS (in ₹ )[(1)] | Weight |
| 2017 | 11.40 | 3 |
| 2016 | 15.01 | 2 |
| 2015 | 14.57 | 1 |
| **Weighted Average** | **13.13** | |
| For December 31, 2017[(2)] | 6.36 | |

(1) *Based on Restated Financials of our Company*
(2) *Not Annualised*

**Notes:**

a. Basic EPS has been calculated as per the following formula:

$$\text{Basic EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$$

b. Diluted EPS has been calculated as per the following formula:

$$\text{Diluted EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year/period + potential no. of equity shares upon conversion of CCPS}}$$

c. Earnings per share calculations are in accordance with Accounting Standard 20 "Earnings per Share" prescribed by the Companies (Accounting Standard) Rules, 2006

**2) Price Earnings Ratio (P/E) in relation to the Issue price of ₹ 180 per share of ₹ 10 each.**

| Particulars | Standalone |
|---|---|
| P/E ratio based on Basic EPS as at March 31, 2017 | 14.55 |
| P/E ratio based weighted average EPS (Basic) | 12.61 |
| P/E ratio based on Diluted EPS as at March 31, 2017 | 15.79 |
| P/E ratio based weighted average EPS (Diluted) | 13.71 |

| Industry P/E | |
|---|---|
| Highest – Vishal Fabrics Ltd. | 170.10 |
| Lowest – Bluechip Tex Industries Limited | 12.60 |
| Industry Average | 34.60 |

*(Source: Capital Market, Vol. XXXIII/07, May 21- June 03, 2018; Segment: Textiles-Processing)*

**3) Return on Net Worth (RoNW)**

| Year ended March 31 | RoNW (%) | Weight |
|---|---|---|
| 2017 | 16.97% | 3 |
| 2016 | 26.91% | 2 |
| 2015 | 35.73% | 1 |
| **Weighted Average** | **23.41** | |
| For December 31, 2017 | 8.65 | |

**Note:** Return on Net worth has been calculated as per the following formula:

$$\text{RoNW} = \frac{\text{Net profit/loss after tax, as restated}}{\text{Net worth - Restated}}$$

**4) Minimum Return on Net Worth (RoNW) after Issue needed to maintain the Pre-Issue Basic & diluted EPS for the FY 2016-17 (based on Restated Financials) at the Issue Price of ₹ 180 is 12.11 % and 11.16 % respectively.**

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

| Financial Year | Amount (₹) |
|---|---|
| NAV as at March 31, 2017 | 67.20 |
| NAV as at December 31, 2017 | 73.56 |
| NAV after Issue | 102.16 |
| Issue Price | 180.00 |

**Note:**
Net Asset Value has been calculated as per the following formula:

$$\text{NAV} = \frac{\text{Net worth excluding revaluation reserve}}{\text{Number of Equity shares outstanding during the year/ period + potential no. of equity shares upon conversion of CCPS}}$$

**6) Comparison with Industry peers**

| Particulars | Face Value (₹) | EPS (₹) | P/E Ratio[2] | RONW (%) | NAV (₹) |
|---|---|---|---|---|---|
| Vishal Fabrics Ltd. | 10 | 8.00 | 72.50 | 11.22% | 71.29 |
| Gini Silk Mills | 10 | 4.32 | 34.02 | 7.49% | 57.69 |
| Donear Industries | 2 | 2.09 | 360.77 | 12.47% | 16.78 |
| *Source: Company Audited Financials for the F. Y. 2016-17 as disclosed on www.nseindia.com and www.bseindia.com* | | | | | |
| **JAKHARIA FABRIC LIMITED** | 10 | 12.37 | 14.55 | 16.97% | 67.20 |
| *Source: Restated Financials as on March 31, 2017* | | | | | |

*[1] All Peer Comparisons are for Financials on Standalone basis*

*[2] Based on closing price of the stock on BSE as on April 30, 2018*

**7)** The Company in consultation with the Lead Manager believes that the Issue price of ₹ 180 per share is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10/- per share and the Issue Price is 18 times of the face value i.e. ₹ 180 per share.

## STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
**Jakharia Fabric Limited**
Office No. 1224, Deoji Nagar,
Narpoli Village, Bhiwandi,
Thane – 421 302

**Sub: Proposed Public Issue of Jakharia Fabric Limited**

Dear Sir,

**Subject: Statement of Possible Special Tax Benefits available to Jakharia Fabric Limited and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'Regulations')**

We hereby report that the enclosed annexure prepared by the management of Jakharia Fabric Limited, states the possible special tax benefits available to Jakharia Fabric Limited ('the Company') and the shareholders of the Company under the Income Tax Act, 1961 ('Act'), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of 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 the business imperatives, the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. The benefits discussed in the enclosed statement are not exhaustive. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that, 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. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares ("the Issue") by the Company.

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

a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
b) The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement 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

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its Issue, which may have a material effect on the discussions herein.

This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other Issue related material in connection with the proposed initial public Issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Shah Shroff and Associates,**
**Chartered Accountants**
FRN: 1028920W

**Yashesh Shroff**
**Partner**
Membership No: 103277
Place: Mumbai
Date: May 02, 2018.

**ANNEXURE TO THE STATEMENT OF TAX BENEFITS**

*The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.*

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.**

**A. SPECIAL TAX BENEFITS TO THE COMPANY**

NIL

**B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

NIL

**Note:**

1. All the above statements are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. 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. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

4. We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

## SECTION V – ABOUT THE ISSUER COMPANY

## INDUSTRY OVERVIEW

*The information in this chapter has been extracted from the websites and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, generally state that the information contained therein has been obtained from sources generally believed to be reliable but 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.*

### OVERVIEW OF THE GLOBAL AND INDIAN ECONOMY

#### Global Scenario

Inflation is expected to firm up during the first quarter of 2018-19 before moderating in the remaining part of 2018-19 as the direct impact of the increase in house rent allowances for central government employees fades away, which has to be looked through. Economic activity is expected to accelerate with the strengthening of investment activity, supported by consumption demand and robust credit growth.

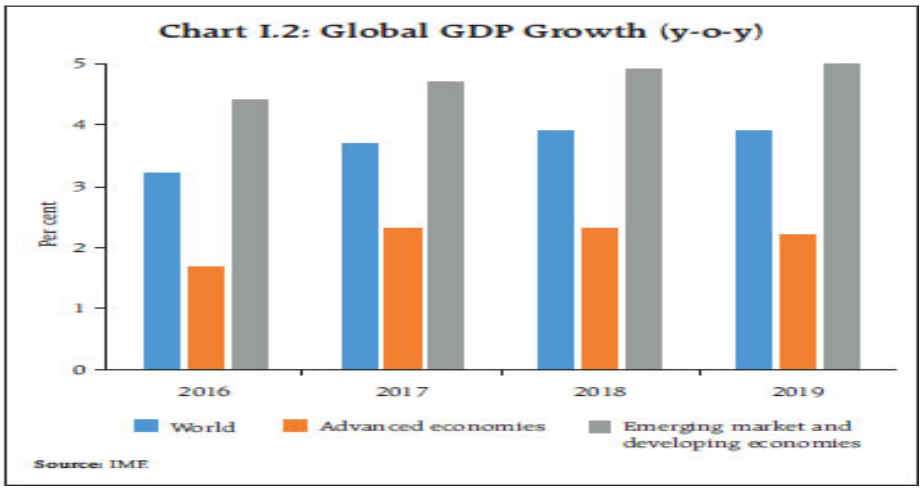
The Monetary Policy Report (MPR) of October 2017 flagged significant shifts underway in the macroeconomic environment. Some of them have gained traction since then while others are incipiently in motion. Global economic activity has continued to strengthen and is becoming increasingly synchronised across regions. Global trade is outpacing demand after lagging behind for two years. Oil prices have firmed up again on the edge of a delicate demand-supply balance. Generally buoyant global financial markets have been interrupted by bouts of volatility triggered by several event-specific announcement effects, and most recently by reassessments of the pace of monetary policy normalisation in the US. Renewed fears of protectionism, retaliatory actions and trade wars pose a major challenge to the global economy, with implications for emerging market economies (EMEs), including India, that are participating in open international trade and relying on foreign capital flows to realise their developmental aspirations.

After languishing for five consecutive quarters, economic activity in India is quickening, as estimates and high frequency as well as survey-based indicators etch out for the second half of 2017-18. Growth is strengthening and several elements are coming together to nurture this nascent acceleration: expectations of a record food grains output; strong sales growth by corporations; depleting finished goods inventories; and, restart of investment in fixed assets by corporations pointing to renewal of the capex cycle. Several services sectors, including the information technology sector in terms of its international competitiveness, have shown resilience. These are some of the developments that support brighter prospects for the Indian economy in 2018-19. A significant development has been that this time around, the step-up in growth is propelled by a revival of investment on the demand side and manufacturing on the supply side. This outlook will be lifted by tailwinds from remonetisation and implementation of Goods and Services Tax (GST).

The path of inflation will likely be influenced by effects of the increase in house rent allowances (HRAs) for central government employees, which is purely statistical and has to be looked through to gauge true inflation developments.

#### Conclusion

To summarise, aggregate demand is expected to improve in 2018-19, supported, inter alia, by the improving GST implementation, the recapitalisation of public sector banks and the resolution of distressed assets under the IBC. Rural and infrastructure sectors are identified as thrust areas in the Union Budget, which could energise aggregate demand. With the acceleration in global trade, the Indian economy could benefit from buoyant external demand. In addition to the usual monsoon related uncertainty, inflation faces upside risks from a variety of other sources, especially due to the oil prices, the fiscal slippage, and (the statistical effect from) the expected increases in HRAs by the state governments, The purely direct statistical impact of the HRA adjustment on CPI will be looked through while formulating monetary policy. Uncertainty over the pace and timing of monetary policy normalisation by the systemic central banks in advanced economies, protectionist tendencies and fears of a trade war pose significant risks to the baseline inflation and growth paths.
(*Source:* *https://rbi.org.in*)




*(Source: https://rbi.org.in)*

**Indian Economic Scenario**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

The tax collection figures between April 2017- February 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.
*(Source: https://www.ibef.org/economy/indian-economy-overview)*

**INDIAN TEXTILE INDUSTRY**

Textile plays a major role in the Indian economy

(i) It contributes 14 per cent to industrial production and 4 per cent to GDP
(ii) With over 45 million people, the industry is one of the largest source 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 2016 was around US$ 137 billion, which is expected to touch US$ 226 billion market by 2023, growing at a CAGR of 8.7 per cent between 2009-23E
- ✓ As of June 2017, the central government is planning to finalize and launch the new textile policy in the next three months. The policy aims to achieve US$ 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs.
- ✓ Production of raw cotton in India grew from 28 million bales in FY07 and further increased to 35.1 million bales in FY17
- ✓ During FY07-17, raw cotton production expanded at a CAGR of 2.3 per cent

- ✓ During FY16(1), of the overall amount of raw cotton produced in the country, domestic consumption totaled to 30 million bales, while in FY15(1), the domestic consumption of raw cotton stood at 30.4 million bales
- ✓ Raw cotton and man-made fibres are major segments in this category

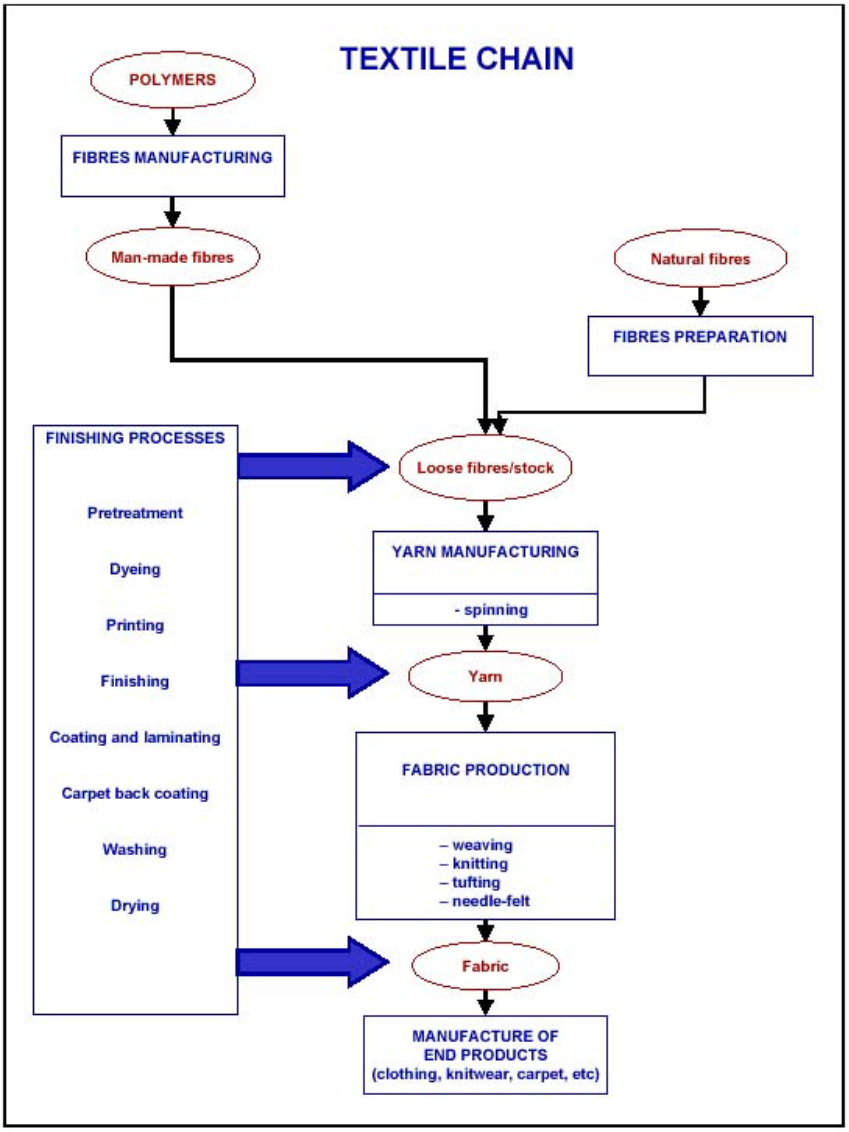
India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textiles industry is also labour intensive and is one of the 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 45 million people directly and 20 million people 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.
*(Source: https://www.ibef.org/industry/textiles.aspx)*

**Key Points of Indian Textile Industry**

- Abundant availability of raw materials such as cotton, wool, silk, jute and manmade fibres.
- Comparative advantage in terms of skilled manpower and cost of production over major textile producers across globe.
- Focused and favorable policies instituted by the government will give the industry a fillip.
- Presence of entire value chain for textile production beginning from production of natural fibre to the production of yarn, fabric and apparel within the country giving edge over countries like Vietnam, Bangladesh etc.
- Presence of traditional skill sectors i.e. hand loom and handicraft
- Market access arrangements with Japan, South Korea, ASEAN, Chile while negotiations with EU, Australia, Regional Comprehensive Economic Partnership (RCEP) countries under process.
- Readily available market which is poised to grow in future with increased penetration of organized retail, favorable demographics and rising income levels.
- The Integrated Skill Development Scheme aims to train over 2.675 million people up to 2017, covering all sub-sectors of the textile sector- textiles and apparel, handicrafts, handlooms, jute and sericulture.
- The Centers of Excellence focused on testing and evaluation as well as resource centers and training facilities have been set up.
  *(Source : http://www.makeinindia.com/sector/textiles-and-garments)*




*(Source : [http://wiki.zero-emissions.at/index.php?title=File:Info_about_textiles4.jpg](http://wiki.zero-emissions.at/index.php?title=File:Info_about_textiles4.jpg))*

**Market Size**

The Indian textiles industry, currently estimated at around US$ 120 billion, is expected to reach US$ 230 billion by 2020. The Indian Textile Industry contributes approximately 2 per cent to India's Gross Domestic Product (GDP), 10 per cent of manufacturing production and 14 per cent to overall Index of Industrial Production (IIP).

Indian khadi products sales increased by 33 per cent year-on-year to Rs 2,005 crore (US$ 311.31 million) in 2016-17 and is expected to exceed Rs 5,000 crore (US$ 776.33 million) sales target for 2018-19, as per the Khadi and Village Industries Commission (KVIC).

The production of cotton in India is estimated to increase by 9.3 per cent year-on-year to reach 37.7 million bales in FY 2017-18. The total area under cultivation of cotton in India is expected to increase by 7 per cent to 11.3 million hectares in 2017-18, on account of expectations of better returns from rising prices and improved crop yields during the year 2016-17. Indian exports of locally made retail and lifestyle products grew at a compound annual growth rate (CAGR) of 10 per cent from 2013 to 2016, mainly led by bedding bath and home decor products and textiles.

**Investment**

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$ 2.82 billion during April 2000 to December 2017.

Some of the major investments in the Indian textiles industry are as follows:

- The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of Rs 1,300 crore (US$ 202.9 million) from 2017-18 to 2019-20.

- Future Group is planning to open 80 new stores under its affordable fashion format, Fashion at Big Bazaar (FBB), and is targeting sales of 230 million units of garments by March 2018, which is expected to grow to 800 million units by 2021.

- Raymond has partnered with Khadi and Village Industries Commission (KVIC) to sell Khadi-marked readymade garments and fabric in KVIC and Raymond outlets across India.

- Max Fashion, a part of Dubai based Landmark Group, plans to expand its sales network to 400 stores in 120 cities by investing Rs 400 crore (US$ 60 million) in the next 4 years.

**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.

Initiative will be taken into consideration by Government of India.

- The Union Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd (EESL), has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the powerloom sector of India.

- The Government has planned to connect as many as 5 crore (50 million) village women to charkha (spinning wheel) in next 5 years with a view to provide them employment and promote khadi and also, they inaugurated 60 khadi outlets which were renovated and re-launched during the completion of KVIC s 60th anniversary and a khadi outlet.

- The Textiles Ministry will organise 'Hastkala Sahyog Shivirs' in 421 handloom-handicrafts clusters across the country which will benefit over 1.2 lakh weavers and artisans.

- The Gujarat government's decision to extend its textile policy by a year is set. It is believes to attract Rs 5,000 crore (US$ 50 billion) of more investment in sectors across the value chain. The government estimates addition till now of a million units of spindle capacity in the spinning sector and setting up of over 1,000 units in technical textiles.

- The Textile Ministry of India earmarked Rs 690 crore (US$ 106.58 million) for setting up 21 ready made garment manufacturing units in seven states for development and modernisation of Indian Textile Sector.

Some of initiatives taken by the government to further promote the industry are as under:

- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent.

- The Government of India plans to introduce a mega package for the powerloom sector, which will include social welfare schemes, insurance cover, cluster development, and upgradation of obsolete looms, along with tax benefits and marketing support, which is expected to improve the status of power loom weavers in the country.

**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. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The domestic market for apparel and lifestyle products, currently estimated at US$ 85 billion, is expected to reach US$ 160 billion by 2025.

The Indian cotton textile industry is expected to showcase a stable growth in FY2017-18, supported by stable input prices, healthy capacity utilisation and steady domestic demand
*(Source: https://www.ibef.org/industry/textiles.aspx)*

## OUR BUSINESS

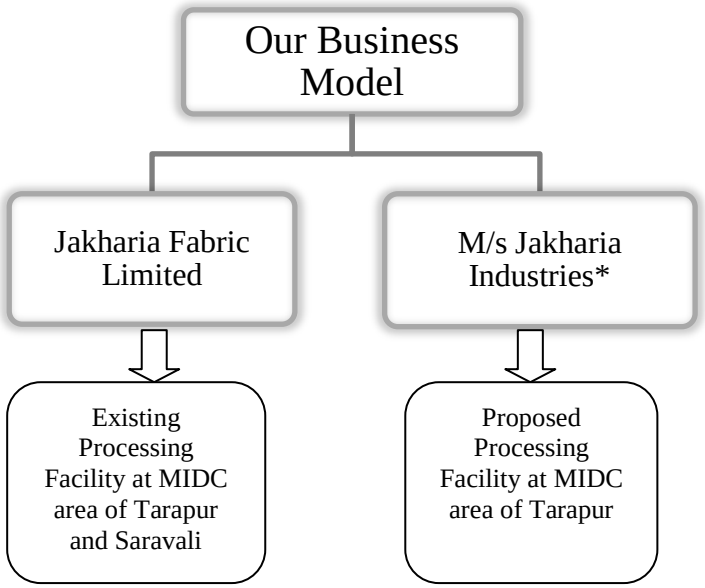
*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 10, 150 and 125 of this Prospectus, respectively. The financial figures used in this section, unless otherwise stated, have been derived from our Company's restated audited financial statements. Further, all references to 'Jakharia', 'JFL', 'the Company', 'our Company' and 'the Issuer' and the terms 'we', 'us' and 'our', are to Jakharia Fabric Limited.*

*Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP set forth elsewhere in this Prospectus. In this section only, any reference to "we", "us" or "our" refers to Jakharia Fabric Limited.*

### OVERVIEW

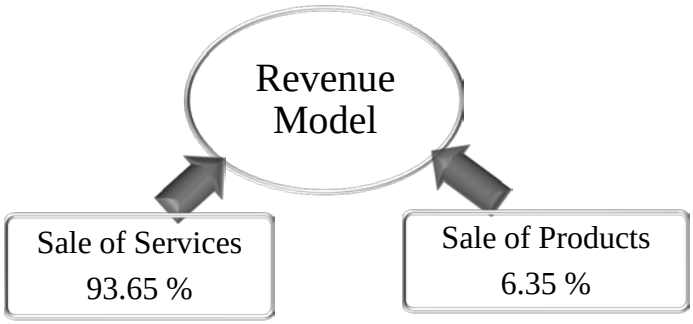
Our Company is engaged in the business of dyeing and processing of fabrics on job work basis for other textile companies as well as for own manufacturing product lines. Our Company procures Grey Fabric from the market and further dyes and finishes the same as per the client's requirements on the basis of quality of the fabric, sizing requirements etc. Our Company also outsources certain processes like weaving of the fabric and printing as per the demand of the customers based on the quality required. Our Company manufactures and processes the fabric specially suitable for Shirtings.

Our Company is in process of setting up an additional processing facility at Plot No. J1/1, MIDC Tarapur Industrial Area, Boisar, Palghar – 401 506. This facility is being set up through M/s Jakharia Industries, which is a Partnership Firm, wherein our Company is a partner. The Partnership firm is set up with an intention to establish a new processing house with a proposed capcity of 360 lakh meters p.a. for colouring, dying, printing and finishing and processing working or manufacturing of cotton, linen, wool synthetics and various other textile products.




** Our Company is a Partner in M/s. Jakharia Industries, a Partnership firm.*

The following diagram depicts breakup of revenue, percentage wise based on Job work services provided and the sale of fabric manufactured by us for the period ended December 31, 2017:




We have positioned ourselves as a multi-product, multi-fibre and multi-market player ensuring that our products include a diverse mix of fabrics mainly catering to domestic market and also to the international market. Wide ranges of fabric are processed at our Processing house which includes cotton, polyester, viscose and man-made & blended fabrics. For further details, please refer "*Services and Products* under *Our Business*" beginning on page no. 74 of this Prospectus.

Our Company has set-up two (2) processing units located at MIDC Area of Saravali, Bhiwandi in Maharashtra and MIDC Area of Tarapur, Bhiwandi in Maharashtra. The plant has the facilities for dyeing and processing wide range of fabrics.

We have dedicated semi-automatic machines and skilled operators for manual checking of raw materials as well as Finished Goods. Our Testing and QC Technical team combined with our testing equipments ensures the quality of raw material dispensed in the production process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

Our revenue from operations for the financial year ending 2016-17, 2015-16 and 2014-15 was ₹ 7,479.05 lakhs, ₹ 7,676.12 lakhs and ₹ 8,847.49 lakhs respectively. Our Net Profit after tax for the above mentioned periods i.e. in the last 3 years was ₹ 338.82 lakhs in F. Y. 2016-17, ₹ 446.17 lakhs in F. Y. 2015-16 and ₹ 432.86 lakhs in F.Y. 2014-15. Our Revenue from operations for nine months period ending December 31, 2017 was ₹ 5,348.03 lakhs and the net profit after tax was ₹ 189.12 lakhs.

**OUR STRENGTHS**

**Well experienced management team**

Our Company is led by a group of individuals, having an experience of over 3 decades and has a proven background and rich experience in textile industry. We have an experienced and professional management team with strong asset management, execution capabilities and considerable experience in this industry. The team comprises of personnel having technical, operational and business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations.

Our Management team consists of a mix of individuals with technical and commercial experience in the textile industry. Our team is well qualified and experienced in textile industry and has been responsible for the growth of our operations. We believe the stability of our management team and the industry experience brought in coupled with their strong client relationships, will enable us to continue to take advantage of future market opportunities and expand into new markets. For further details of the educational qualifications and experience of our Management Team and our Key Managerial Personnel please refer the chapter titled "*Our Management*" beginning on page no. 100 of this Prospectus.

**Low labour cost**

Our Company employs skilled, semi-skilled and unskilled labour for various processes of our manufacturing process. Labour is available in abundance in India. Thus, our labour costs are maintained at realistic levels. Added to that we have kept ourselves updated on the latest available technologies and continuously look for new technological developments and value adding equipment to enhance the performance of our machines such that the labour input required is maintained while the production / productivity is improved.

Additionally we have an arrangement with certain Contractors for execution, fulfilment and discharge of work and obligations as per our requirements.

***Quality Assurance***

Our Products pass through quality checks at various stages of the Process. The quality assurance measures taken by the Company includes thorough checking of all raw material and other inputs right down to finished goods. We maintain high standards for quality control and have semi- automatic/ mechanical machines and manual checking being operated by skilled operators under proper quality control and strict supervision.

***Product mix***

Our Company deals in a range of varied quality product meant for Shirting. Our Product portfolio includes cotton fabric, polyester fabric, viscose fabric and man-made & blended fabrics. Our Company processes a wide range of Products, having a speciality in Polyester and Blended based fabrics. Our Company processes wide range of fabric consisting of 100% cotton, polyester and various blends, regenerated and manmade fabrics viz. Viscose, Rayon, Modal, Bamboo, Flax, Cotton Excel Blended, Polyester, Lycra, Acrylic, Linen, etc. These products have wide scale applications in the ready-made garment industry.

***Cost effective production and timely fulfilment of orders***

Timely fulfilment of the orders is a prerequisite in our industry. Our Company has taken various steps in order to ensure adherence to timely fulfilment and also to achieve greater cost efficiency at our existing processing units. These steps include identifying quality grey cloth and Colours & Chemical suppliers (which forms a bulk of our raw material cost), smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. Our Company also enjoys good relations with our suppliers of fabric and Colours & Chemicals which is the primary raw material for our products and services offered and as a consequence has had the benefit of timely supplies of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfilment of orders of our customers. Our Company constantly endeavours to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

**OUR STRATEGIES**

Our strategic objective is to improve and consolidate our position as a Textile Processing Unit with a continuous growth philosophy. Below points represents our continuous growth philosophy being implemented:

***Diversifying and increasing penetration in markets***

Our Company provides job work service in Domestic market and the products are sold in domestic market as well as global market to some extent. The domestic market also offers opportunities in term of sub-geographic penetration and product/ market diversification. Our Company will seek to grow its marketing reach domestically to explore hither to untapped markets and segments as part of its strategy to mitigate market risk and widen growth prospects. Our Company will continue to explore opportunities in various countries where it can supply value added products to enhance its geographical reach.

***Expand our global footprint***

Through a combination of increased capacities, reduced costs, wider range of products and services adhering to global standards, marketing initiatives, competitive pricing and more efficient use of resources, we intend to expand our global footprint and become a preferred supplier.

***Optimal Utilization of Resources***

Our Company constantly endeavours to improve our service process and the production process. We have invested significant resources, and intend to further invest in our activities to develop automized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for operations of our Company which enable us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

***High productivity / Operational Excellence***

Managerial expertise, trained workforce and modernization of the Processing units results in consistent high level of productivity. We have established modern production facilities at each of our plant and we are continuously on the look- out for new/ updated technologies. Our investments in value adding equipments / attachments to our machines has resulted in twin benefits of consistent high quality and improved productivity, ensure enhanced operational efficiency.

***Investment in M/s Jakharia Industries***

We have made investment in M/s. Jakharia Industries (Partnership Firm), with the intention of targeting further penetration in the Textile industry, further creating a wide market locally as well as internationally. We believe that the Partnership will prove to be beneficial for the Company helping to create a brand image of the Group. We believe that, with a wide Product mix and the available market mix for the processed fabric alongwith the modernised facilities adds to the positive factors. We seek to develop our Brand Image by continuing to expand our product portfolio and services offered by adding product categories to complement our product mix and the market mix.

**DETAILS OF OUR BUSINESS**

**LOCATION**

**Registered Office**

Located at Office No. 1224, Deoji Nagar, Narpoli Village, Bhiwandi, Thane- 421302, Maharashtra.

**Processing/ Manufacturing Units**

**Unit- I**

Located at Plot no. 13/1, Saravali, MIDC, Kalyan Bhiwandi Road, Kalyan, District Thane.

**Unit- II**

Located at Plot No. A-13, MIDC, Industrial Area, Tarapur, Tal. Palghar, District Thane.

**Proposed Unit (through M/s. Jakharia Industries, Partnership Firm)**

Located at Plot No. J-1/1, MIDC Industrial Area, Tarapur, Tal. Palghar, District Thane.

For further details of ownership / lease of the above locations, please refer to "*Our Business – Properties*" beginning on page no. 74 of this Prospectus.

**Processing/ Manufacturing Units**

Our manufacturing facility houses various machineries for processing of Grey fabrics, sizing, drawing, and Quality Control / Inspection. We have invested in the latest technology and upgraded our machinery which has aided us in manufacturing better quality textiles as per the demand of the customers and also adapt to latest trends more swiftly.

**PRODUCTS AND SERVICES**

Our Company is engaged in the business of processing Grey Fabric using various bleaching and dying processes. Our Company is engaged in providing job work services as well as manufacturing Finished goods meant for direct sale. Our Company procures Grey Fabric from the market and further dyes, prints and finishes the same as per the client's requirements on the basis of quality of the fabric, sizing requirements etc. Our Company manufactures the Finished Fabric specially suitable for Shirtings.

JFL is equipped with state of the art machinery to process fabric with varied sizes considering inches, width etc. Our Company processes a wide range of Products, having a speciality in Polyester and Blended based fabrics. Our Company processes wide range of fabric consisting of 100% cotton, polyester and various blends, regenerated and

manmade fabrics viz. Viscose, Rayon, Modal, Bamboo, Flax, Cotton Excel Blended, Polyester, Lycra, Acrylic, Linen, etc. Our products cater to domestic as well as global markets, ensuring quality norms.

The Product portfolio is as follows:

| | |
|---|---|
| **100 % Cotton Fabric** | **100 % Cotton Lycra Fabric** |
|  |  |
| **100 % Bamboo Fabric** | **Polyester Blended Fabric** |
|  |  |
| **Cotton Linen Fabric** | **Cotton Polyester Fabric** |
|  |  |
| **Linen Fabric** | **Polyester ViscoseFabric** |
|  |  |

**Manufacturing Process**

Our Company is engaged in the business of dyeing and processing of fabrics on job work basis and also of its own. In order to deliver such bleached, dyed, printed and finished fabric to our customers, our Company procures certain raw materials from the market and further dyes, prints and finishes the same as per their requirement on the basis of quality of the fabric, sizing requirements etc. We outsource some of the activities like weaving of the fabric and printing as per the demand of the customers based on the quality required.

***Grey Fabric***

We use grey fabric provided by our customers as major input apart from colours, chemicals, steam, power and machine for processing. Grey Fabric is passed through several water intensive wet processing stages. These processes enhance the appearance, durability and serviceability of the fabric and make the fabric worth of apparel making.



***Singeing & Desizing***

Under Singeing, the fabric is run on gas flame to remove the loose and excess protruding fibres from the surface of the fabric, which is burnt during the process.

Once the Singeing Process is done, the fabric is passed through Desizing Machine, wherein it is subjected to de-sizing with the help of Chemicals. Further the fabric is washed with the help of hot water and scouring chemicals through which most of the sizes and other natural as well as added impurities are eliminated. Further, in order to make the fabric fit for further process, the fabric is impregnated with enzyme solution to remove chemicals used during sizing process.

***Bleaching***

De-sized and scoured fabric still contains colouring matters which include natural pigments or added colours. Fabric is subjected to bleaching to remove colouring matters by treating fabric with bleaching agents. The bleaching process is essential for obtaining a good whiteness depending upon whether the fabric is dyed or finished pure white. This process is carried out on Jiggers. After bleaching fabric is dried and given optical whitener treatment if white fabric is the end product, or else subjected to drying and dyeing.

***Mercerizing***

This operation involves treatment of fabric with cold concentrated caustic and results into enhanced durability of fabric, smoothness of surface and shining of fabric due to molecular reorientation. Fabrics are treated on Merceriser to obtain luster for good appearance and dye absorbency. There are also additional benefits like savings on dyeing cost and improvement in the strength of fabrics.

After mercerization, fabric is washed, dried and sent for further process. The fabrics so washed are then clean and absorbent. This process is very important for obtaining good quality results in dyeing.

***Dyeing***

The dyeing process consists of application of dyestuff solution in hydraulic jiggers by an exhaustion method. Scoured and/or bleached fabric is converted into rolls to dye the fabric as per end use and to impart desired coloration (shades). The fabric is passed through various machines like Jigger Machine, Jet Dyeing Machines, soft flow machines etc, wherein the fabric is dyed with the help of various dyes, Auxiliaries and Chemicals and it is kept in Rotating Machine for colour fixation.

Colour is fixed on fabric and after ensuring correct shade after inspection, fabric is soaped, washed and dried and sent for further process i.e. finishing.

In case of white color fabric, it is passed through Optical Brighting Range, wherein the fabric is treated with the help of Whitening Agents, Whitening Chemicals and auxiliaries and further sent for finishing.

***Drying and Shrinking:***

It is a process of drying bleached/ dyed fabric to the required width in the hot air stenter. The fabric is passed through Shrinking range Machine wherein the shrinkage is managed as per the requirement of the customer and the quality of the fabric required. Cloth having undergone this process would not shrink abnormally further after repeated washes thereby maintaining the dimensional stability of the fabric.

***Finishing***

Dyed, printed or bleached fabric is subjected to finishing. Finishing is done to keep control on width, shrinkage and finish of the fabric. Getting the right finish is very important from the end user perspective. This is one of the important value additions which we provide in the fabrics we manufacture.

Chemical finishing imparts desired weight and fall to fabric and also incorporates desired properties of viz. water proofing, fire resistance, anti bacterial properties, softness, fragrance etc. This operation ensures dimensional restructuring and stability of fabric. Mostly high speed stenters are used for this process.

After chemical finishing, fabric is subjected to mechanical finishing, imparting dimensional stability. The fabric is passed through various different machines finishing machines like Stenter, Airo machine, Seuding Machines, Shairing Machine etc., depending on the quality of the fabric required by the end customer. The penultimate finishing of fabric is always done on a stenter. Calendaring is done to impart shining and smooth feel to end product.

***Inspection, Packing and Dispatch***

Finished fabric is sent to checking department for quality inspection. We maintain high standards for quality control and have semi - automatic / mechanical machines and manual checking being operated by skilled operators under proper quality control and strict supervision.

Once the inspection is done based on various parameters like sizing, quality etc. the products are sent further for packing as per the requirement of the customer. The fabric is passed through the Folding Machine for final packing. In case the customer requires the fabric in roll form/ vacuum packing form, the same is passed through rolling machine/ Vacuum Machine. The fabric is packed as per the customer requirement.

**Our Operations**

The details about the breakup of revenue percentage-wise for nine months period ending December 2017 and for the Financial Year ending 2017 and 2016 on the basis of Job work services provided and Sale of finished goods manufactured by the company is as follows:

*(₹ in lakhs)*

| Sr. No. | Particular | For period ending December 31, 2017 | | For year ending March 31, | | | |
|---|---|---|---|---|---|---|---|
| | | | | 2017 | | 2016 | |
| | | Revenue (₹) | (%) | Revenue (₹) | (%) | Revenue (₹) | (%) |
| 1. | Job work Services | 5,007.96 | 93.65 % | 6096.25 | 81.51 % | 7,621.56 | 99.29 % |
| 2. | Sale of Finished Goods | 340.08 | 6.35% | 1,382.80 | 18.49 % | 54.56 | 0.71 % |

**Our Major Customers**

Our Company is a processing house of fabric specially meant for shirting. The percentage of income derived from our top customers in the nine months period ending December 2017 and Financial Year 2016-17 and 2015-16 is given below:

*(₹ in lakhs)*

| Sr. No. | Particular | For period ending December 31, 2017 | | For Year ending March 31, | | | |
|---|---|---|---|---|---|---|---|
| | | | | 2017 | | 2016 | |
| | | Revenue (₹) | Percentage (%) | Revenue (₹) | Percentage (%) | Revenue (₹) | Percentage (%) |
| 1 | Income from Top 5 Customers (%) | 1,858.35 | 34.75 % | 2,206.96 | 29.51 % | 3,122.47 | 40.68 % |
| 2 | Income from Top 10 Customers (%) | 2,805.97 | 52.47 % | 3,429.48 | 45.85 % | 4,187.61 | 54.55 % |

Although our top 10 customers may vary from one reporting period to another depending on the requirements of a particular industry segment, we believe, we have experienced a high degree of returning customers over the years, which reflects the value proposition provided by us. We constantly try to address the needs of our customers for maintaining a long term working relation with the customers, in order to get continuous business.

**Plant and Machinery**

Our Processing Unit houses various material handling and preparation equipments for the purpose of preparing the Grey Fabric into Finished Fabric to be used in the further process of manufacturing. Our Processing house facilitates various plant & machinery, which includes Sinzing Machinery, Stenter Machines, Brushing Machines, Seuding Machines, Dyeing Machines, Washing & Drying Machines, Shiner Machines and various kinds of Jiggers.

**Support Equipments**

These Processing units are equipped with support facilities to ensure smooth process and for the maintenance of the Processing Units with minimum down time and ensuring maximum utilization of resources. The support facilities/ equipments are detailed as under:-

- Fabric Folding Machine
- Air Blower and Air Compressor Machines
- Boilers
- Diesel Generator
- ETP Plant
- Caustic Soda Recovery Plant
- R.O Plant and Water Softning Plant

In order to avoid downtime due to breakdown of Plant and Machinery, we maintain certain spare parts of the machinery.

**RAW MATERIALS**

Since the Company processes the fabrics mainly on Job Work basis, the major raw materials required by the Company are Grey Fabric, Dyes & Chemicals etc. Such raw materials are procured from trusted vendors from the local markets and at times from Gujarat. The procured raw materials go through certain testing and inspection process for quality confirmation before further processing of the fabric. Coal is also required as a raw material for processing, which is procured from the local market.

**Utilities**

***Power***

Our processing / manufacturing unit have adequate power supply from the Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) and Torrent Power Limited, franchisee of MSEDCL for Bhiwandi. The following is the sanctioned power for each Manufacturing Unit:

| Details of Location | Sanctioned Load |
|---|---|
| Saravali Unit (Unit I) | 450 KW |
| Tarapur Unit (Unit II) | 775 KW |

In addition to the said sanctioned power, the company has installed DG Sets as standby arrangement at both the Processing units, which is used in case of need of additional power/ shortage of the power or in case of power-cut.

***Steam***

Our Company has installed steam generating Boilers, which are used for generation of Power & Steam meant to be used for the Processing facilities. The steam requirement is met from the Boilers installed.

***Water***

Both of our processing units have adequate water supply position. Both the Units source their water supply from MIDC. Processing house located at MIDC Area of Tarapur, Bhiwandi, Maharashtra is a zero- discharge unit which is beneficial to industrial, municipal organizations as well as to the environment because it saves energy and no effluent or discharge is left over. The Company has also initiated renewable energy practices in its factory where it will be reutilizing the water discharged from washing process which after passing through the effluent treatment plant will be re-used in the process.

***Fuel***

We need fuel for the DG Sets which is procured from local vendors.

***Effluent Treatment***

Our Company has set up its Effluent Treatment Plant (ETP) which is used to treat the waste generated during the process before letting it out from the Factory.

**Human Resource**

We believe that a motivated and empowered employee base is the key to our operations and business strategy. We have developed a large pool of skilled and experienced personnel. Currently, our company has at its disposal a dynamic team of our manpower is a prudent mix of skilled/ unskilled employees for processing process, quality control and quality assurance assistants and helpers etc. These professionals are assisted by office & administration staff and finance professionals who work in unison in order to meet specific client requirements and attain organizational goals and targets within the set time frame.

We employ 319 employees as on March 31, 2018 considering both the Processing units (excluding executive Directors). Additionally we have entered into an arrangement with certain Contractors for providing contract labour for execution and discharge of work and obligations based on the demand.

The details of manpower employed as on March 31, 2018 are as under:

| Sr. No | Category | Number of employees |
|---|---|---|
| 1. | Executive Director | 5 |
| 2. | Key Managerial Personnel (KMP) | 5[(1)] |
| 3. | Other Employees (Registered Office, Unit I and Unit II) (including office and administration staff ) | 314 |
| | **Total** | **324** |

*(1) Company Secretary was appointed on April 12, 2018.*

**Capacity and Capacity Utilization:**

Capacity and capacity utilization for the last three years:

| Processing Unit | Particulars | For nine months period ending December 31, 2017 | for the Financial Year | | |
|---|---|---|---|---|---|
| | | | 2016-17 | 2015-16 | 2014-15 |
| Unit 1 (Saravali Unit) | Installed Capacity (Mtrs P.A) | 3,10,00,000[(1)] | 2,76,00,000 | 2,76,00,000 | 2,50,00,000 |
| | Capacity Utilisation (%) | 68.97 %* | 96.01 % | 97.68 % | 94.95 % |
| Unit 2 (Tarapur Unit) | Installed Capacity (Mtrs P.A) | 4,50,00,000[(1)] | 4,20,00,000 | 4,20,00,000 | 3,90,00,000 |
| | Capacity Utilisation (%) | 73.15 %* | 94.06 % | 98.63 % | 98.78 % |

*[(1)]The installed capacity in 2017-18 is increased due to addition in Plant and machinery during the mentioned period.*
**not on annualized basis*

Proposed Capacity Utilisation

| Processing Unit | Prticulars | for the Financial Year | | |
|---|---|---|---|---|
| | | 2018-19 | 2019-20 | 2020-2021 |
| Unit 1 (Saravali Unit) | Installed Capacity (Mtrs P.A) | 3,25,00,000 | 3,35,00,000 | 3,35,00,000 |
| | Estimated Utilised Capacity (%) | 98.62 % | 100 % | 100 % |
| Unit 2 (Tarapur Unit) | Installed Capacity (Mtrs P.A) | 4,56,00,000 | 5,04,00,000 | 5,50,00,000 |
| | Estimated Utilised Capacity (%) | 99.58 % | 99.21 % | 98.29 % |

Proposed Capacity Utilisation (Proposed Unit through M/s. Jakharia Industries, Partnership firm)

| Particulars | for the Financial Year | | |
|---|---|---|---|
| | 2018-19[(1)] | 2019-20 | 2020-2021 |
| Installed Capacity (Mtrs P.A) | 3,60,00,000 | 3,60,00,000 | 3,60,00,000 |
| Estimated Utilised Capacity (%) | - | 80 % | 90 % |

*(1) The unit will be ready by March 2019 only and estimated utilised capacity is considered as Nil, since the Company has not commenced its operations and it will begin the commercial production from FY 2019-20.*

**Export and Export Obligation**

The total exports of the company for nine months period ending December 2017 and the last two fiscal years i.e. 2016-17, and 2015-16 was NIL, ₹ 328.39 lakhs and ₹ 29.28 lakhs respectively.

As per the Authorization Forwarding Letter issued by the Additional DGFT, our Company has following export obligations:

| Sr. No. | EPCG Authorisation Number | Issue Authorization date | Export Obligation | Period to which Export obligation to be completed |
|---|---|---|---|---|
| 1. | 0330028849 | 04.03.2011 | 8 times of the duty saved of Capital Goods on FOB Basis (worth US $ 7,47,924.95) | Within 8 years (12 years in case duty saved is ₹ 100 crore or more) |
| 2. | 0330042960 | 04.11.2015 | 6 times of the duty saved of Capital Goods on FOB Basis (worth US $ 5,52,420.00) | Within 6 years ( 50% in the Block Year 1st to 4th and rest 50% in the 5th and 6th year) |

**Collaborations**

The Company has so far not entered into any technical or financial collaboration agreement.

**Marketing Set-up**

Our Company's marketing strategy is a hybrid marketing module comprising of direct customers approach and agent/ broker network. We have a network of agents and brokers in the domestic market as well as International market. We sell our fabrics through our agent networks. Our Company has an established presence in the states of Maharashtra, Gujarat, Karnataka, Uttar Pradesh and Tamil Nadu. Our Company has over the years developed excellent relationship with many industry players in India and internationally which would enable the company to tap the market.

Our Company has always focused on meeting the requirement of our clients and providing them maximum support in terms of quality and timely delivery. Our success lies in the strength of our relationship with our customers and suppliers who have been associated with our Company for a long period. We believe our relationship with the clients is well established as we receive repeated orders for the products manufactured by us.

**Intellectual Property**

Our company does not have any Intellectual Property Rights and has not entered into any trade mark registration.

***Accreditations/ Awards / Achievements***

**Accreditations and Certifications obtained**

| Accreditation/ Certifications | Validity period | Description |
|---|---|---|
| Excellence Certificate | To be revalidated by July 2018 | Certified by Aditya Birla to be an esteemed member of LIVA Accredited Partner Forum (LAPF) and a privileged partner in co-creating LIVA Natural Fluid Fashion. Also attained excellence in technical competency, infrastructure and quality management systems for LIVA based fabrics. |

**Awards and Achievements**

| Award | Year | Description |
|---|---|---|
| Valued Accredited Partner | March 2014 | Honoured by Birla Cellulose – Fibres from Nature for being on valued accredited Partner and consistently delivering excel in quality for Birla Cellulose Products |

**Competition**

Textiles being a global industry, we face competition from small as well as big players in the textile industry in domestic market as well as international market. This industry is highly competitive and fragmented. We have a number of competitors offering services similar to us. Even with a diversified product portfolio, quality approach, processing flexibility and modern technology we may have to face competitive pressures.

We believe the principal elements of competition in textile industry are price, fabric quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as a knowledge-based processing unit with industry expertise in Dying and providing varied quality of fabric which enables us to provide our clients with innovative designs suitable to current fashion and market requirements.

**Properties**

Details of our property are as follows:-

**Leave and License Property**

| Sr. No. | Name of the Licensor | Details of the Property | Term of the Licence | Amount of Licence Fee and Security Deposit | Purpose |
|---|---|---|---|---|---|
| 1. | Mr. Himatlal Shah [(1)] | Office No. 1224, Deoji Nagar, Narpoli Village, Bhiwandi- 421302, Maharashtra | March 31, 2018 to April 01, 2021 | **Licence Fee-** ₹ 0.10 lakhs per month for initial eleven (11) months with an esclation every year. | Registered Office |
| 2. | Bhalotia Bleaching and Dyeing Pvt. Ltd. | Plot No. 13/A, MIDC, Saravali, Kalyan Bhiwandi Road, Kalya, District Thane admeasuring about 10,000 sq. mtrs. | November 16, 2016 to November 15, 2021 | Advance Deposit – ₹ 28.00 lakhs<br><br>Conducting Fees* – ₹ 1.25 lakhs per month | Industrial Gala-Business purpose |

*[(1)]Mr. Himatlal Shah is a part of the Promoter Group and he is also WTD of the Company.*

** As per the agreement, the owners have granted permission and license to the Conductor i.e. JFL to (a) use and occupy the said factory premises (b) to use furniture's, fixtures and fittings and all other articles, things, tools.*

**Leasehold Property**

| Sr. No. | Name of the Licensor | Details of the Property | Agreement date | Amount | Purpose |
|---|---|---|---|---|---|
| 1. | M/s Almico Food Industries Limited (Lessee)<br><br>M/s Riviera Fashions) (Transferor/Assignor)<br><br>M. I. D. C. (Owner) | Plot No. A-13, MIDC, Industrial Area, Tarapur, Tal. Palghar, District Thane admeasuring 8,438 sq. mtrs. | Transfer consent in name of Jakharia- August 13, 2010<br><br>(95 years from 1st day of July 1987) | Differential of Lease Premium - ₹ 4.22 lakhs | Processing House |

**Insurances**

Our Company generally maintains insurance covering our stocks, machineries, assets and in transit products at such levels that we believe to be appropriate. We maintain insurance for burglary policy and standard fire and special perils policy, which provides insurance cover against loss or damage by fire, earthquake, terrorism etc. and also, which we believe, is in accordance with customary industry practices. We have also taken policy covering Machinery Breakdown policy in order to prevent loss of time during breakdown hours. We have also insured our Key Managerial Personnel, employees and Directors by taking appropriate policy.

The details of insurance policies obtained by the company are:

| Sr. No. | Name of the Insurance Company | Type of Policy | Validity Period | Policy No | Sum insured (₹ in lakhs) | Premium p.a. (₹ in lakhs) |
|---|---|---|---|---|---|---|
| 1. | The New India Assurance Co. Ltd. | Standard Fire & Special Perils Policy(1) | April 29, 2018 to April 28, 2019 | 17050111180100000010 | 875.00 | 1.07 |
| 2. | The New India Assurance Co. Ltd. | Standard Fire & Special Perils Policy(2) | June 22, 2017 to June 21, 2018 | 17050111170100000193 | 7,020.00 | 1.01 |
| 3. | The New India Assurance Co. Ltd. | Burglary (Single Location) Insurance(3) | April 29, 2018 to April 28, 2019 | 17050146180100000003 | 575.00 | 0.34 |
| 4. | The New India Assurance Co. Ltd. | Burglary (Single Location) Insurance(4) | June 22, 2017 to June 21, 2018 | 17050146170100000031 | 1,345.00 | 0.77 |

(1) Standard Fire & Special Perils Policy covering risk on Plant, machinery and accessories and stock and stock in process with add on covers for earthquake (Fire and shock) for our processing house located at plot no. 13/1, Saravali, MIDC, Kalyan Bhiwandi Road, Maharashtra- 421302.

(2) Standard Fire & Special Perils Policy covering risk on RCC Building- Superstructure, Plant, machinery and accessories and furniture, fittings, fixtures and other contents. The policy also includes stock, stock in process and stock held in trust with add on covers for earthquake (Fire and shock). The policy covers the risk for the processing house located at Plot No. A-13, MIDC, Tarapur Boisar, Tal. Palghar, District Thane- 401501.

(3) Assets covered under the Policy are Stock of Colours, chemicals, Dyes oil and Machinery oil and Raw materials. Also including Stock and Stock in process and stock of all kinds of all kinds of clothes, fabric etc. located at plot no. 13/1, Saravali, MIDC, Kalyan Bhiwandi Road, Maharashtra- 421302.

(4) Assets covered under the Policy are Stock of Colours, chemicals, Dyes oil and Machinery oil and Raw materials, coal, laboratory equipments and such other stock related to trade, Stock and Stock in process and stock of all kinds

of all kinds of clothes, fabric, grey cloth, finished cloth, packaging material, raw material etc. located at Plot No. A-13, MIDC, Tarapur, Tal. Palghar, District: Thane. Also includes Furniture, fixture and fittings considering office equipments, accessories etc.

## KEY INDUSTRY REGULATIONS & POLICIES

*In carrying on our business as described in the section titled "Our Business" on page 73 of this Prospectus, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by the Company in compliance with these regulations, kindly refer to the Chapter titled "Government and Other Key Approvals" beginning on page 170 of this Prospectus.*

Our Company is engaged in the business of dyeing and processing of fabrics on job work basis for other textile companies as well as for own manufacturing product lines. Our Company procures Grey Fabric from the market and further dyes and finishes the same as per the client's requirements on the basis of quality of the fabric, sizing requirements etc. Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our business. We are required to obtain and regularly renew certain licenses/registrations and/or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by us:

### A. INDUSTRY RELATED APPROVALS

The primary central legislation governing the sector in which the Company operates is the Factories Act, 1948. In addition, compliance of various labour related legislations, including the Payment of Wages Act, 1936, The Minimum Wages Act, 1948, Equal Remuneration Act, 1976, Employees' Compensation Act, 1923, Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957, Payment of Gratuity Act, 1972, Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Bonus Act, 1965 as may be applicable in the relevant state, have to be observed.

**The Factories Act, 1948**

The Factories Act, 1948 ("**Factories Act**") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The term 'factory', as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires *inter alia* the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

The following rules are applicable to the Company:

- ***The Maharashtra Factory Rules, 1963.***

**The Indian Boilers Act, 1923 ("Boiler Act")**

Under the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use. The Boilers Act also provide for penalties for illegal use of boilers.

**The Employees State Insurance Act, 1948**

The Employees State Insurance Act, 2010 ("**ESI Act**") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories

and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

**The Employees' Provident Fund and Miscellaneous Provisions Act, 1952**

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("**EPF Act**") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

**The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951**

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951("MSMED Act") inter-alia seeks to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, where the investment in plant and machinery does not exceed Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only); (ii) a small enterprise, where the investment in plant and machinery is more than Rs.25,00,000/- (Rupees Twenty Five Lakh Only) but does not exceed Rs. 5,00,00,000/- (Rupees Five Crores Only); or (iii) a medium enterprise, where the investment in plant and machinery is more than Rs. 5,00,00,000/- (Rupees Five Crores Only) but does not exceed Rs. 10,00,00,000/- (Rupees Ten Crores Only). In case of enterprises engaged in providing or rendering of services, the enterprise may be classified as: (i) a micro enterprise, where the investment in equipment does not exceed Rs. 10,00,000/- (Rupees Ten Lakhs Only); (ii) a small enterprise, where the investment in equipment is more than Rs. 10,00,000/- (Rupees Ten Lakhs Only) but does not exceed Rs. 2,00,00,000/- (Rupees Two Crores Only); or (iii) a medium enterprise, where the investment in equipment is more than Rs. 2,00,00,000/- (Rupees Two Crores Only) but does not exceed Rs. 5,00,00,000/- (Rupees Five Crores Only). The MSMED Act also inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

**Contract Labour (Regulation and Abolition) Act, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") is an act to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. It also applies to every contractor who employs or who employed on any day of the preceding 12 (twelve) months, 20 (twenty) or more workmen provided that the appropriate Government may after giving not less than 2 (two) months' notice, by notification in the Official Gazette, apply the provisions of the CLRA to any establishment or contractor. Further, it contains provisions regarding Central and State Advisory Board under the CLRA, registration of establishments, and prohibition of employment of contract labour in any process, operation or other work in any establishment by the notification from the State Board, licensing of contractors and welfare and health of the contract labour. The Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of the CLRA.

**The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act") provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to ₹ 50,000/-.

## B. ENVIRONMENTAL REGULATIONS

Our Company is also required to obtain clearances under the Environment (Protection) Act, 1986, and other environmental laws such as the Water (Prevention and Control of Pollution) Act, 1974, the Water (Prevention and Control of Pollution) Cess Act, 1977 and the Air (Prevention and Control of Pollution) Act, 1981, before commencing its operations. To obtain an environmental clearance, a no-objection certificate from the concerned state pollution control board must first be obtained, which is granted after a notified public hearing, submission and approval of an environmental impact assessment ("**EIA"**) report and an environment management plan ("**EMP"**).

Our Company must also comply at all times with the provisions of The Hazardous Waste (Management and Handling) Rules, 1989, as amended, and as superseded by the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

**Environment Protection Act, 1986and Environment (Protection) Rules, 1986**

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

**Water**

Legislations to control water pollution are listed below:

The ***Water (Prevention and Control of Pollution) Act, 1974***prohibits the discharge of pollutants into water bodies beyond a given standard, and lays down penalties for non-compliance. The Water Act also provides that the consent of the State Pollution Control Board must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent.

The ***Water (Prevention and Control of Pollution) Cess Act, 1977*** provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

**Air**

Legislations to control air pollution are listed below:

The ***Air (Prevention and Control of Pollution) Act, 1981***requires that any individual or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity. National Ambient Air Quality Standards (**NAAQS**) for major pollutants were notified by the Central Pollution Control Board in April 1994.

**Hazardous Wastes**

There are several legislations that directly or indirectly deal with hazardous wastes. The relevant legislations are:

- The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- The Public Liability Insurance Act, 1991

**Hazardous Wastes(Management, Handling and Transboundary Movement) Rules, 2008**

These rules require that the occupier and the operator of the facility, that treats hazardous wastes, must properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Schedule I of the said Rules lists out the primary and secondary production of aluminum as a process that generates hazardous waste and therefore requires compliance under these Rules.

**Bombay Village Panchayat Act, 1958**

The Bombay Village Gram Panchayat Act, 1958("**BVGP Act**") was enacted with a view to establishing a village panchayat for every village or group of villages and investing them with such powers and authority as may be necessary to enable them to function as units' of local self-government and of development activities in rural areas, and for certain other matters.The BVGP Act requires every individual to acquire previous permission of the panchayat before he shall erect or re-erect or commence to erect or re-erect any building within the limits of the village. It further states that whoever erects or re-erects, or commences to erect or re-erect any building without such permission or in any manner contrary to the provisions of the BVGP Act or any by-law in force, or to any conditions imposed by the panchayat shall be punished with fine, which may extend to fifty rupees and in the case of a continuing contravention, he shall be liable to an additional fine which may extend to five rupees for each day during which such contravention continues after conviction for the first such contravention.

**C. TAX RELATED LEGISLATIONS**

**Income-tax Act, 1961**

Income-tax Act, 1961 ("**IT Act**") is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its 'Residential Status' and 'Type of Income' involved. Every assessee, under the IT Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternate tax and like.

**Central Goods and Services Tax Act, 2017**

The Central Goods and Services Tax Act, 2017 ("**CGST Act**") regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs. There would be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods or services.

**Integrated Goods and Services Tax Act, 2017**

Integrated Goods and Services Tax Act, 2017 ("IGST Act") is a Central Act enacted to levy tax on the supply of any goods and/ or services in the course of inter-State trade or commerce. IGST is levied and collected by Centre on interstate supplies. The IGST Act sets out the rules for determination of the place of supply of goods. Where the supply involves movement of goods, the place of supply shall be the location of goods at the time at which the movement of goods terminates for delivery to the recipient. The IGST Act also provides for determination of place of supply of service where both supplier and recipient are located in India or where supplier or recipient is located outside India. The provisions relating to assessment, audit, valuation, time of supply, invoice, accounts, records, adjudication, appeal etc. given under the CGST Act are applicable to IGST Act

**The Customs Act, 1962**

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India.

**Professional Tax**

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 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. 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. The Maharashtra State Tax on Profession, Trades, Callings and Employments Act, 1975 is applicable to the Company.

**D. OTHER LEGISLATIONS**

**The Indian Contract Act, 1872**

The Indian Contract Act, 1872 ("**Contract Act**") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

**The Specific Relief Act, 1963**

The Specific Relief Act is complimentary to the provisions of the Contract Act and the T.P. Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. 'Specific performance' means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

**Competition Act, 2002**

The Competition Act, 2002 ("**Competition Act**") aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India ("**Competition Commission**") which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

**The Companies Act, 1956**

The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act, 1956 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same

management, and management perception of risk factors. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act, 1956 plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

**The Companies Act, 2013**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has *inter-alia* amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

**The Trademarks Act, 1999**

Under the Trademarks Act, 1999 ("**Trademarks Act**"), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks ("**the Registrar**"), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

**The Registration Act, 1908**

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Act is used for proper recording of transactions relating to other immovable property also. The Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

**The Indian Stamp Act, 1899**

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not 'duly stamped' cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

**Maharashtra Stamp Act, 1958**

The Maharashtra Stamp Act, 1958("**Maharashtra Stamp Act**") prescribes the different rates of duties on the instrument falling within the various descriptions set-out in Schedule I of the Maharashtra Stamp Act, then the instrument is chargeable with the highest of the duty prescribed. In addition, the Maharashtra Stamp Act also prescribes methodology for adjudication, refund of duties, grievance processes and prosecutions. The Collector is normally vested with the power of adjudication. If a document is not stamped or adequately stamped, it is likely to be impounded.

**E. Regulations Regarding Foreign Investment**

**Foreign Exchange Management Act, 1999 ("the FEMA")**

Foreign investment in companies in the trading sector is governed by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") read with the applicable regulations. The Department of Industrial Policy and Promotion ("**DIPP**"), Ministry of Commerce and Industry has issued the Consolidated FDI Policy which consolidates

the policy framework on Foreign Direct Investment ("**FDI Policy**"), with effect from August 28, 2017. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till August 27, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017.

In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.
FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India. In terms of the FDI Policy issued by the DIPP, foreign investment up to 100% under the automatic route is permitted in the sector in which the Company operates, subject to the following guidelines:

(a) For undertaking Wholesale Trading, requisite licenses/registration/ permits, as specified under the relevant Acts/Regulations/Rules/Orders of the State Government/Government Body/Government Authority/Local Self-Government Body under that State Government should be obtained.

(b) Except in case of sales to Government, sales made by the wholesaler would be considered as 'cash & carry wholesale trading/wholesale trading' with valid business customers, only when WT are made to the following entities:

(I) Entities holding sales tax/ VAT registration/service tax/excise duty registration; or

(II) Entities holding trade licenses i.e. a license/registration certificate/membership certificate/registration under Shops and Establishment Act, issued by a Government Authority/Government Body/Local Self-Government Authority, reflecting that the entity/person holding the license/ registration certificate/ membership certificate, as the case may be, is itself/ himself/herself engaged in a business involving commercial activity; or

(III) Entities holding permits/license etc. for undertaking retail trade (like tehbazari and similar license for hawkers) from Government Authorities/Local Self Government Bodies; or

(IV) Institutions having certificate of incorporation or registration as a society or registration as public trust for their self consumption**.**

Note: An entity, to whom Wholesale Trading is made, may fulfill any one of the 4 conditions.

(c) Full records indicating all the details of such sales like name of entity, kind of entity, registration/license/permit etc. number, amount of sale etc. should be maintained on a day to day basis.

(d) Wholesale Trading of goods would be permitted among companies of the same group. However, such Wholesale Trading to group companies taken together should not exceed 25% of the total turnover of the wholesale venture.

(e) Wholesale Trading can be undertaken as per normal business practice, including extending credit facilities subject to applicable regulations.

(f) A wholesale/cash & carry trader can undertake retail trading, subject to the conditions as applicable. An entity undertaking wholesale/cash and carry as well as retail business will be mandated to maintain separate books of accounts for these two arms of the business and duly audited by the statutory auditors. Conditions of the FDI policy for wholesale/cash and carry business and for retail business have to be separately complied with by the respective business arms.

No approvals of the concerned Administrative Ministries/Departments or the RBI are required for such allotment of equity Shares under this Issue. The Company will be required to make certain filings with the RBI after the completion of the Issue. RBI has also issued the Master Directions on Foreign Investment in India dated January 12, 2018. The aforesaid Master Directions on Foreign Investment will continue to remain valid until fresh Master Directions are issued in that behalf. In terms of the Master Directions, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such Issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. As mentioned above, the Indian company making such Issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares.

**Foreign Trade (Development and Regulation) Act, 1992 ("FTA")**

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import ("EXIM") Policy. FTA read with the Indian Foreign Trade Policy provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

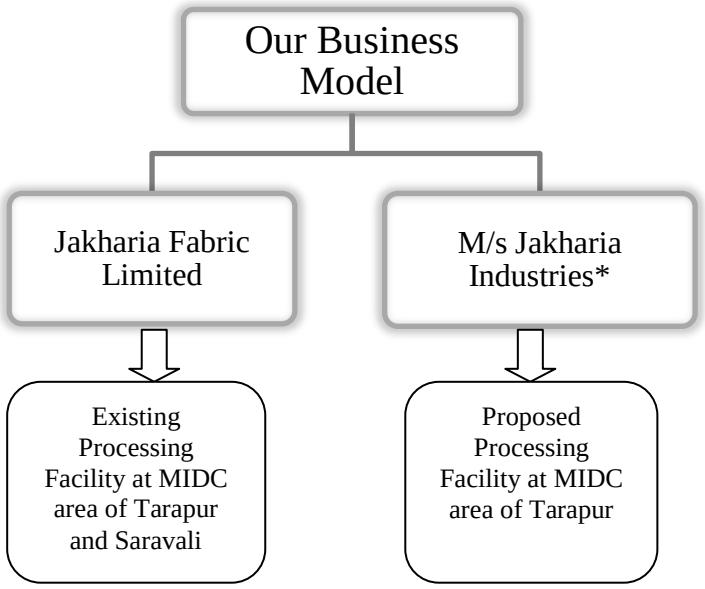
## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Jakharia Fabric Private Limited on June 22, 2007 under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration No. 171939. The status of our Company was changed to a public limited company and the name of our Company was changed to Jakharia Fabric Limited by a special resolution passed on April 20, 2018. A fresh Certificate of Incorporation consequent upon conversion was issued on April 27, 2018 by the Registrar of Companies, Mumbai. The Company's Corporate Identity Number is U17200MH2007PLC171939.

**Business Overview**

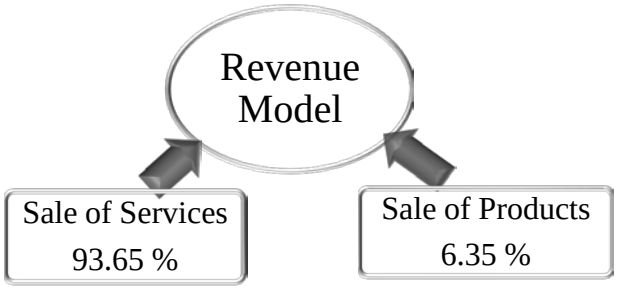
Our Company is engaged in the business of dyeing and processing of fabrics on job work basis for other textile companies as well as for own manufacturing product lines. Our Company procures Grey Fabric from the market and further dyes and finishes the same as per the client's requirements on the basis of quality of the fabric, sizing requirements etc. Our Company also outsources certain processes like weaving of the fabric and printing as per the demand of the customers based on the quality required. Our Company manufactures and processes the fabric specially suitable for Shirtings.

Our Company is in process of setting up an additional processing facility at Plot No. J1/1, MIDC Tarapur Industrial Area, Boisar, Palghar – 401 506. This facility is being set up through M/s Jakharia Industries, which is a Partnership Firm, wherein our Company is a partner. The Partnership firm is set up with an intention to establish a new processing house with a proposed capcity of 360 lakh meters p.a. for colouring, dying, printing and finishing and processing working or manufacturing of cotton, linen, wool synthetics and various other textile products.




** Our Company is a Partner in M/s. Jakharia Industries, a Partnership firm.*

The following diagram depicts breakup of revenue, percentage wise based on Job work services provided and the sale of fabric manufactured by us for the period ended December 31, 2017:



We have positioned ourselves as a multi-product, multi-fibre and multi-market player ensuring that our products include a diverse mix of fabrics mainly catering to domestic market and also to the international market. Wide ranges of fabric are processed at our Processing house which includes cotton, polyester, viscose and man-made & blended fabrics. For further details, please refer "*Services and Products* under *Our Business*" beginning on page no. 74 of this Prospectus.

Our Company has set-up two (2) processing units located at MIDC Area of Saravali, Bhiwandi in Maharashtra and MIDC Area of Tarapur, Bhiwandi in Maharashtra. The plant has the facilities for dyeing and processing wide range of fabrics.

We have dedicated semi-automatic machines and skilled operators for manual checking of raw materials as well as Finished Goods. Our Testing and QC Technical team combined with our testing equipments ensures the quality of raw material dispensed in the production process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

For further details regarding our business operations, please see the chapter titled "*Our Business*" beginning on page no. 74 of this Prospectus.

Our Company has Twenty Three (23) shareholders, as on the date of this Prospectus.

**MAJOR EVENTS**

| Year | Event |
|---|---|
| 2006 – 07 | Incorporated under Companies Act, 1956 as Jakharia Fabric Private Limited by setting up a plant at Saravali MIDC, Bhiwandi, Maharashtra |
| 2009 - 10 | Set-up a Second facility at Tarapur MIDC, Maharashtra |
| 2013-14 | Received Excellence Certificate from Aditya Birla stating our Company to be an esteemed member of LIVA Accredited Partner Forum |
| 2013 – 14 | Honoured by Birla Cellulose – Fibres from Nature for being on valued accredited Partner and consistently delivering excel in quality for Birla Cellulose Products |
| 2014 – 15 | First Export sale |
| 2015-16 | Made an Investment in M/s. Jakharia Industries. |
| 2018 – 19 | Changed the status of our Company from Private to Public i.e. to Jakharia Fabric Limited. |

**MAIN OBJECTS**

Our Company's main objects as per the Memorandum of Association is to carry on the trades, manufacturing and business of preparing, spinning, doubling, texturing, weaving, winding, knitting, scouring, sizing, bleaching, colouring, dying, printing, finishing, calendaring and processing working or manufacturing in any way whatsoever of cotton, linen, wool, synthetics, nylon, polyester, silk, artificial silk rayon, cloth man-made, and all other yarns and fibres, artificial or textile substances.

**CHANGES IN REGISTERED OFFICE OF OUR COMPANY**

| Date of Change | Change of Registered Address | | Reason for Change |
|---|---|---|---|
| | From | To | |
| March 31, 2018 | 605, B-2, Man Mandir Surksha CHS., Nahur village road, Near Sarvodaya Nagar, Mulund (West), Mumbai – 400080 | Office No.1224, Deoji Nagar, Narpoli village, Bhiwandi, Thane, Maharashtra- 421302 | Administrative Convenience |

**AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION**

Dates on which some of the main clauses of the Memorandum of Association of our Company have been changed citing the details of amendment as under:

| Date | Nature Of Amendment |
|---|---|
| November 21, 2009 | Increase in Authorised Capital from ₹ 1,00,000 (Rupees One Lakh) divided into 10,000 Equity Shares of ₹ 10 each to ₹ 2,50,00,000 (Rupees Two Crore Fifty Lakhs) divided into 25,00,000 Equity Shares of ₹ 10 each. |
| November 28, 2011 | Increase in authorised share capital from ₹ 2,50,00,000 (Rupees Two Crore Fifty Lakhs) to ₹ 3,50,00,000/- (Rupees Three Crores Fifty Lakh) divided into 35,00,000 Equity Shares of ₹ 10/- each. |
| December 24, 2011 | Spilt in Authorised Capital of ₹ 3,50,00,000 (Rupees Three Crores Fifty Lakh) divided into 35,00,000 shares of ₹ 10/-each, into ₹ 3,00,00,000 (Rupees Three Crores) divided into 30,00,000 equity shares of ₹ 10/-each and ₹ 50,00,000 (Rupees Fifty Lakhs) divided into 5,00,000 Preference shares of ₹ 10/- each |
| March 26, 2018 | Consolidation of ₹ 3,00,00,000 (Rupees Three Crores) divided into 30,00,000 equity shares of ₹ 10/- each and ₹ 50,00,000 (Rupees Fifty Lakhs) divided into 5,00,000 preference shares of ₹ 10/- each into ₹ 3,50,00,000 (Rupees Three Crores Fifty Lakh) divided into 35,00,000 equity shares of ₹ 10/- each. |
| March 26, 2018 | Increase in authorised share capital from ₹ 3,50,00,000 (Rupees Three Crores Fifty Lakh) to ₹ 5,00,00,000/- (Rupees Five Crores) divided into 50,00,000 Equity Shares of ₹ 10/- each. |
| April 20, 2018 | Our Company was converted into a public limited company under the Companies Act, 2013 and the name of our Company was consequently changed to *"Jakharia Fabric Limited"* pursuant to certificate of incorporation dated April 27, 2018 issued by the Registrar of Companies, Maharashtra, Mumbai. |

**ADOPTION OF NEW ARTICLES OF ASSOCIATION**

Our Company has adopted a new set of Articles of Association of our Company, in the Extra-Ordinary General Meeting of our Company held on April 20, 2018.

**SUBSIDIARY**

As on the date of this Prospectus we have no subsidiary. However, we have made investment in M/s. Jakharia Industries (Partnership Firm), wherein our Company is a Partner in the Partnership firm with a Profit Sharing ratio of 85%.

| | |
|---|---|
| **Year of Formation** | M/s. Jakharia Industries (Partnership Firm) was formed on December 01, 2015. |
| **Nature of Business** | The Partnership firm intends to carry on business of preparing spinning doubling texturing weaving, winding, knitting, scouring, sizing, bleaching, colouring, dying, printing and finishing and processing working or manufacturing in any way whatsoever of cotton, linen, wool synthetics and various other textile products. |
| **Details of Partners alongwith Profit Sharing Ratio** | 1. Himatlal Shah – 2.5 %<br>2. Jignesh Shah – 2.5 %<br>3. Nitin Shah – 5 %<br>4. Dixit Shah – 2.5 %<br>5. Manekchand Shah – 2.5 %<br>6. Jakharia Fabric Limited – 85 % |

***Other disclosures:***

- M/s. Jakharia Industries is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.
- There are no defaults in meeting any statutory /bank/institutional dues. No proceedings have been initiated for economic offences against the Company.
- There are no Litigations or cases outstanding against M/s. Jakharia Industries (Partnership Firm).

**HOLDING COMPANY**

As on the date of this Prospectus, there is no Holding Company of our Company.

**THE AMOUNT OF ACCUMULATED PROFIT / (LOSSES) NOT ACCOUNTED FOR BY OUR COMPANY**

There is no accumulated profit / (losses) not accounted for by our Company.

**LOANS FROM BANKS / FINANCIAL INSTITUTIONS**

As on the date of this Prospectus our Company has availed loan facilities from banks and financial institutions. For details, please see the chapter titled *"Financial Indebtedness"* beginning on page no. 161 of this Prospectus.

**CAPITAL RAISING THROUGH EQUITY AND DEBT**

Except, as mentioned in the chapter titled "*Capital Structure*" beginning on page no. 46 of this Prospectus, our Company has not raised any capital by way of equity or convertible instruments.

**JOINT VENTURES**

As on the date of this Prospectus, there are no joint ventures of our Company.

**SHAREHOLDERS' AGREEMENT**

There are no Shareholders' Agreements existing as on the date of this Prospectus.

**DETAILS REGARDING ACQUISITION OF BUSINESS/ UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS ETC.**

There is no acquisition of Business / Undertakings, Mergers, Amalgamation, Revaluation of Assets etc. as on date of this Prospectus.

**FINANCIAL PARTNERS**

We do not have any financial partners as on the date of this Prospectus.

**STRATEGIC PARTNERS**

We do not have any strategic partners as on the date of this Prospectus.

**OTHER AGREEMENTS**

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Prospectus.

**INJUNCTIONS OR RESTRAINING ORDERS**

There are no injunctions / restraining orders that have been passed against our Company since incorporation.

**DEFAULTS OR RESCHEDULING OF BORROWINGS**

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of this Prospectus.

**NUMBER OF SHAREHOLDERS / MEMBERS**

Our Company has twenty three (23) shareholders as on the date of this Prospectus.

**CHANGES IN THE ACTIVITIES OF OUR COMPANY**

There has been no change in the business activities of our Company since its inception till the date of this Prospectus.

**CHANGE IN MANAGEMENT**

There has been no change in the management of our Company since its 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 Prospectus, our employees are not unionized.

**COLLABORATIONS**

Our Company has not entered into any collaboration with any third party as per Item (VIII) (B) (1) (c) of Part A of Schedule VIII of the ICDR Regulations.

**NON COMPETE AGREEMENT**

Our Company has not entered into any non-compete agreement as on the date of this Prospectus.

**TIME AND COST OVERRUNS**

As on the date of this Prospectus, there has not been any time and cost overruns in any of the projects undertaken by our Company. However, there is another project under construction through M/s. Jakharia Industries, a Partnership firm, in which our Company is a Partner, wherein the project is delayed because M/s. Jakharia Industries had not obtained pollution control clearance.

**LOCK-OUT OR STRIKES**

There has been no lock-out or strikes in our Company since inception.

**COMPETITION**

For details on the competition faced by our Company, please refer chapter titled *"Our Business"* beginning on page no. 74 of this Prospectus.

**TECHNOLOGY AND MARKET COMPETENCE**

For details on the technology and market competence of our Company, please refer chapter titled *"Our Business"* beginning on page no. 74 of this Prospectus.

## OUR MANAGEMENT

**Board of Directors:**

Our Company has Eight (8) Directors consisting of five (5) Executive Director and three (3) Non-Executive Independent Directors. The following table sets forth the details of our Board of Directors as on the date of this Prospectus:

| Name, Current Designation, Address, Occupation, Term and DIN | Nationality | Age | Other Directorships |
|---|---|---|---|
| **Mr. Jignesh Shah**<br>*Chairman & Executive Director*<br><br>**Address**: B-1201, E-6, Sarvodaya Height, Jain Mandir Road, Mulund (West), Mumbai – 400 080, Maharashtra.<br><br>**Date of appointment as Director:** June 22, 2007<br><br>**Date of appointment as Chairman and Executive Director:** March 27 , 2018<br><br>**Term:** Appointed as Chairman and Executive Director for a period of Three years i.e. till March 26, 2021.<br><br>**Occupation:** Business<br><br>**DIN**: 00256315 | Indian | 38 Years | ➢ Jakharia Synthetics Pvt. Ltd. |
| **Mr. Nitin Shah**<br>*Managing Director*<br><br>**Address:** 605, B-2, Man Mandir Surksha CHS., Nahur Village Road, Near Sarvodaya Nagar, Mulund (West), Mumbai – 400 080.<br><br>**Date of appointment as Director:** April 18, 2008<br><br>**Date of appointment as Managing Director:** March 31, 2018<br><br>**Term:** Appointed as Managing Director for a period of Five years i.e. till March 30, 2023.<br><br>**Occupation:** Business<br><br>**DIN:** 01869318 | Indian | 41 Years | ➢ NIL |
| **Mr. Dixit Shah**<br>*Whole-time Director*<br><br>**Address:** 504 Tower 1, Runwal Anthurium, L.B.S. Marg, Mulund (West), Mumbai – 400 080. | Indian | 34 Years | ➢ NIL |

| Name, Current Designation, Address, Occupation, Term and DIN | Nationality | Age | Other Directorships |
|---|---|---|---|
| **Date of Appointment as Director:** April 04, 2008<br><br>**Date of appointment as Whole Time Director:** March 31, 2018<br><br>**Term:** Appointed as Whole- time Director for a period of Five years i.e. till March 30, 2023.<br><br>**Occupation:** Business<br><br>**DIN:** 01911262 | | | |
| **Mr. Himatlal Shah**<br>*Whole-time Director*<br><br>**Address:** B-1201, E-6,sarvodaya Height, Jain Mandir Road, Mulund W, Mumbai – 400 080, Maharashtra.<br><br>**Date of Appointment as Director:** June 22, 2007<br><br>**Date of appointment as Whole Time Director:** March 31, 2018<br><br>**Term:** Appointed as Whole- time Director for a period of Five years i.e. till March 30, 2023.<br><br>**Occupation:** Business<br><br>**DIN:** 02415630 | Indian | 65 Years | ➢ Jakharia Synthetics Pvt. Ltd. |
| **Mr. Manekchand Shah**<br>*Whole-time Director*<br><br>**Address:** 13-A-4, Gopal Nagar, Block No.402, 4th Floor, Kalyan Road, Bhiwandi, Thane- 421 302.<br><br>**Date of Appointment as Director:** April 18, 2008<br><br>**Date of appointment as Whole Time Director:** March 31, 2018<br><br>**Term:** Appointed as Whole- time Director for a period of Five years i.e. till March 30, 2023.<br><br>**Occupation:** Business<br><br>**DIN:** 01911237 | Indian | 62 Years | ➢ NIL |

| Name, Current Designation, Address, Occupation, Term and DIN | Nationality | Age | Other Directorships |
|---|---|---|---|
| **Mrs. Rajashri Kovil**<br>*Non-Executive Independent Director*<br><br>**Address:** 15/304, Indradarshan Oshiwara, Andheri (West), Mumbai – 400 053<br><br>**Date of Appointment as Additional Non-Executive Independent Director:** April 12, 2018<br><br>**Date of Appointment as Non-Executive Independent Director:** April 20, 2018<br><br>**Term:** Appointed as Non-executive Independent Director for a period of Five years i.e. till April 19, 2023.<br><br>**Occupation:** Freelancer<br><br>**DIN:** 07011925 | Indian | 43 Years | ➢ Model Watch India Pvt. Ltd.<br>➢ Model World India Pvt. Ltd. |
| **Mr. Anant Sawant**<br>*Non-Executive Independent Director*<br><br>**Address:** 11 Arunoday, Opp. Pushtipati Ganesh Mandir, Odhav Nagar, Borivali East, Mumbai – 400 066<br><br>**Date of Appointment as Additional Non-Executive Independent Director:** April 12, 2018<br><br>**Date of Appointment as Non-Executive Independent Director:** April 20, 2018<br><br>**Term:** Appointed as Non-executive Independent Director for a period of Five years i.e. till April 19, 2023.<br><br>**Occupation:** Consultant<br><br>**DIN:** 08093208 | Indian | 68 Years | ➢ NIL |
| **Mr. Mukul Vora**<br>*Non-Executive Independent Director*<br><br>**Address:** 701, Sujal Building, Cotatge Lane of S.V. Road, Near Danabhai Jewellers, Santacruz West, Mumbai – 400 054<br><br>**Date of Appointment as Additional Non-Executive Independent Director:** April 12, 2018<br><br>**Date of Appointment as Non-Executive Independent Director:** April 20, 2018 | Indian | 60 Years | ➢ NIL |

| Name, Current Designation, Address, Occupation, Term and DIN | Nationality | Age | Other Directorships |
|---|---|---|---|
| **Term:** Appointed as Non-executive Independent Director for a period of Five years i.e. till April 19, 2023.<br><br>**Occupation:** Professional<br><br>**DIN:** 08108391 | | | |

For further details on their qualification, experience etc., please see their respective biographies under the heading "*Brief Biographies*" below:

**Notes:**

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is or was a director of any listed company during the last five years preceding the date of this Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.
- None of the Directors is categorized as a wilful defaulter, as defined under SEBI (ICDR) Regulations.

**BRIEF BIOGRAPHIES OF OUR DIRECTORS**

**Mr. Jignesh Shah**

Mr. Jignesh Shah, aged 38 years, is the Chairman and Executive Director of our Company. He has completed his graduation from Mumbai University. The Financial part and administrative part of our Company is looked after by him and under his guidance our Company is growing significantly. He has almost over 17 years of vast experience in textile field. Mr. Jignesh Shah joined the family business in the Year 2001. Further with such experience he is the founder Promoter of our Company. As the Chairman and Executive Director of our Company, he is responsible for the overall growth, strategy and day to day management of our Company.

**Mr. Nitin Shah**

Mr. Nitin Shah, aged 41 years, is the Managing Director of our Company. He has completed his graduation in B. Com. from Mumbai University and has subsequently completed his Diploma in Textile Weaving Technology from Samsira Institute. He has been the main guiding force behind the growth and business strategy of our Company. He is into the Textile Business since the year 1995. He has experience of two decades in the field of Textile Weaving. He holds a good command over the Technicalities and the production Processes. He currently looks into the operation and technical departments of our Company and is responsible for day to day management of our Company at the Tarapur unit.

**Mr. Dixit Shah**

Mr. Dixit Shah, aged 34 years, is the Whole time Director of our Company. He has a rich experience of over 15 years in the Textile Business, since he joined his family business since 2002. He plays a key role in managing the commercial and technical events of the Company. He currently looks into the operation and technical departments of our Company and is responsible for day to day management of our Company at the Saravali unit.

**Mr. Himatlal Shah**

Mr. Himatlal Shah, aged 65 years, is the Whole time Director of our Company. Mr. Himatlal Shah, is the main promoter of the group and has been in the textile business since 1987. The group is well established in the market and presently undertaking job work for various companies. He started Jakharia Synthetics Pvt. Ltd. initially in the year 1998 which is into yarn dyeing business. He was the visionary behind the Yarn Dyeing Plant and Fabric Processing Business. He has a vast Experience in the Textile Field. Since incorporation he has been instrumental in the consistent growth of our Company's performance and implement a robust overall framework for the organization as a whole.

**Mr. Manekchand Shah**

Mr. Manekchand Shah, aged 62 years, is the Whole time Director of our Company. Mr. Manekchand Shah, has been in the textile business of manufacturing since 1983. He has finesse in handling the production activity independently and looks after into yarn dyeing and fabric processing. He manages the production part and day to day maintenance work related to production.

**Mrs. Rajashri Kovil**

Mrs. Rajashri Kovil, aged 43 years is the Non-Executive Independent Director of our Company. She has completed her three years integrated degree course in Arts and has gained the Bachelor of Arts degree from University of Bombay. She has completed her diploma course in Travel and tourism. As the Independent Director of our Company he is responsible for providing his expertise & Inputs, for ensuring that the board adheres to the required corporate governance requirements.

**Mr. Anant Sawant**

Mr. Anant Sawant, aged 68 years is the Non-Executive Independent Director of our Company. He has completed his Bachelor of Science from Mumbai University. He has over 38 years of vast experience in the field of banking and finance. He has previously worked with Bank of Baroda for more than 38 years. As the Independent Director of our Company he is responsible for providing his expertise & Inputs, for ensuring that the board adheres to the required corporate governance requirements.

**Mr. Mukul Vora**

Mr. Mukul Vora, aged 60 years is the Non-Executive Independent Director of our Company. He has completed his B. Com. from Mumbai University in the year 1981. He has over 35 years of experience in the area of income tax, sales tax and accounts. Currently he is working as a tax consultant. As the Independent Director of our Company he is responsible for providing his expertise & Inputs in relation to finance and also ensuring that the board adheres to the required corporate governance requirements.

**RELATIONSHIP BETWEEN DIRECTORS**

Except as stated below, none of the Directors of the Company are related to each other:

- Mr. Himatlal Shah is father of Mr. Jignesh Shah.
- Mr. Manekchand Shah is father of Mr. Dixit Shah.
- Mr. Himatlal Shah is brother of Mr. Manekchand Shah.
- Mr. Jignesh Shah, Mr. Nitin Shah and Mr. Dixit Shah are cousin brothers.

**Borrowing Powers of our Board of Directors**

Our Company at its Extra-Ordinary General Meeting held with shorter notice on May 02, 2018 passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 (1) (c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate (including holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deem fit for the purpose of the Company's business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid up share capital of our Company and its free reserves, that is to say, reserves not

set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not, at any time, exceed ₹ 100 crores.

**REMUNERATION OF EXECUTIVE DIRECTORS**

**Mr. Jignesh Shah, Chairman and Executive Director**

The remuneration of our Chairman and Executive Director, Mr. Jignesh Shah as per resolution passed in the Extra Ordinary General Meeting held with shorter notice on March 31, 2018 is detailed hereunder:

**Basic Salary:** ₹ 50.00 lakhs per annum,

**Perquisites, Allowances:**

In addition to the basic salary mentioned above, Mr. Jignesh Shah will be entitled to the following perquisites and allowances which will not be included in the computation of ceiling on the remuneration specified above:

- Medical expense reimbursement of actual expenses incurred in India including hospitalisation, nursing homes and surgical charges for himself and family including premium on medical insurance, and
- Travelling concession/ assistance (domestic) in respect of himself and his family, and
- Personal Accident Insurance Policy as per rules of the Company, and
- Leave with full pay or encashment thereof, as per the rules of the Company, and
- Telecommunication facilities at residence like telephone, telefax and other communication facilities.

**Other Perquisites and allowances:**

Subject to overall ceiling on remuneration, Mr. Jignesh Shah may be given other allowances and expenses including expense incurred for business of the Company and other perquisites and allowances in accordance with the rules of the Company. The value of such other perquisites/ allowances shall not exceed in aggregate One Hundred and Fifty percent (150 %) of the annual basic salary.

Remuneration paid to Mr. Jignesh Shah for FY 2016-17 was ₹ 72.00 lakhs/-

**Mr. Nitin Shah, Managing Director**

The remuneration of our Managing Director, Mr. Nitin Shah as per resolution passed in the Extra Ordinary General Meeting held with shorter notice on March 31, 2018 is detailed hereunder:

**Basic Salary:** ₹ 100.00 lakhs per annum,

**Perquisites, Allowances:**

In addition to the basic salary mentioned above, Mr. Nitin Shah will be entitled to the following perquisites and allowances which will not be included in the computation of ceiling on the remuneration specified above:

- Medical expense reimbursement of actual expenses incurred in India including hospitalisation, nursing homes and surgical charges for himself and family including premium on medical insurance, and
- Travelling concession/ assistance (domestic) in respect of himself and his family, and
- Personal Accident Insurance Policy as per rules of the Company, and
- Leave with full pay or encashment thereof, as per the rules of the Company, and
- Telecommunication facilities at residence like telephone, telefax and other communication facilities.

**Other Perquisites and allowances:**

Subject to overall ceiling on remuneration, Mr. Nitin Shah may be given other allowances and expenses including expenses incurred for business of the Company and other perquisites and allowances in accordance with the rules of the Company. The value of such other perquisites/ allowances shall not exceed in aggregate One Hundred and Fifty percent (150 %) of the annual basic salary.

Remuneration paid to Mr. Nitin Shah for FY 2016-17 was ₹ 112.50 lakhs/-

**Mr. Dixit Shah, Whole-time Director**

The remuneration of our Whole-time Director, Mr. Dixit Shah as per resolution passed in the Extra Ordinary General Meeting held with shorter notice on March 31, 2018 is detailed hereunder:

**Basic Salary:** ₹ 50.00 lakhs per annum,

**Perquisites, Allowances:**

In addition to the basic salary mentioned above, Mr. Dixit Shah will be entitled to the following perquisites and allowances which will not be included in the computation of ceiling on the remuneration specified above:

- Medical expense reimbursement of actual expenses incurred in India including hospitalisation, nursing homes and surgical charges for himself and family including premium on medical insurance, and
- Travelling concession/ assistance (domestic) in respect of himself and his family, and
- Personal Accident Insurance Policy as per rules of the Company, and
- Leave with full pay or encashment thereof, as per the rules of the Company, and
- Telecommunication facilities at residence like telephone, telefax and other communication facilities.

**Other Perquisites and allowances:**

Subject to overall ceiling on remuneration, Mr. Dixit Shah may be given other allowances and expenses including expenses incurred for business of the Company and other perquisites and allowances in accordance with the rules of the Company. The value of such other perquisites/ allowances shall not exceed in aggregate One Hundred percent (100 %) of the annual basic salary.

Remuneration paid to Mr. Dixit Shah for FY 2016-17 was ₹ 63.00 lakhs/-

**Mr. Himatlal Shah, Whole-time Director**

The remuneration of our Whole-time Director, Mr. Himatlal Shah as per resolution passed in the Extra Ordinary General Meeting held with shorter notice on March 31, 2018 is detailed hereunder:

**Basic Salary:** ₹ 50.00 lakhs per annum,

**Perquisites, Allowances:**

In addition to the basic salary mentioned above, Mr. Himatlal Shah will be entitled to the following perquisites and allowances which will not be included in the computation of ceiling on the remuneration specified above:

- Medical expense reimbursement of actual expenses incurred in India including hospitalisation, nursing homes and surgical charges for himself and family including premium on medical insurance, and
- Travelling concession/ assistance (domestic) in respect of himself and his family, and
- Personal Accident Insurance Policy as per rules of the Company, and
- Leave with full pay or encashment thereof, as per the rules of the Company, and
- Telecommunication facilities at residence like telephone, telefax and other communication facilities.

**Other Perquisites and allowances:**

Subject to overall ceiling on remuneration, Mr. Himatlal Shah may be given other allowances and expenses including expenses incurred for business of the Company and other perquisites and allowances in accordance with the rules of the Company. The value of such other perquisites/ allowances shall not exceed in aggregate One Hundred percent (100 %) of the annual basic salary.

Remuneration paid to Mr. Himatlal Shah for FY 2016-17 was ₹ 72.00 lakhs/-

**Mr. Manekchand Shah, Whole-time Director**

The remuneration of our Whole-time Director, Mr. Manekchand Shah as per resolution passed in the Extra Ordinary General Meeting held with shorter notice on March 31, 2018 is detailed hereunder:

Basic Salary: ₹ 50.00 lakhs per annum,

**Perquisites, Allowances:**

In addition to the basic salary mentioned above, Mr. Manekchand Shah will be entitled to the following perquisites and allowances which will not be included in the computation of ceiling on the remuneration specified above:

- Medical expense reimbursement of actual expenses incurred in India including hospitalisation, nursing homes and surgical charges for himself and family including premium on medical insurance, and
- Travelling concession/ assistance (domestic) in respect of himself and his family, and
- Personal Accident Insurance Policy as per rules of the Company, and
- Leave with full pay or encashment thereof, as per the rules of the Company, and
- Telecommunication facilities at residence like telephone, telefax and other communication facilities.

**Other Perquisites and allowances:**

Subject to overall ceiling on remuneration, Mr. Manekchand Shah may be given other allowances and expenses including expenses incurred for business of the Company and other perquisites and allowances in accordance with the rules of the Company. The value of such other perquisites/ allowances shall not exceed in aggregate One Hundred percent (100 %) of the annual basic salary.

Remuneration paid to Mr. Manekchand Shah for FY 2016-17 was ₹ 63.00 lakhs/-

**Compensation to the Non-Executive Directors**

Pursuant to a resolution passed at the meeting of the Board of the Company on April 27, 2018 the Non-Executive Directors will be paid ₹ 2,500/- for attending every Board Meeting of the Company and ₹ 2,500/- will be paid for every committee meeting of the Company attended by them.

Remuneration paid to our Non-Executive Directors in Fiscal 2017: Nil

**Shareholding of Directors**

The following table sets forth the shareholding of our Directors as on the date of this Prospectus:

| Name of Directors | No. of Equity Shares held | % of Pre-Issue Paid Up Capital |
|---|---|---|
| Mr. Jignesh Shah | 1,37,000 | 4.61% |
| Mr. Nitin Shah | 9,12,833 | 30.72% |
| Mr. Dixit Shah | 3,47,000 | 11.68% |
| Mr. Himatlal Shah | 60,834 | 2.05% |
| Mr. Manekchand Shah | 5,05,833 | 17.02% |
| **Total** | **19,63,500** | **66.08%** |

**Interest of the Directors**

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members, and Promoter, pursuant to this issue. All of our Directors may also

be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in this chapter titled "*Our Management*" and "*Annexure XXVIII- Related Party Transactions"* within the chapter titled *Financial Statements*" beginning on page nos. 100 and 125 of this Prospectus respectively, our Directors do not have any other interest in our business.

Except as disclosed in "*Properties*" within the chapter titled "*Our Business*" beginning on page no. 74 of this Prospectus, our Directors have no interest in any property acquired by our Company within two years of the date of this Prospectus. Further, except as disclosed in "*Properties*" within the chapter titled "*Our Business*" beginning on page no. 74 of this Prospectus, our Company has not taken any property on lease from our Promoter within two years of the date of this Prospectus.

**Changes in the Board of Directors in the last three years**

Following are the changes in our Board of Directors in the last three years:

| Sr. No. | Name of Director | Date of Change | Reason for change |
|---|---|---|---|
| 1. | Mr. Jignesh Shah | March 27, 2018 | Change in Designation as Chairman |
| 2. | Mr.Nitin Shah | March 31, 2018 | Change in Designation as Managing Director |
| 3. | Mr. Dixit Shah | March 31, 2018 | Change in Designation as Whole-time Director |
| 4. | Mr. Himatlal Shah | March 31, 2018 | Change in Designation as Whole-time Director |
| 5. | Mr. Manekchand Shah | March 31, 2018 | Change in Designation as Whole-time Director |
| 6. | Mrs. Rajashri Kovil | April 12, 2018 | Appointment as Additional Non Executive Independent Director |
| 7. | Mr. Anant Sawant | April 12, 2018 | Appointment as Additional Non Executive Independent Director |
| 8. | Mr. Mukul Vora | April 12, 2018 | Appointment as Additional Non Executive Independent Director |
| 9. | Mrs. Rajashri Kovil | April 20, 2018 | Change in Designation as Non Executive Independent Director |
| 10. | Mr. Anant Sawant | April 20, 2018 | Change in Designation as Non Executive Independent Director |
| 11. | Mr. Mukul Vora | April 20, 2018 | Change in Designation as Non Executive Independent Director |

**Corporate Governance**

The provisions of the SEBI (LODR) Regulations, 2015 with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, 2015, the SEBI Regulations and the Companies Act, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, 2015. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has six (8) Directors. In compliance with the requirements of the Companies Act we have Five (5) Executive Director and three (3) Non-Executive Independent Directors on our Board. Our Chairman is an Executive Director and we have a woman director on our Board.

**Committees of our Board**

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee
2. Stakeholder's Relationship Committee

3. Nomination and Remuneration Committee

**1. Audit Committee**

The Audit Committee of our Board was constituted by our Directors by a board resolution dated April 27, 2018 pursuant to section 177 of the Companies Act, 2013.

The Audit Committee comprises of:

| Name of the Member | Nature of Directorship | Designation in Committee |
|---|---|---|
| Mr. Mukul Vora | Non Executive Independent Director | Chairman |
| Mr. Anant Sawant | Non Executive Independent Director | Member |
| Mr. Jignesh Shah | Chairman and Executive Director | Member |

The scope of Audit Committee shall include but shall not be restricted to the following:

a) Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) 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.

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

d) 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.

e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval

f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft 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.

g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the company with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of the company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

m) 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.

n) Discussion with internal auditors any significant findings and follow up there on.

o) 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.

p) 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.

q) 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.

r) To review the functioning of the Whistle Blower mechanism.

s) 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.

t) 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.
Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

*The Audit Committee enjoys following powers:*

a) To investigate any activity within its terms of reference

b) To seek information from any employee
c) To obtain outside legal or other professional advice

d) To secure attendance of outsiders with relevant expertise if it considers necessary

e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

*The Audit Committee shall mandatorily review the following information:*

a) Management discussion and analysis of financial condition and results of operations;

b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

c) Management letters / letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses; and

e) 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 committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Company Secretary of the Company acts as the Secretary to the Committee.

*Quorum and Meeting of Audit Committee*

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present. Since the formation of the committee, no Audit Committee meetings have taken place.

**2. Stakeholder's Relationship Committee**

The Stakeholder's Relationship Committee of our Board was constituted by our Directors pursuant to section 178 (5) of the Companies Act, 2013 by a board resolution dated April 27, 2018.

The Stakeholder's Relationship Committee comprises of:

| Name of the Member | Nature of Directorship | Designation in Committee |
|---|---|---|
| Mr. Anant Sawant | Non Executive Independent Director | Chairman |
| Mrs. Rajashri Kovil | Non Executive Independent Director | Member |
| Mr. Nitin Shah | Managing Director | Member |

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

a) Allotment and listing of our shares in future

b) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;

c) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;

d) Reference to statutory and regulatory authorities regarding investor grievances;

e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;

f) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of our Company acts as the Secretary to the Committee.

*Quorum and Meetings of Stakeholder's Relationship Committee*

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. Since the formation of the committee, no Stakeholders Relationship Committee meetings have taken place.

**3. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of our Board was constituted by our Directors pursuant to section 178 of the Companies Act, 2013 by a board resolution dated April 27, 2018.

The Nomination and Remuneration Committee currently comprises of:

| Name of the Member | Nature of Directorship | Designation in Committee |
|---|---|---|
| Mrs. Rajashri Kovil | Non Executive Independent Director | Chairman |
| Mr. Anant Sawant | Non Executive Independent Director | Member |
| Mr. Mukul Vora | Non Executive Independent Director | Member |

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
b) Formulation of criteria for evaluation of Independent Directors and the Board;

c) Devising a policy on Board diversity

d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

*Quorum and Meetings of Nomination and Remuneration Committee*

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

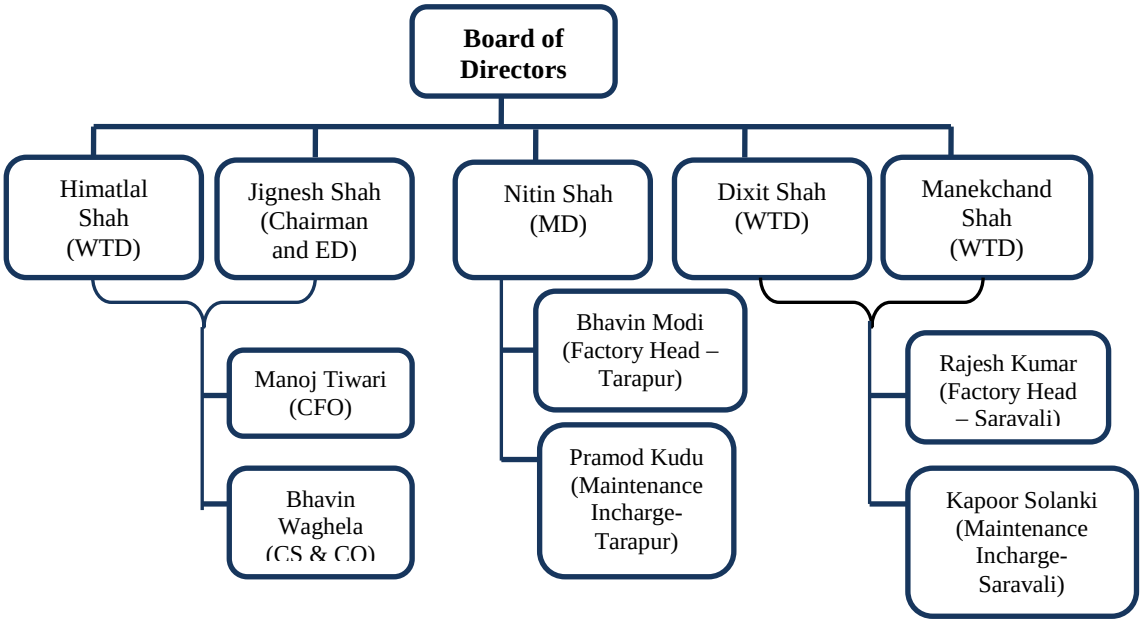
The Company Secretary of our Company acts as the Secretary to the Committee.

**Policy on Disclosures & Internal procedure for prevention of Insider Trading**

The provisions of Regulation 8 and 9 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 Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public Issue.

Our Board is 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.

**Management Organization Structure**




**Terms & Abbreviations**

| | | |
|---|---|---|
| MD | - | Managing Director |
| ED | - | Executive Director |
| WTD | - | Whole Time Director |
| CFO | - | Chief Financial Officer |
| CS & CO | - | Company Secretary and Compliance Officer |

**Key Managerial Personnel**

The details of our key managerial personnel are as below –

| Name of Employee | Designation & Functional Area | Date of Appointment | Compensation for Last Fiscal (₹ in lakhs) | Qualification | Name of Previous Employer(s) | Total years of Experience |
|---|---|---|---|---|---|---|
| Mr. Bhavin Waghela | Company Secretary & Compliance Officer | 12/04/2018[(1)] | N. A. | • Bachelor of Commerce<br>• C.S. | • Valecha Engineering Ltd.<br>• Sterling Powergensys Limited<br>• M/s Jayshree Dagli & Associates | 2 Years |
| Mr. Manojkumar Tiwari | Finance Head & Chief Financial Officer | 01/12/2009[(2)] | 3.65 | • H.S.C – Vocational | • Shivpriya Syntex | 12 Years |
| Mr. Bhavin Modi | Factory Head-Tarapur | 04/06/2012 | 16.88 | • Diploma in Textile Chemistry | • Oxford Industries Ltd.<br>• The Arvind Mills Ltd.<br>• Donear Industries Ltd. | 20 years |
| Mr. Rajeshkumar Singh | Factory Head-Saravali | 01/07/2017[(3)] | 12.55 | • Diploma in Textile Chemistry | • New Oriental Silk Mills Pvt. Ltd.<br>• Shakti Prints Pvt. Ltd.<br>• Premier Textile Processors Pvt. Ltd.<br>• Parekh Print Pvt. Ltd.<br>• Karmasheel DYG Pvt. Ltd. | 26 Years |
| Mr. Pramod Kudu | Maintenance Incharge-Tarapur | 15/06/2011 | 7.57 | • Diploma in Electrical Engineering | • Trance Freight Container Ltd.<br>• Alpana textile<br>• Adhunik Yarns Limited<br>• Detco Textile Pvt. Ltd.<br>• Delitex Silk Mills<br>• Pal Fashion Pvt. Ltd.<br>• Rolson Senthetic Pvt. Ltd. | 26 Years |
| Mr. Kapoor Solanki | Maintenance Incharge-Saravali | 01/04/2009 | 7.50 | • H.S.C | • R S Mills | 11 Years |

*(1) Mr. Bhavin Waghela was appointed as Company Secretary & Compliance Officer on April 12, 2018.*

*(2) Mr. Manojkumar Tiwari was appointed at his current designation w.e.f. April 12, 2018*

(3) *Mr. Rajeshkumar Singh was employed on contract basis since April 2009.*

***Other Notes –***

The aforementioned KMP are on the payrolls of our Company as permanent employees. Also, they are not related parties as per the Accounting Standard 18.

**Relationship amongst the Key Managerial Personnel**

None of the aforementioned KMP's are related to each other, Also, none of them have been selected pursuant to any arrangement/ understanding with major shareholders/ customers/ suppliers.

**Shareholding of Key Managerial Personnel**

None of our KMP's holds any shares of our Company as on the date of this Prospectus.

**Interest of Key Managerial Personnel**

The Key Managerial Personnel of our Company do not have any interest in our Company, other than to the extent of remuneration of benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Further, if any Equity Shares are allotted to our Key Managerial Personnel prior to / in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

**Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years**

Our Company does not have fixed bonus / profit sharing plan for any of the employees or key managerial personnel.

**Loans taken by Key Management Personnel**

Except as mentioned below, none of our Key Managerial Personnel have taken any loan from our Company.

(₹ in lakhs)

| Sr. No. | Name of the Key Managerial Personnel | Outstanding as on March 31, 2018 |
|---|---|---|
| 1. | Mr. Kapoor Solanki | 0.47 |
| 2. | Mr. Manojkumar Tiwari | 0.49 |
| **Total** | | **0.96** |

**Employee Share Purchase and Employee Stock Option Scheme**

Presently, we do not have ESOP / ESPS scheme for employees.

**Payment or Benefit to our Officers**

Except for the payment of salaries, yearly bonus and certain incentives, if any, we do not provide any other benefits to our employees.

**Changes in the Key Managerial Personnel in the three years preceding the date of filing this Prospectus**

Except as disclosed below, there has been no change in KMPs in past three years from the date of this Prospectus:

| Name of Employee | Designation & Functional Area | Date of Appointment/ Date of Change in Designation |
|---|---|---|
| Mr. Bhavin Waghela | Company Secretary & Compliance Officer | April 12, 2018 |
| Mr. Manojkumar Tiwari | Accounts Head & Chief Financial Officer | April 12, 2018 |

## OUR PROMOTER AND PROMOTER GROUP

The promoters of our company are:

1. Mr. Jignesh Shah,
2. Mr. Nitin Shah, and
3. Mr. Dixit Shah

The details of our Promoters are provided below:



| **Mr. Jignesh Shah** |
|---|
| **PAN:** ACJPS3468H |
| **Passport No.:** G9750757 |
| **Driver's License:** 35542 |
| **Voter's ID No.:** NNX3468568 |
| **Bank A/c No.:** 3311771997 |
| **Name of Bank & Branch:** Kotak Mahindra Bank Ltd., Mulund (West). |



| **Mr. Nitin Shah** |
|---|
| **PAN:** ADRPS9741A |
| **Passport No.:** Z3741501 |
| **Driver's License:** MH03 19940026118 |
| **Voter's ID No.:** NNX2272300 |
| **Bank A/c No.:** 9811695528 |
| **Name of Bank & Branch:** Kotak Mahindra Bank Ltd., Mulund (West). |



| **Mr. Dixit Shah** |
|---|
| **PAN:** APSPS5390A |
| **Passport No.:** R9264311 |
| **Driver's License:** 3499 |
| **Voter's ID No.:** XVQ5053640 |
| **Bank A/c No.:** 13100100016848 |
| **Name of Bank & Branch:** Bank of Baroda, V.P. Road Branch, Mumbai. |

*For additional details on the age, background, personal address, educational qualifications, experience, positions / posts, other ventures and Directorships held in the past, please refer chapter titled "Our Management" beginning on page no. 100 of this Prospectus.*

*For details of the build-up of our Promoter shareholding in our Company, please see "Capital Structure –Notes to Capital Structure" on page no. 46 of this Prospectus.*

***Other Undertakings and Confirmations***

We confirm that the Permanent Account Number, Bank Account number and Passport number of our Promoters have been submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.

Our Promoters and the members of our Promoters Group have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

**Interests of Promoters**

None of our Promoters have any interest in our Company except to the extent of compensation payable / paid, reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please refer the chapter "*Capital Structure*", "*Financial Information*" and "*Our Management*" beginning on page nos. 46, 125 and 100 respectively of this Prospectus.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

**Common Pursuits of Promoters**

Some of our Promoter Group entities, as mentioned below, have been undertaking business similar to ours and this may result in potential conflicts of interest with our Company in the future.

- M/s. Dixit Processors
- M/s. Jakharia Industries
- Jakharia Synthetics Private Limited

**Companies with which the Promoters has disassociated in the last three years.**

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Prospectus.

**Payment of Amounts or Benefits to the Promoters or Promoters Group during the last two years**

Except as stated in "*Annexure XXVIII – Statement of Related Party Transactions*" beginning on page no. 125 of this Prospectus, there has been no payment of benefits to our Promoters during the two years preceding the date of the Prospectus.

**Interest of Promoters in the Promotion of our Company**

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship of our Individual Promoter in our Company and the dividend declared, if any, by our Company.

**Interest of Promoters in the Property of our Company**

Our Promoters have confirmed that they do not has any interest in any property acquired by our Company within two years preceding the date of this Prospectus or proposed to be acquired by our Company as on the date of this Prospectus. For details, please refer "*Properties under Our Business*" and "*Annexure XXVIII - Related Party Transactions under Financial Statements*" beginning on page nos. 74 and 125 respectively, of this Prospectus.

Further, other than as mentioned in the chapter titled "*Our Business*" beginning on page no. 74 of this Prospectus our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Except as mentioned in this section and the chapters titled *"Capital Structure", "Our Business", "History and Certain Corporate matters"* and *"Annexure XXVIII – Statement of Related Party Transactions" under Financial Statements* beginning on page nos. 46, 74, 95 and 125 of this Prospectus, respectively, our Promoters do not have any interest in our Company other than as Promoters.

**Interest of Promoters in our Company other than as Promoters**

Except as mentioned in this section and the chapters titled *"Capital Structure", "Our Business", "History and Certain Corporate matters"* and *"Annexure XXVIII – Statement of Related Party Transactions"* beginning on page nos. 46, 74, 95 and 125 of this Prospectus, respectively, our Promoters do not have any interest in our Company other than as Promoters.

**Related Party Transactions**

Our Promoters may deem to be interested in our Company to the extent of their shareholding / interest in group companies/ ventures promoted by them with which our Company transacts during the course of its operations. Except as stated in the "*Annexure XXVIII – Statement of Related Party Transactions*" *under Financial Statements* beginning on page no. 125 of this Prospectus, our Company has not entered into related party transactions with our Promoters.

**Shareholding of the Promoter Group in our Company**

For details of shareholding of members of our Promoter Group as on the date of this Prospectus, please refer the chapter titled *"Capital Structure – Shareholding of our Promoters"* beginning on page no. 46 of this Prospectus.

**Other Confirmations**

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or Promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the "*Annexure XXVIII – Statement of Related Party Transactions*" *under Financial Statements* on page no. 125 of this Prospectus.

**Outstanding Litigation**

There is no outstanding litigation against our Promoters except as disclosed in the section titled "*Risk Factors*" and chapter titled "*Outstanding Litigation and Material Developments*" beginning on page nos. 10 and 164 respectively of this Prospectus.

**OUR PROMOTER GROUP**

In addition to the Promoters named above, the following natural persons and entities form part of our Promoter Group in terms of Regulation 2 (1) (zb) (ii) of the SEBI (ICDR) Regulation, 2009.

***A. Natural Persons who are Part of the Promoter Group***

| Name of the Promoters | Name of the Relative | Relationship with the Promoter |
|---|---|---|
| Mr. Jignesh Shah | Himatlal Shah | Father |
| | Champaben Shah | Mother |
| | Shejal Shah | Wife |
| | Pinkal Gutka | Sisters |
| | Dimple Shah | |
| | Riyana Shah | Daughter |
| | Navinchandra Shah | Wife`s Father |
| | Geeta Shah | Wife`s Mother |
| | Pankeel Shah | Wife`s Brother |
| | Leena Shah | Wife`s Sister |

| Name of the Promoters | Name of the Relative | Relationship with the Promoter |
|---|---|---|
| Mr. Nitin Shah | Keshavji Shah | Father |
| | Kantaben Shah | Mother |
| | Sejal Shah | Wife |
| | Paresh Shah | Brother |
| | Jayshree Joshi | Sister |

| | | |
|---|---|---|
| | Meer Shah | Son |
| | Shruti Shah | Daughter |
| | Ratilal Bid | Wife`s Father |
| | Sushila Bid | Wife`s Mother |
| | Kunal Bid | Wife`s Brother |
| | Rinku Karania | Wife`s Sister |

| Name of the Promoters | Name of the Relative | Relationship with the Promoter |
|---|---|---|
| Mr. Dixit Shah | Maneckchand Shah | Father |
| | Suryaben Shah | Mother |
| | Rinkal Shah | Wife |
| | Krupa Gosrani | Sister |
| | Heer Shah | Daughter |
| | Bipin N Shah | Wife`s Father |
| | Jayaben Shah | Wife`s Mother |
| | Kewal Shah | Wife`s Brother |
| | Dipal Nagda | Wife`s Sisters |
| | Nikita Nagda | |

***B. Companies / Corporate Entities forming part of the Promoter Group***

As per Regulation 2(1)(ZB)(IV) of the SEBI (ICDR) Regulations, 2009, the following Company / Trust / Partnership firm / HUF or Sole Proprietorship shall form part of our Promoter Group.

| Sr. No. | Name of Promoter Group Entity / Company |
|---|---|
| 1. | M/s Dixit Processors |
| 2. | M/s Jakharia Industries |
| 3. | Jakharia Synthetics Private Limited |
| 4. | Himmatlal Shah HUF |
| 5. | Nitin Shah HUF |
| 6. | Manekchand Shah HUF |

## OUR GROUP COMPANIES

The definition of 'Group Companies' was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board.

Pursuant to a Board resolution dated April 27, 2018, the Board formulated a policy with respect to companies which it considered material to be identified as group companies. Our Board has approved that all companies which are identified as related parties in accordance with Accounting Standards 18 as per the Restated Financial Statements and Companies considered by the board as material, are identified as group entities. Accordingly, Jakharia Synthetics Private Limited ("JSPL") has been identified as a Group Company.

Further, our Board has approved that other than JSPL, there are no companies which are considered material by the Board to be identified as a group company.

**DETAILS OF OUR GROUP COMPANY:**

**1. Jakharia Synthetics Private Limited ('JSPL')**

| | |
|---|---|
| **Incorporation** | JSPL was incorporated on June 19, 1998 as 'Abhijeet Synthetics Private Limited' under the Companies Act, 1956. Subsequently, on February 25, 2000, its name was changed to 'Jakharia Synthetics Private Limited'. |
| **Company Number** | 115426 |
| **Registered Office** | 101 D/4, Shreyas Apartments, Sarvodaya Paarshwanath Nagar, Mulund- West Mumbai – 400080, Maharashtra. |
| **Nature of Business** | JSPL is primarily engaged in trading, manufacturing and business of preparing, spinning, doubling, texturising, weaving, winding, knitting, scouring, sizing, bleaching, colouring, dyeing, printing, finishing, calendaring and processing working or manufacturing in any way whatsoever cotton, linen, wool, synthetics, nylon, polyester, silk, artificial silk rayon, cloth man-made and all other yarns and fibres, artificial or textile substances. |
| **Registrar of Companies** | Registrar of Companies, Mumbai |

***Board of Directors***

- Mr. Jignesh Himatlal Shah
- Mr. Himatlal Panachand Shah
- Mrs. Shejal Jignesh Shah
- Mrs. Champaben Himatlal Shah

***Interest of our Promoters / Promoter Group***

Our Promoters and Promoter Group hold 100 % Equity Shares of this Company.

***Financial Performance***

The brief financial details of JSPL derived from its Audited Financial Statements, for the year ended March 31, 2017, 2016 and 2015 are set forth below:

*(₹ in lakhs)*

| Particulars | As at March, 31 | | |
|---|---|---|---|
| | 2017 | 2016 | 2015 |
| Equity Share Capital (FV ₹ 10/-) | 68.00 | 68.00 | 68.00 |
| Retained Earnings | 293.55 | 228.25 | 183.60 |
| Networth | 361.55 | 296.25 | 251.60 |
| Income including other income | 1,666.73 | 1415.34 | 1,714.64 |
| Profit/ (Loss) after tax | 52.90 | 51.69 | 41.48 |
| Earnings per share (FV ₹ 10/-) (Basic/Diluted) | 7.78 | 7.60 | 6.10 |
| Net asset value per share | 53.17 | 43.57 | 37.00 |

*There are no significant notes of the auditors in relation to the aforementioned financial statements.*

***Other disclosures:***

- The equity shares of JSPL are not listed on any stock exchange;
- JSPL neither has a negative net-worth nor has made a loss in the immediately preceding year.
- No application has been made to RoC for striking off the name of JSPL;
- JSPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory /bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

**NATURE AND EXTENT OF THE INTEREST OF THE GROUP COMPANIES IN OUR COMPANY**

**In the promotion of our Company**

None of the Group Company has any interest in the promotion of our Company except their shareholding in our company.

**In the properties acquired by our Company**

None of the Group Company has any interest in the properties acquired by our Company within the two years of the date of filing this Prospectus or proposed to be acquired by our Company, except as disclosed in the chapter titled "*Risk Factors*" and "*Our Business*" beginning on page nos. 10 and 74 respectively of this Prospectus.

**In transactions for acquisition of land, construction of building and supply of machinery**

None of the Group Companies have any interest in our Company in relation to transactions for acquisition of land, construction of building and supply of machinery.

**Payment of amount or benefits to our Group Companies during the last two years**

Except as disclosed in the section *"Financial Information – Annexure XXVIII - Related Party Transactions"* beginning on page no. 125 of this Prospectus, no amount or benefits were paid or were intended to be paid to our Group Company since the incorporation of our Company except to the extent of their shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them

**Common Pursuits of our Group Companies**

JSPL is in the business of job work and processing of yarns and other fabrics. Other than doing job work and processing of yarns and other fabrics, there are no common pursuits between our Company.

**Related business transactions within the Group Companies and its significance on the financial performance of our Company**

For details, please see the chapter titled "*Financial Statements- Annexure XXVIII - Related Party Transactions*" beginning on page no. 125 of this Prospectus.

**Sale/ purchase between Group Companies (exceeding 10% in aggregate of the total sales or purchases of our Company)**

For details, please see the chapter titled "*Financial Statements- Annexure XXVIII - Related Party Transactions*" beginning on page no. 125 of this Prospectus.

**Defunct Group Companies**

None of the Group Companies are defunct and no application has been made to the registrar of companies for striking off the name of any of the Group Companies during the five years preceding the date of this Prospectus.

**Outstanding Litigations**

For details relating to the material legal proceedings involving our Group Company, refer the chapter titled "*Outstanding Litigations and Material Developments*" beginning on page no. 164 of this Prospectus.

**Other Confirmations**

Our Group Company has further confirmed that it has not been declared as wilful defaulters and there has been no violation of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them except as stated under chapters "*Risk Factors*", "*Our Group Companies*" and "*Outstanding Litigations and Material Developments*" beginning on page nos. 10, 120 and 164 of this Prospectus, respectively. Additionally, none of our Group Company has been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities except as stated under chapters "*Risk Factors*", "*Our Group Companies*" and "*Outstanding Litigations and Material Developments*" beginning on page nos. 10, 120 and 164 of this Prospectus, respectively.

## CURRENCY, UNITS OF PRESENTATION AND EXCHANGE RATES

All references to "Rupees", "Rs." or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "US Dollars" or "USD" are to United States Dollars, the official currency of the United States of America.

This Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## DIVIDEND POLICY

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared on equity shares by our Company since incorporation. The details of the same are mentioned below:

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **On Equity Shares** | | | | | | |
| Fully Paid up Share Capital (₹ in lakhs) | 273.85 | 273.85 | 273.85 | 273.85 | 265.35 | 265.35 |
| Face Value (₹) | 10 | 10 | 10 | 10 | 10 | 10 |
| Paid up value per share (₹) | 10 | 10 | 10 | 10 | 10 | 10 |
| Rate of dividend | - | - | - | - | - | - |
| Total Dividend | - | - | - | - | - | - |
| Corporate dividend tax on above | - | - | - | - | - | - |

*Note: Company has not declared any dividend on equity shares previously; however company has declared and paid dividend on preference shares in the financial year 2013-14.*

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

## SECTION VI – FINANCIAL INFORMATION

## FINANCIAL STATEMENTS

## REPORT OF THE AUDITORS ON FINANCIAL STATEMENTS

To,
The Board of Directors
**Jakharia Fabric Limited**
Office No. 1224, Deoji Nagar,
Narpoli Village, Bhiwandi,
Thane – 421 302

Dear Sirs,

**Re.: Proposed Public Issue of Equity Shares of Jakharia Fabric Limited**

1. We have examined Financial Statements and Other Financial Information of Jakharia Fabric Limited (the 'Company') formerly known as Jakharia Fabric Private Limited, taking into consideration the terms of reference and terms of our engagement agreed upon with you in connection with the proposed IPO of the Company and the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.

2. The said Restated Financial Statements and other Financial Information have been prepared for the purposes of inclusion in the Prospectus in connection with the proposed Initial Public Offer ("IPO") of the Company 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 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (hereinafter referred to as the "Act");
   ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations') and the related clarifications issued by the Securities and Exchange Board of India ('SEBI'); as amended to date;

3. We have examined the accompanied 'Restated Statement of Profit and Loss' **(Annexure – II)** for nine months period ended December 31, 2017 and the financial years ended on March 31, 2017, 2016, 2015, 2014 and 2013 and the 'Restated Statement of Assets and Liabilities' **(Annexure – I)** as on those dates, forming Part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts **(Annexure – IV & V)** thereon, which are the responsibility of the Company's management. The information has been extracted from the financial statements for nine months period ended December 31, 2017 and financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013. The Financial Statements for the period ended December 31, 2017 and the Financial Statements for the Financial Year ended March 31, 2017 were re-audited by us and the Financial Statements for the Financial Years ended March 31, 2015, 2014 and 2013 were audited by M/s. J. Ajmera & Associates, Chartered Accountants and Financial Statements for the period ended December 31, 2017 and Years ended March 31, 2017 and 2016 were audited by M/s. Shah Shroff & Associates being the Statutory Auditors of the Company and approved by the Board of Directors and upon which we have placed our reliance while reporting.

4. In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Jakharia Fabric Limited, we, M/s. V J Shah & Co., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

5. Based on our examination, we further report that:

   a. The Restated Statement of Assets and Liabilities of the Company as at nine months period ended December 31, 2017 and financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure I** to this examination report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.

b. The Restated Statement of Profit and Loss of the Company for nine months period ended December 31, 2017 and financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure II** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Statement of Adjustments to the audited financial statements in **Annexure V**.

c. The Restated Statement of Cash Flows of the Company for the nine months period ended December 31, 2017 and financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure III** to this examination report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.

d. The Restated Financial Statements have been made after incorporating adjustments for:

i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
ii. Prior period and other material amounts in the respective financial years to which they relate.

Which are stated in the Notes to Accounts as set out in **Annexure V**:

e. Such Financial statements do not require any corrective adjustments on account of :

i. Other remarks/comments in the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub - section (4A) of section 227 of the act, on financial statements of the company for the nine months period ended December 31, 2017 and financial years ended March 31, 2017, 2016, 2015, 2014 and 2013.
ii. Extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments.

6. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

i) Schedule of Share Capital (Annexure - VI)
ii) Schedule of Reserves & Surplus (Annexure - VII)
iii) Schedule of Long Term Borrowings (Annexure – VIII)
iv) Schedule of Deferred Tax Liabilities (Annexure – IX)
v) Schedule of Long Term Provisions (Annexure – X)
vi) Schedule of Short Term Borrowings (Annexure – XI)
vii) Schedule of Trade Payables (Annexure – XII)
viii) Schedule of Other Current Liabilities (Annexure – XIII)
ix) Schedule of Short Term Provisions (Annexure – XIV)
x) Schedule of Fixed Assets (Annexure - XV)
xi) Schedule of Non- Current Investments (Annexure – XVI)
xii) Schedule of Deferred Tax Assets (Annexure – XVII)
xiii) Schedule of Long Term Loans and Advances (Annexure – XVIII)
xiv) Schedule of Other Non Current Assets (Annexure – XIX)
xv) Schedule of Inventories (Annexure – XX)
xvi) Schedule of Trade Receivables (Annexure – XXI)
xvii) Schedule of Cash and Cash Equivalents (Annexure – XXII)
xviii) Schedule of Other Current Assets (Annexure – XXIII)
xix) Schedule of Short Term Loans and Advances (Annexure – XXIV)
xx) Schedule of Revenue from Operations (Annexure – XXV)
xxi) Schedule of Other Income (Annexure – XXVI)
xxii) Schedule of Dividend Declared (Annexure – XXVII)
xxiii) Schedule of Related Party Transactions (Annexure –XXVIII)
xxiv) Capitalization Statement (Annexure –XXIX)
xxv) Schedule of Contingent Liability (Annexure –XXX)
xxvi) Summary of Accounting Ratios (Annexure – XXXI)
xxvii) Statement of Tax Shelter (Annexure – XXXII)

7. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure I to XXXII read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26, read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

   Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.

8. This report should not in any way construed as a re-issuance or re-drafting of any of the previous audit reports issued by the Statutory Auditors nor should this report be construed as a new opinion on any of the financial statement referred to therein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For M/s. V J Shah & Co.**
**Chartered Accountants**
**(Firm Registration No.: 109823W)**

**Nirav Malde**
**Partner**
Membership No. - 152425
Place: Mumbai
Date: May 24, 2018

**Annexure I**
**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **EQUITY AND LIABILITIES** | | | | | | |
| | | | | | | |
| **Shareholder's funds** | | | | | | |
| a) Share Capital | 297.18 | 297.18 | 297.18 | 297.18 | 288.68 | 288.68 |
| b) Reserves & Surplus | 1,888.95 | 1,699.83 | 1,361.01 | 914.84 | 464.98 | 113.23 |
| **Total Shareholders Fund** | **2,186.13** | **1,997.01** | **1,658.19** | **1,212.02** | **753.66** | **401.92** |
| **Non-Current liabilities** | | | | | | |
| a) Long Term Borrowings | 2,008.26 | 2,060.93 | 1,547.25 | 1,110.74 | 1,572.74 | 1,474.29 |
| b) Deferred Tax Liabilities | - | 4.47 | - | - | - | - |
| c) Long Term Provisions | 42.69 | 30.77 | 21.37 | 13.54 | 7.66 | 4.41 |
| **Total** | **2,050.95** | **2,096.17** | **1,568.62** | **1,124.28** | **1,580.40** | **1,478.70** |
| **Current liabilities** | | | | | | |
| a) Short Term Borrowings | 124.43 | 117.50 | 170.62 | 324.91 | 263.80 | 208.69 |
| b) Trade Payables | 1,426.65 | 1,471.62 | 2,156.47 | 1,934.83 | 1,473.47 | 1,427.51 |
| c) Other Current Liabilities | 276.04 | 157.43 | 398.83 | 443.04 | 391.67 | 368.16 |
| d) Short Term Provisions | 6.07 | 4.07 | 1.43 | 5.14 | 5.05 | 0.01 |
| **Total** | **1,833.18** | **1,750.62** | **2,727.36** | **2,707.92** | **2,133.99** | **2,004.37** |
| **T O T A L** | **6,070.27** | **5,843.80** | **5,954.17** | **5,044.23** | **4,468.05** | **3,884.99** |
| | | | | | | |
| **ASSETS** | | | | | | |
| | | | | | | |
| **Non-Current Assets** | | | | | | |
| a) Fixed Assets | | | | | | |
| i) Tangible Assets | 3,653.05 | 3,545.91 | 3,422.76 | 3,240.22 | 3,110.73 | 2,951.22 |
| ii) Intangible Assets | - | - | - | - | - | - |
| Gross Block | 3,653.05 | 3,545.91 | 3,422.76 | 3,240.22 | 3,110.73 | 2,951.22 |
| Less: Accumulated Depreciation | 1,783.84 | 1,655.42 | 1,475.05 | 1,303.20 | 1,112.17 | 752.81 |
| **Net Block** | **1,869.20** | **1,890.49** | **1,947.71** | **1,937.02** | **1,998.56** | **2,198.41** |
| iii) Capital Work in Progress | 236.77 | 236.77 | 236.77 | - | - | - |
| b) Non-Current Investment | 1,333.81 | 911.75 | 389.00 | 1.00 | 1.00 | 1.00 |
| c) Deferred Tax Assets | 35.22 | - | 13.72 | 34.97 | 59.37 | 36.25 |
| d) Long term Loans & Advances | 528.25 | 614.74 | 603.68 | 409.53 | 364.86 | 254.77 |
| e) Other Non-Current Assets | 56.65 | 58.80 | 10.59 | 0.70 | 1.75 | 1.75 |
| **Total** | **4,059.91** | **3,712.56** | **3,201.47** | **2,383.22** | **2,425.54** | **2,492.17** |
| **Current Assets** | | | | | | |
| a) Inventories | 351.79 | 325.61 | 458.85 | 282.96 | 465.86 | 281.52 |
| b) Trade Receivables | 1,572.37 | 1,720.14 | 1,822.69 | 2,130.82 | 1,350.29 | 1,064.80 |
| c) Cash and Cash Equivalents | 68.91 | 52.06 | 263.30 | 233.32 | 214.42 | 34.56 |
| d) Short Term Loans & Advances | 14.71 | 27.73 | 200.60 | 7.60 | 5.29 | 5.65 |
| e) Other Current Assets | 2.58 | 5.70 | 7.26 | 6.30 | 6.65 | 6.28 |
| **Total** | **2,010.36** | **2,131.24** | **2,752.69** | **2,661.01** | **2,042.51** | **1,392.81** |
| **T O T A L** | **6,070.27** | **5,843.80** | **5,954.17** | **5,044.23** | **4,468.05** | **3,884.99** |

**Annexure II**
**STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED**

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **INCOME:** | | | | | | |
| Revenue from Operations | 5,348.03 | 7,479.05 | 7,676.12 | 8,847.49 | 7,557.32 | 4,782.48 |
| Other Income | 28.21 | 223.79 | 47.37 | 69.76 | 25.40 | 4.95 |
| **Total Income** | **5,376.25** | **7,702.84** | **7,723.49** | **8,917.25** | **7,582.72** | **4,787.43** |
| | | | | | | |
| **EXPENSES:** | | | | | | |
| Cost of Material Consumed | 2637.67 | 3639.04 | 2,717.48 | 3,681.91 | 4,247.13 | 2,077.63 |
| Change in Inventory | (49.90) | 138.54 | (134.89) | 98.94 | (79.98) | (62.70) |
| Employee benefits expenses | 779.84 | 795.53 | 871.75 | 689.47 | 498.38 | 336.87 |
| Finance costs | 73.90 | 234.65 | 219.92 | 242.77 | 258.73 | 262.37 |
| Depreciation and amortisation expense | 128.42 | 181.89 | 181.31 | 191.03 | 359.36 | 387.21 |
| Administrative and other expenses | 1,595.49 | 2,203.19 | 3,199.92 | 3,372.14 | 1,854.36 | 1,729.66 |
| **Total expenses** | **5,165.43** | **7,192.83** | **7,055.49** | **8,276.25** | **7,137.99** | **4,731.05** |
| **Profit before Prior period item, exceptional item, extraordinary items and tax** | **210.81** | **510.01** | **668.00** | **641.00** | **444.73** | **56.39** |
| Prior period items | - | - | - | - | - | - |
| **Profit before exceptional item, extraordinary items and tax** | **210.81** | **510.01** | **668.00** | **641.00** | **444.73** | **56.39** |
| Exceptional items | - | - | - | - | - | - |
| **Profit before extraordinary items and tax** | **210.81** | **510.01** | **668.00** | **641.00** | **444.73** | **56.39** |
| Extraordinary items | - | - | - | - | - | - |
| **Net Profit /(Loss) before tax** | **210.81** | **510.01** | **668.00** | **641.00** | **444.73** | **56.39** |
| Less: Tax expense | | | | | | |
| Current tax | 61.38 | 153.00 | 200.58 | 183.74 | 111.20 | 11.26 |
| MAT credit | - | - | - | - | - | (11.26) |
| Deferred tax | (39.69) | 18.19 | 21.25 | 24.40 | (23.12) | (24.55) |
| **Total Tax Expense** | **21.69** | **171.19** | **221.83** | **208.14** | **88.08** | **(24.55)** |
| | | | | | | |
| **Net Profit /(Loss) after tax** | **189.12** | **338.82** | **446.17** | **432.86** | **356.66** | **80.94** |

**Annexure III**
**CASH FLOW STATEMENT, AS RESTATED**

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Cash flow from operating activities:** | | | | | | |
| Net Profit Before Tax | **210.81** | **510.01** | **668.00** | **641.00** | **444.73** | **56.39** |
| Adjustments for: | | | | | | |
| Depreciation & Amortization | 128.42 | 181.89 | 181.31 | 191.03 | 359.36 | 387.21 |
| Dividend received | (0.12) | (0.12) | (0.12) | (0.12) | (0.15) | (0.15) |
| (Profit)/Loss on sale of fixed asset | - | (0.34) | 3.44 | - | - | - |
| Interest &Finance cost | 73.90 | 234.65 | 219.92 | 242.77 | 258.73 | 262.37 |
| Interest received | (4.45) | (12.38) | (25.11) | (10.31) | (3.62) | (4.80) |
| **Operating Profit Before Working Capital Changes** | **408.58** | **913.71** | **1,047.44** | **1,064.36** | **1,059.05** | **701.02** |
| Adjusted for (Increase)/ Decrease: | | | | | | |
| Trade Receivables | 147.77 | 102.55 | 308.14 | (780.54) | (285.48) | (589.67) |
| Inventories | (26.18) | 133.24 | (175.89) | 182.90 | (184.34) | (35.42) |
| Short Term Loans and Advances | 13.02 | 172.87 | (193.00) | (2.30) | 0.36 | 46.59 |
| Other Current Assets | 3.12 | 1.56 | (0.96) | 0.35 | (0.37) | (0.13) |
| Other Non-Current Assets | 2.16 | (48.22) | (9.89) | 1.05 | - | 0.02 |
| Trade Payables | (44.97) | (684.85) | 221.64 | 461.36 | 45.95 | 522.22 |
| Short Term Provisions | 2.00 | 2.64 | (3.71) | 0.09 | 5.04 | (17.50) |
| Long Term Provisions | 11.92 | 9.40 | 7.83 | 5.88 | 3.25 | 4.41 |
| Other Current Liabilities | 118.60 | (241.40) | (44.21) | 51.37 | 23.52 | 57.31 |
| **Cash Generated From Operations** | **636.01** | **361.49** | **1,157.39** | **984.51** | **666.98** | **688.86** |
| Less: Tax Provision | 61.38 | 153.00 | 200.58 | 183.74 | 111.20 | 11.26 |
| **Net Cash Flow from/(used in) Operating Activities: (A)** | **574.63** | **208.49** | **956.81** | **800.77** | **555.78** | **677.59** |
| | | | | | | |
| **Cash Flow From Investing Activities:** | | | | | | |
| Purchase of Fixed Assets | (107.14) | (124.80) | (198.34) | (129.49) | (159.51) | (402.26) |
| Sale of Fixed Assets | - | 0.48 | 2.90 | - | - | - |
| Capital Work-in-progress | - | - | (236.77) | - | - | - |
| Increase / (Decrease) in Non-Current Investment | (422.06) | (522.75) | (388.00) | - | - | - |
| Interest Income | 4.45 | 12.38 | 25.11 | 10.31 | 3.62 | 4.80 |
| **Net Cash Flow from/(used in) Investing Activities: (B)** | **(524.75)** | **(634.69)** | **(795.10)** | **(119.17)** | **(155.89)** | **(397.46)** |
| | | | | | | |
| **Cash Flow from Financing Activities:** | | | | | | |
| Issue of Share Capital including securities premium | | - | - | 25.50 | - | - |
| Increase / (Decrease) in Long Term Borrowing | (52.67) | 513.68 | 436.51 | (461.99) | 98.45 | 162.63 |
| Increase / (Decrease) in Short Term Borrowing | 6.93 | (53.12) | (154.29) | 61.11 | 55.11 | 7.91 |
| Increase / (Decrease) in Long Term Loans and Advances | 86.49 | (11.06) | (194.15) | (44.68) | (110.08) | (186.86) |
| Dividend Received | 0.12 | 0.12 | 0.12 | 0.12 | 0.15 | 0.15 |
| Interest & Financial Charges | (73.90) | (234.65) | (219.92) | (242.77) | (258.73) | (262.37) |
| Dividend Paid | - | - | - | - | (4.91) | - |

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Net Cash Flow from/(used in) Financing Activities ( C)** | **(33.03)** | **214.96** | **(131.73)** | **(662.70)** | **(220.03)** | **(278.55)** |
| **Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)** | **16.85** | **(211.24)** | **29.98** | **18.90** | **179.86** | **1.59** |
| **Cash & Cash Equivalents at Beginning of the Year** | **52.06** | **263.30** | **233.32** | **214.42** | **34.56** | **32.97** |
| **Cash & Cash Equivalents at End of the Year** | **68.91** | **52.06** | **263.30** | **233.32** | **214.42** | **34.56** |

Note: The cash flow statement has been prepared on the basis of restated statement of profit & loss and balance sheet

**Annexure IV**
**SIGNIFICANT ACCOUNTING POLICIES**

## (A) BASIS OF ACCOUNTING

The Audited Financial Statements were prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) at the relevant time. The company has prepared the restated summary statements to comply in all material respect with the accounting standards notified under section 133 of the Companies Act 2013 ('the act'), read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and amended thereof. The restated summary statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of restated summary statements are consistent with those of previous year, except for the change in accounting policy explained below

These Restated Statements and Other Financial Information have been prepared for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with proposed Initial Public Offering of its equity shares, in accordance with the requirements of:

(a) Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Part 1 Chapter III of the Act read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and

(b) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations") issued by the Securities and Exchange Board of India ('SEBI') on 26 August 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

These statements and other financial information have been prepared after incorporating adjustments for the material amounts in the respective years to which they relate.

## (B) USE OF ESTIMATES

The preparation of restated summary statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

## (C) PROPERTY, PLANT & EQUIPMENT

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Gains or losses arising from derecognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**(D) DEPRECIATION**:

Depreciation on Property, Plant and Equipment is calculated on a Written Down Value basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining assets are depreciated over the life of the principal asset.

The Company has assessed the following useful life to depreciate and amortize on its property, plant and equipment and intangible assets respectively.

| Particulars | Useful Lives of the Assets estimated by the management (years) |
|---|---|
| Factory Building | 30 |
| Land & Building | 60 |
| Plant and Machinery | 25* |
| Electrical & Fittings | 10 |
| Furniture and Fixtures | 10 |
| Vehicles | 8 |
| Computers | 3 |
| Air Conditioner | 5 |
| Laboratory | 10 |
| Office Equipment | 5 |

*Based on internal technical evaluation

**(E) CLASSIFICATION OF CURRENT / NON-CURRENT ASSETS & LIABILITIES**:

All assets & liabilities are presented as Current or Non Current as per the Company's normal operating cycle and other criteria set out in Schedule III of Companies Act, 2013. Based on nature of business, the company has ascertained its operating cycle as 12 months for the purpose of Current/Non Current classification of assets and liabilities.

**(F) INVESTMENTS**

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments.

Investments other than long-term investments being current investments are valued at cost or fair value whichever is lower, determined on an individual basis.

On disposal of an investment, the difference between the carrying amount and the net disposal proceeds is recognised in the Statement of Profit and Loss.

Investments which are readily realisable and intended to be held for not more than one year from Balance Sheet date, are classified as current investments. All other investments are classified as non-current investments. However, that part of long term investments which are expected to be realised within twelve months from the Balance sheet date is presented under “Current Investments” in consonance with the current / non-current classification under Schedule III of the Companies Act, 2013.

**(G) INVESTMENTS IN ASSOCIATES:**

The Company is one of the partners having capital contribution ratio and profit sharing ratio to tune of about 85% in ‘M/s. Jakharia Industries’ a partnership firm wherein there are 5 other individual partners. According to the partnership deed (as amended from time to time), key business decisions need unanimous approval of all the partners of the firm, irrespective of their profit sharing ratio and/or capital contribution ratio. In view of the same, the company does not have exclusive power to control the activities of the firm and in turn, influence the returns earned from it’s investment in the firm. Thus, the investment in firm is categorised as investment in Associate.

Further, the firm is still in it's pre- operation phase and operations have not started till the date of financial statements. Consequently, amount of post acquisition profits is nil.

**(H) REVENUE RECOGNITION:**

Revenue is recognized based on the nature of activity to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

Revenue from services rendered is recognized on the basis of completion of job on dispatch thereof to customers or on sale of products. Revenue is recognized on sale of products when no significant uncertainty as to its determination or realization exists.

**(I) INVENTORIES:**

Inventories are carried at lower of cost and net realizable value. Cost is ascertained on first-in-first out basis. The cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling prices in the ordinary course of business less estimated cost necessary to make the sale.

**(J) FOREIGN CURRENCY TRANSACTION:**

**i. Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the standard exchange rate determined at the transaction date.

**ii. Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**iii. Exchange differences**

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
2) All other exchange differences are recognized as income or as expenses in the period in which they arise.

**(K) EMPLOYEE BENEFITS:**

Defined contribution plans and short term employee benefits such as salary, bonus, provident fund etc are charged to Profit & Loss account as incurred. The present value of the obligations under defined benefits plan is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gain and losses arising on such valuation are recognised immediately in the Profit & Loss account. In case of funded defined benefit plan, the fair value of the plan asset is reduced from gross obligation under the defined benefit plan to recognise the obligation on a net basis.

**(L) TAXES ON INCOME:**

**Current Tax:** Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

**Deferred Tax**: Deferred tax is measured on based on the tax rate and tax laws enacted or substantially enacted at the balance date. Deferred tax assets are recognized only if there is reasonable/virtual certainty that they will be realized.

**(M) IMPAIRMENT OF ASSETS:**

At each Balance Sheet date, an assessment is made of whether there is any indication of impairment. Impairment loss is recognized whenever the carrying amount of assets exceeds its recoverable amount.

**(N) PROVISION & CONTINGENCIES:**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**(O) EARNING PER SHARE**

a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as ESOPs and bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(P) CASH & CASH EQUIVALENTS**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(Q)** There are no Auditor's Qualifications in any of the Financial Statements of the Company.

**Annexure V**
**NOTES TO ACCOUNTS**

**1. Managerial Remuneration**

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Salaries and Allowances | 168.24 | 382.50 | 455.00 | 325.00 | 161.86 | 75.28 |

**2. Remuneration to Auditors**

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Audit Fees | 2.66 | 3.45 | 3.45 | 0.56 | 0.55 | 0.55 |

**3. Deferred Tax**

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Deferred tax liabilities/(assets) arising on account of timing difference in:** | | | | | | |
| Opening Balance | 4.47 | (13.72) | (34.97) | (59.37) | (36.25) | (11.70) |
| Depreciation | (35.85) | 21.83 | 24.57 | 26.34 | (22.02) | (23.71) |
| Expenses | (3.84) | (3.64) | (3.33) | (1.94) | (1.10) | (0.84) |
| **Closing Balance** | **(35.22)** | **4.47** | **(13.72)** | **(34.97)** | **(59.37)** | **(36.25)** |

**4.** The company has not received any intimation from supplier regarding their status under micro, small and medium enterprises development Act,2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not furnished.

**5.** The Management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.

**6.** Previous year figures have been regrouped and reclassified whenever necessary to confirm to the current year classification.

**7.** There are no Auditor's Qualification in any of the audited Financial Statements as at and for the years ended December 31, 2017, March 31, 2017,2016,2015,2014 and 2013.

**8. Information regarding Foreign Exchange earnings and expenditure:**

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Earning in Foreign Exchange-export sales | - | 328.39 | 29.28 | 41.98 | - | - |
| Expenditure in Foreign Exchange | - | - | 266.27 | 37.56 | 7.21 | - |
| **Total** | **-** | **328.39** | **295.55** | **79.54** | **7.21** | **-** |

## ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES

**Adjustments having impact on profit**

Changes done in reserves & surplus has been restated for the financial years 2012-13, 2013-14, 2014-15,2015-16 and 2016-17

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Reserves & Surplus as per audited financial statement** | **1,888.95** | **1,730.25** | **1,377.59** | **925.87** | **467.58** | **126.94** |
| Add/ (Less): Provision for tax (incl. earlier years) | - | 6.43 | 2.21 | 2.21 | 2.21 | (10.13) |
| Add/ (Less): Gratuity Provision (incl. earlier years) | - | (34.84) | (22. 80) | (13.77) | (7.80) | (4.42) |
| Add/ (Less): Prior Period Expenses | - | (10.00) | - | - | - | - |
| Add/ (Less): Foreign Exchange Loss | - | - | - | (0.50) | - | - |
| Add/ (Less): Difference in Deferred tax rectified | - | 8.00 | 4.01 | 1.03 | 2.99 | 0.84 |
| **Reserves & Surplus as per restated financial statement** | **1,888.95** | **1,699.83** | **1,361.01** | **914.84** | **464.98** | **113.23** |

Impact on Profit and Loss A/c

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Profit as per Audited Financials** | **158.70** | **352.67** | **451.71** | **441.30** | **340.64** | **82.82** |
| Add / Less: Provision for tax | (6.42) | 4.22 | - | - | 12.34 | - |
| Add / Less: Preference Dividend & DDT | - | - | - | - | 4.91 | - |
| Add / Less: Prior period expenses | 10.00 | (10.00) | 0.50 | (0.50) | - | - |
| Add / Less: Prior period Gratuity Expenses | 34.84 | - | - | - | - | - |
| Add / Less: Gratuity Provision | - | (12.04) | (9.03) | (5.97) | (3.38) | (2.72) |
| Add / Less: Difference in Deferred tax rectified | (8.00) | 3.98 | 2.99 | (1.96) | 2.15 | 0.84 |
| **Profit as per Restated Financials** | **189.12** | **338.82** | **446.17** | **432.86** | **356.66** | **80.94** |

**Adjustments not having impact on profit**

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

**Annexure VI**
**STATEMENT OF SHARE CAPITAL, AS RESTATED**

*(₹ in lakhs except no of shares)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Equity Share Capital** | | | | | | |
| **Authorised Share capital** | | | | | | |
| 30,00,000 Equity Shares of Rs. 10/- each | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 |
| 5,00,000 9% Convertible Preference Shares of Rs.10/- each* | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 |
| **Total** | **350.00** | **350.00** | **350.00** | **350.00** | **350.00** | **350.00** |
| | | | | | | |
| **Issued, Subscribed and Fully Paid Up Share Capital** | | | | | | |
| 27,38,500 Equity Shares of Rs.10/- each fully paid up | 273.85 | 273.85 | 273.85 | 273.85 | - | - |
| 26,53,500 Equity Shares of Rs.10/- each fully paid up | - | - | - | - | 265.35 | 265.35 |
| 2,33,330 9% Convertible Preference Shares of Rs.10/- each* | 23.33 | 23.33 | 23.33 | 23.33 | 23.33 | 23.33 |
| **Total** | **297.18** | **297.18** | **297.18** | **297.18** | **288.68** | **288.68** |

**Reconciliation of number of shares outstanding:**

| Particulars | As at December 31,2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| ***Equity Shares*** | | | | | | |
| Equity shares at the beginning of the year of Rs. 10/- each | 2,738,500 | 2,738,500 | 2,738,500 | 2,653,500 | 2,653,500 | 2,653,500 |
| Issued during the year | - | - | - | 85,000 | - | - |
| **Equity Shares at the end of the year** | **2,738,500** | **2,738,500** | **2,738,500** | **2,738,500** | **2,653,500** | **2,653,500** |
| | | | | | | |
| ***Preference Shares*** | | | | | | |
| 9% Convertible Preference Shares at the beginning of the year of Rs. 10/- each* | 233,330 | 233,330 | 233,330 | 233,330 | 233,330 | 233,330 |
| **9% Convertible Preference Shares at the end of the year*** | **233,330** | **233,330** | **233,330** | **233,330** | **233,330** | **233,330** |

***** *These shares have been converted to equity shares vide resolution dated March 8, 2018. As on the date of this report, all equity shares are ranked pari passu.*

**Annexure VII**
**STATEMENT OF RESERVES AND SURPLUS, AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Profit & Loss A/c** | | | | | | |
| Opening Balance | 1,356.16 | 1,017.34 | 571.17 | 138.31 | (213.43) | (282.54) |
| Less: Adjustment for gratuity provision | - | - | - | - | - | (1.70) |
| Less : Short Tax Provision | - | - | - | - | - | (10.13) |
| Add / (Less): Changes during the year | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Add: Profit After Tax | 189.13 | 338.82 | 446.17 | 432.86 | 356.66 | 80.94 |
| Less: Appropriations | | | | | | |
| Preference Dividend | - | - | - | - | (4.20) | - |
| Tax on preference dividend | - | - | - | - | (0.71) | - |
| **Total (a)** | **1,545.29** | **1,356.16** | **1,017.34** | **571.17** | **138.31** | **(213.43)** |
| **Security Premium** | | | | | | |
| Opening Balance | 343.67 | 343.67 | 343.67 | 326.67 | 326.67 | 326.67 |
| Add / (Less): Changes during the year | | | | | | |
| Add: Premium on share capital | | | - | 17.00 | - | |
| Less: Utilized/transfer during the period | - | - | - | - | - | - |
| **Total (b)** | **343.67** | **343.67** | **343.67** | **343.67** | **326.67** | **326.67** |
| **Total Reserves (a+b)** | **1,888.95** | **1,699.83** | **1,361.01** | **914.84** | **464.98** | **113.23** |

**Annexure VIII**
**STATEMENT OF LONG TERM BORROWINGS, AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Secured Loans** | | | | | | |
| From Banks | 840.19 | 732.91 | 20.99 | 171.65 | 464.37 | 767.34 |
| **Unsecured Loans** | | | | | | |
| **Promoter/Promoter group** | | | | | | |
| From Directors | 1,117.26 | 1,237.14 | 1,415.69 | 865.77 | 446.50 | 213.07 |
| From Related Parties | 50.81 | 50.88 | 68.82 | 63.32 | 636.87 | 428.55 |
| **From others** | | | | | | |
| Inter Corporate Loans | - | 40.00 | 41.75 | 10.00 | 25.00 | 65.33 |
| **T O T A L** | **2,008.26** | **2,060.93** | **1,547.25** | **1,110.74** | **1,572.74** | **1,474.29** |
| **Current maturities of long term debt** | **120.54** | **109.04** | **317.94** | **289.28** | **285.40** | **281.40** |

*Note: For details of the terms of sanction, maturity and other details of outstanding loans please refer "Financial Indebtedness" beginning on page no.161 of this Prospectus.*

**Annexure IX**
**STATEMENT OF DEFERRED TAX LIABILITIES, AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Deferred Tax Liabilities | - | 4.47 | - | - | - | - |
| **TOTAL** | **-** | **4.47** | **-** | **-** | **-** | **-** |

**Annexure X**
**STATEMENT OF LONG TERM PROVISIONS, AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Provision for gratuity | 42.69 | 30.77 | 21.37 | 13.54 | 7.66 | 4.41 |
| **TOTAL** | **42.69** | **30.77** | **21.37** | **13.54** | **7.66** | **4.41** |

`

**Annexure XI**
**STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Secured Loan** | | | | | | |
| From Bank -Cash Credit | 124.43 | 117.50 | 170.62 | 166.54 | 218.80 | 208.69 |
| **Unsecured Loan** | | | | | | |
| From Corporates (Inter Corporate Loans) | - | - | - | 158.37 | 45.00 | - |
| **T O T A L** | **124.43** | **117.50** | **170.62** | **324.91** | **263.80** | **208.69** |

*Note: For details of the terms of sanction, maturity and other details of outstanding loans please refer "Financial Indebtedness" beginning on page no.161 of this Prospectus.*

**Annexure XII**
**STATEMENT OF TRADE PAYABLES AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Trade Payable** | | | | | | |
| **Unsecured, considered goods** | | | | | | |
| Promoter/Promoter group | 172.06 | - | - | - | - | - |
| Others | 1,254.59 | 1,471.62 | 2,156.47 | 1,934.83 | 1,473.47 | 1,427.51 |
| **TOTAL** | **1,426.65** | **1,471.62** | **2,156.47** | **1,934.83** | **1,473.47** | **1,427.51** |

**Annexure XIII**
**STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Current Maturity of Long Term Debts | 120.54 | 109.04 | 317.94 | 289.28 | 285.40 | 281.40 |
| Statutory Dues payable | 27.49 | 23.94 | 50.44 | 75.09 | 31.18 | 50.98 |
| Salary and Wages Payable | 127.97 | 24.09 | 28.15 | 78.67 | 75.09 | 35.78 |
| Advance from customers | 0.03 | 0.35 | 2.31 | - | - | - |
| **TOTAL** | **276.04** | **157.43** | **398.83** | **443.04** | **391.67** | **368.16** |

**Annexure XIV**
**STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Dividend Distribution tax | - | - | - | 0.71 | 0.71 | - |
| Dividend payable | - | - | - | 4.20 | 4.20 | - |
| Provision for gratuity | 6.07 | 4.07 | 1.43 | 0.23 | 0.14 | 0.01 |
| **Total** | **6.07** | **4.07** | **1.43** | **5.14** | **5.05** | **0.01** |

**Annexure XV**
**STATEMENTOF FIXED ASSETS, AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **FURNITURE & FIXTURE** | | | | | | |
| Gross Block | 10.57 | 10.57 | 10.57 | 9.99 | 8.33 | 5.48 |
| Addition during the year | 0.15 | - | - | 0.58 | 1.66 | 2.85 |
| Reduction during the year | - | - | - | - | - | - |

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Depreciation During the year | 0.60 | 1.06 | 1.47 | 1.92 | 1.21 | 1.23 |
| Accumulated Depreciation | 8.35 | 7.75 | 6.69 | 5.22 | 3.31 | 2.09 |
| **Closing Balance (Net Block)** | **2.37** | **2.82** | **3.89** | **5.35** | **6.68** | **6.24** |
| | | | | | | |
| **COMPUTER** | | | | | | |
| Gross Block | 5.17 | 4.80 | 4.69 | 3.08 | 2.54 | 2.23 |
| Addition during the year | 0.60 | 0.37 | 0.51 | 1.62 | 0.53 | 0.32 |
| Reduction during the year | - | - | 0..40 | - | - | - |
| Depreciation During the year | 0.38 | 0.63 | 0.86 | 1.95 | 0.67 | 0.98 |
| Accumulated Depreciation | 5.06 | 4.68 | 4.06 | 3.60 | 1.65 | 0.98 |
| **Closing Balance (Net Block)** | **0.71** | **0.49** | **0.74** | **1.09** | **1.43** | **1.56** |
| | | | | | | |
| **LAND** | 273.52 | 273.52 | 273.52 | 273.52 | 273.52 | 273.52 |
| Gross Block | - | - | - | - | - | - |
| Addition during the year | - | - | - | - | - | - |
| Reduction during the year | - | - | - | - | - | - |
| Depreciation During the year | - | - | - | - | - | - |
| Accumulated Depreciation | - | - | - | - | - | - |
| **Closing Balance (Net Block)** | **273.52** | **273.52** | **273.52** | **273.52** | **273.52** | **273.52** |
| | | | | | | |
| **FACTORY BUILDING** | | | | | | |
| Gross Block | 663.20 | 655.34 | 652.99 | 647.68 | 640.11 | 616.33 |
| Addition during the year | 4.83 | 7.86 | 2.35 | 5.31 | 7.58 | 23.78 |
| Reduction during the year | - | - | - | - | - | - |
| Depreciation During the year | 20.94 | 29.64 | 31.51 | 33.84 | 53.19 | 59.32 |
| Accumulated Depreciation | 282.13 | 261.19 | 231.55 | 200.04 | 166.20 | 113.01 |
| **Closing Balance (Net Block)** | **385.90** | **402.01** | **423.79** | **452.95** | **481.49** | **527.09** |
| | | | | | | |
| **PLANT AND MACHINERY** | | | | | | |
| Gross Block | 2418.54 | 2303.47 | 2146.82 | 2029.37 | 1896.03 | 1529.81 |
| Addition during the year | 74.35 | 115.07 | 172.01 | 117.45 | 133.34 | 366.22 |
| Reduction during the year | - | - | 15.35 | - | - | - |
| Depreciation During the year | 94.42 | 131.63 | 123.08 | 124.05 | 285.24 | 305.88 |
| Accumulated Depreciation | 1347.36 | 1252.94 | 1121.31 | 1007.24 | 883.19 | 597.95 |
| **Closing Balance (Net Block)** | **1,145.54** | **1,165.61** | **1,182.17** | **1,139.58** | **1,146.18** | **1,298.08** |
| | | | | | | |
| **ELECTRICAL INSTALLATION AND EQUIPMENTS** | | | | | | |
| Gross Block | 142.36 | 141.22 | 120.66 | 116.44 | 115.60 | 106.12 |
| Addition during the year | 12.50 | 1.14 | 20.57 | 4.22 | 0.84 | 9.48 |
| Reduction during the year | - | - | - | - | - | - |
| Depreciation During the year | 9.23 | 15.20 | 18.68 | 20.43 | 14.92 | 17.17 |
| Accumulated Depreciation | 112.13 | 102.91 | 87.71 | 69.02 | 48.59 | 33.67 |
| **Closing Balance (Net Block)** | 42.72 | 39.45 | 53.51 | 51.63 | 67.84 | 81.93 |
| | | | | | | |
| **OFFICE EQUIPMENT** | | | | | | |
| Gross Block | 11.87 | 11.50 | 8.63 | 8.32 | 7.26 | 6.88 |
| Addition during the year | 1.69 | 0.37 | 2.91 | 0.31 | 1.07 | 0.38 |
| Reduction during the year | - | - | 0.05 | - | - | - |
| Depreciation During the year | 0.66 | 1.40 | 2.26 | 3.64 | 1.16 | 1.17 |
| Accumulated Depreciation | 10.85 | 10.19 | 8.79 | 6.58 | 2.94 | 1.78 |
| **Closing Balance (Net Block)** | **2.71** | **1.68** | **2.71** | **2.05** | **5.38** | **5.48** |
| | | | | | | |
| **VEHICLES** | | | | | | |
| Gross Block | 19.43 | 21.08 | 21.08 | 21.08 | 6.63 | 6.07 |

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Addition during the year | 13.01 | - | - | - | 14.44 | 0.57 |
| Reduction during the year | - | 1.65 | - | - | - | - |
| Depreciation During the year | 2.19 | 2.27 | 3.34 | 4.89 | 2.84 | 1.32 |
| Accumulated Depreciation | 16.83 | 14.64 | 13.89 | 10.55 | 5.66 | 2.83 |
| **Closing Balance (Net Block)** | **15.61** | **4.78** | **7.19** | **10.53** | **15.41** | **3.81** |
| | | | | | | |
| **ROTO CRATE** | | | | | | |
| Gross Block | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 |
| Addition during the year | - | - | - | - | - | - |
| Reduction during the year | - | - | - | - | - | - |
| Depreciation During the year | 0.01 | 0.02 | 0.03 | 0.03 | 0.04 | 0.05 |
| Accumulated Depreciation | 0.52 | 0.50 | 0.48 | 0.46 | 0.42 | 0.38 |
| **Closing Balance (Net Block)** | 0.09 | 0.10 | 0.12 | 0.15 | 0.18 | 0.22 |
| | | | | | | |
| **MOBILE** | | | | | | |
| Gross Block | 0.65 | 0.65 | 0.65 | 0.65 | 0.59 | 0.37 |
| Addition during the year | - | - | - | - | 0.07 | 0.22 |
| Reduction during the year | - | - | - | - | - | - |
| Depreciation During the year | - | 0.03 | 0.10 | 0.27 | 0.09 | 0.09 |
| Accumulated Depreciation | 0.62 | 0.62 | 0.59 | 0.48 | 0.21 | 0.12 |
| **Closing Balance (Net Block)** | 0.04 | 0.04 | 0.07 | 0.17 | 0.44 | 0.47 |
| | | | | | | |
| **Gross Block** | **3,653.05** | **3,545.91** | **3,422.76** | **3,240.22** | **3,110.73** | **2,951.22** |
| **Net Addition** | **107.14** | **123.15** | **182.54** | **129.49** | **159.51** | **403.81** |
| **Total Depreciation and Amortization For the Year** | **128.42** | **181.89** | **181.31** | **191.03** | **359.36** | **387.21** |
| **Total Accumulated Depreciation** | **1,783.84** | **1,655.42** | **1,475.05** | **1,303.20** | **1,112.17** | **752.81** |
| **Net Block** | **1,869.20** | **1,890.49** | **1,947.71** | **1,937.02** | **1,998.56** | **2,198.41** |
| | | | | | | |
| **CAPITAL WORK-IN-PROGRESS** | | | | | | |
| Gross Block | 236.77 | 236.77 | - | - | - | - |
| Addition during the year | | | 236.77 | - | - | - |
| Reduction during the year | - | - | - | - | - | - |
| **Closing Balance (Net Block)** | **236.77** | **236.77** | **236.77** | **-** | **-** | **-** |

**Annexure XVI**
**STATEMENTOF NON-CURRENT INVESTMENTS, AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Investment in equity instruments (unquoted)** | | | | | | |
| Shares of NKGSB Co-operative bank | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| **Investments in partnership firm** | | | | | | |
| Capital investments in M/s. Jakharia Industries | 1,332.81 | 910.75 | 388.00 | - | - | - |
| **Total** | **1,333.81** | **911.75** | **389.00** | **1.00** | **1.00** | **1.00** |

**Annexure XVII**
**STATEMENT OF DEFERRED TAX ASSETS, AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Deferred Tax Assets | 35.22 | - | 13.72 | 34.97 | 59.37 | 36.25 |
| **Total** | **35.22** | **-** | **13.72** | **34.97** | **59.37** | **36.25** |

**Annexure XVIII**
**STATEMENT OF LONG TERM LOANS & ADVANCES**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| MAT Credit | - | - | - | - | - | 11.26 |
| Security Deposits | 166.36 | 165.45 | 161.95 | 74.00 | 73.88 | 63.77 |
| Balance with government authorities | 361.89 | 449.29 | 441.68 | 328.23 | 287.98 | 176.74 |
| Advances to others | - | - | 0.05 | 7.30 | 3.00 | 3.00 |
| **Total** | **528.25** | **614.74** | **603.68** | **409.53** | **364.86** | **254.77** |

**Annexure XIX**
**STATEMENT OF OTHER NON-CURRENT ASSETS AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Deposit with banks (with original maturity period of more than 12 months)* | 56.65 | 58.80 | 10.59 | - | - | - |
| Others (Preliminary expenses) | - | - | - | 0.70 | 1.75 | 1.75 |
| **T O T A L** | **56.65** | **58.80** | **10.59** | **0.70** | **1.75** | **1.75** |
| *Earmarked balance with MPCB / EPCG & DGFT | 56.65 | 58.80 | 10.59 | - | - | - |

**Annexure XX**
**STATEMENT OF INVENTORIES AS RESTATED**

*(₹ In lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Inventories | 351.79 | 325.61 | 458.85 | 282.96 | 465.86 | 281.52 |
| **Total** | **351.79** | **325.61** | **458.85** | **282.96** | **465.86** | **281.52** |

**Annexure XXI**
**STATEMENT OF TRADE RECEIVABLES AS RESTATED**

*(₹ In lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **O/s less than six months** | | | | | | |
| **Considered good** | | | | | | |
| Promoter/Promoter group | - | 0.95 | - | 3.19 | 4.32 | - |
| Others | 1,492.24 | 1,509.50 | 1,545.90 | 2,127.63 | 1,345.97 | 1,064.80 |
| **O/s more than six months** | | | | | | |
| Promoter/Promoter group | 4.47 | - | - | - | - | - |
| Others | 75.66 | 209.69 | 276.79 | - | - | - |
| **T O T A L** | **1,572.37** | **1,720.14** | **1,822.69** | **2,130.82** | **1,350.29** | **1,064.80** |

**Annexure XXII**
**STATEMENTOF CASH AND CASH EQUIVALENTS, AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Balances with Banks | 20.44 | 4.57 | 0.67 | 77.56 | 73.52 | 2.16 |
| Cash On Hand | 2.92 | 7.19 | 3.92 | 3.27 | 1.37 | 0.83 |
| Balances in Deposit Accounts* | 45.55 | 40.30 | 258.71 | 152.49 | 139.54 | 31.57 |
| **Total** | **68.91** | **52.06** | **263.30** | **233.32** | **214.42** | **34.56** |

| | | | | | | |
|---|---|---|---|---|---|---|
| *Earmarked balance with MPCB / EPCG & DGFT | 32.27 | 10.11 | 68.33 | 78.92 | 29.66 | 29.66 |

**Annexure XXIII**
**STATEMENTOF SHORT TERM LOANS AND ADVANCES, AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Promoter/Promoter Group** | - | - | - | - | - | - |
| **Others** | | | | | | |
| Advance to suppliers | 3.23 | 18.66 | 192.63 | 2.17 | 1.87 | 3.95 |
| Advances to employees | 11.48 | 9.08 | 7.97 | 5.43 | 3.42 | 1.71 |
| **Total** | **14.71** | **27.73** | **200.60** | **7.60** | **5.29** | **5.65** |

**Annexure XXIV**
**STATMENTOF OTHER CURRENT ASSETS, AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Interest receivables | - | - | - | 0.71 | - | - |
| Prepaid expenses | 2.58 | 2.59 | 4.16 | 2.49 | 3.55 | 3.18 |
| Other receivables | - | 3.10 | 3.10 | 3.10 | 3.10 | 3.10 |
| **Total** | **2.58** | **5.70** | **7.26** | **6.30** | **6.65** | **6.28** |

**Annexure XXV**
**STATEMENTOF REVENUE FROM OPERATIONS, AS RESTATED**

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Sale of services** | | | | | | |
| Job work income | 5,007.96 | 6,096.25 | 7,621.56 | 8,847.49 | 7,557.32 | 4,782.48 |
| **Sale of Products** | | | | | | |
| Finished goods | 340.08 | 1,382.80 | 54.56 | - | - | - |
| **Total** | **5,348.03** | **7,479.05** | **7,676.12** | **8,847.49** | **7,557.32** | **4,782.48** |

**Annexure XXVI**
**SCHEDULEOF OTHER INCOME, AS RESTATED**

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Recurring Other income** | | | | | | |
| Interest on fixed deposits | 4.45 | 12.38 | 25.11 | 10.31 | 3.62 | 4.80 |
| Dividend | 0.12 | 0.12 | 0.12 | 0.12 | 0.15 | 0.15 |
| **Non-Recurring Other income** | | | | | | |
| Interest on income tax refund | 1.51 | 14.05 | - | - | - | - |
| Credit balance written back | - | 115.04 | 8.33 | 21.31 | - | - |
| Profit on sale of car | - | 0.34 | - | - | - | |
| Interest on vat refund | 11.40 | 0.92 | 0.87 | 3.19 | - | - |
| Foreign exchange gain | - | 1.92 | 0.03 | - | - | - |
| Duty Drawback | 3.78 | 22.14 | 2.51 | - | 1.63 | - |
| EPCG/sale of export license | - | 45.98 | - | - | - | - |
| Others * | 6.97 | 10.91 | 10.39 | 34.82 | 19.99 | - |
| **Total** | **28.21** | **223.79** | **47.37** | **69.76** | **25.40** | **4.95** |

| | | | | | | |
|---|---|---|---|---|---|---|
| Net Profit Before Tax as Restated | 210.81 | 510.01 | 668.00 | 641.00 | 444.73 | 56.39 |
| **Other Income as % of Net Profit Before Tax** | **13.38%** | **43.88%** | **7.09%** | **10.88%** | **5.71%** | **8.78%** |

*Other Interest includes other miscellaneous income

**Annexure XXVII**
**STATEMENT OF DIVIDEND DECLARED, AS RESTATED**

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **On Equity Shares** | | | | | | |
| Fully Paid up Share Capital (₹ in lakhs) | 273.85 | 273.85 | 273.85 | 273.85 | 265.35 | 265.35 |
| Face Value (₹) | 10 | 10 | 10 | 10 | 10 | 10 |
| Paid up value per share (₹) | 10 | 10 | 10 | 10 | 10 | 10 |
| Rate of dividend | - | - | - | - | - | - |
| Total Dividend | - | - | - | - | - | - |
| Corporate dividend tax on above | - | - | - | - | - | - |

*Note: Company has not declared any dividend on equity shares previously, however company has declared and paid dividend on preference shares in the financial year 2013-14.*

**Annexure XXVIII**
**STATEMENTOF RELATED PARTY TRANSACTIONS, AS RESTATED**

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

(i) Key Managerial Personnel

| For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| Himatlal Shah | Himatlal Shah | Himatlal Shah | Himatlal Shah | Himatlal Shah | Himatlal Shah |
| Jignesh Shah | Jignesh Shah | Jignesh Shah | Jignesh Shah | Jignesh Shah | Jignesh Shah |
| Nitin Shah | Nitin Shah | Nitin Shah | Nitin Shah | Nitin Shah | Nitin Shah |
| Dixit Shah | Dixit Shah | Dixit Shah | Dixit Shah | Dixit Shah | Dixit Shah |
| Manekchand Shah | Manekchand Shah | Manekchand Shah | Manekchand Shah | Manekchand Shah | Manekchand Shah |

(ii) Relatives of KMPs

| For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| Champaben Shah | Champaben Shah | Champaben Shah | Champaben Shah | Champaben Shah | Champaben Shah |
| Kantaben K Shah | Kantaben K Shah | Kantaben K Shah | Kantaben K Shah | Kantaben K Shah | Kantaben K Shah |
| Shejal Shah | Shejal Shah | Shejal Shah | Shejal Shah | Shejal Shah | Shejal Shah |
| Suryaben Shah | Suryaben Shah | Suryaben Shah | Suryaben Shah | Suryaben Shah | Suryaben Shah |
| Rinkal Shah | Rinkal Shah | Rinkal Shah | Rinkal Shah | Rinkal Shah | Rinkal Shah |
| Sejal Nitin Shah | Sejal Nitin Shah | Sejal Nitin Shah | Sejal Nitin Shah | Sejal Nitin Shah | Sejal Nitin Shah |

(iii) Associates / Enterprises over which directors and / or their relatives has significant influence

| For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| Dixit Processors | Dixit Processors | Dixit Processors | Dixit Processors | Dixit Processors | Dixit Processors |
| - | - | Himatlal P Shah (HUF) | Himatlal P Shah (HUF) | Himatlal P Shah (HUF) | - |
| - | - | - | Manekchand P Shah (HUF) | Manekchand P Shah (HUF) | - |
| Jakharia Synthetics Pvt Ltd | Jakharia Synthetics Pvt Ltd | Jakharia Synthetics Pvt Ltd | Jakharia Synthetics Pvt Ltd | Jakharia Synthetics Pvt Ltd | Jakharia Synthetics Pvt Ltd |
| Jakharia Industries | Jakharia Industries | Jakharia Industries | - | - | - |

(iv) Particulars of Transactions with Related Parties

**Key Management Personnel**

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **1) Finance** | | | | | | |
| Opening Balance | 1,237.14 | 1,415.69 | 865.77 | 446.50 | 213.07 | 87.88 |
| Loan Taken | 78.11 | 371.04 | 1,127.46 | 827.00 | 447.25 | 172.44 |
| Repayment of Loan taken | 197.99 | 549.59 | 577.55 | 407.73 | 213.82 | 47.24 |
| Closing Balance | 1,117.26 | 1,237.14 | 1,415.69 | 865.77 | 446.50 | 213.07 |
| **2) Expenses** | | | | | | |
| Interest Paid | - | 122.95 | 127.30 | 51.04 | 29.55 | 16.30 |
| Remuneration | 168.24 | 382.50 | 455.00 | 325.00 | 161.86 | 75.28 |

**Relatives of Key Managerial Personnel**

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **1) Finance** | | | | | | |
| Opening Balance | 50.88 | 68.78 | 63.32 | 350.99 | 78.58 | 40.60 |
| Loan Taken | - | 7.54 | 71.02 | 37.32 | 314.88 | 58.13 |
| Repayment of Loan taken | 0.07 | 25.43 | 65.52 | 324.99 | 42.47 | 20.16 |
| Closing Balance | 50.81 | 50.88 | 68.82 | 63.32 | 350.99 | 78.58 |
| **2)Expenses** | | | | | | |
| Rent | - | - | 1.80 | 1.80 | - | - |
| Interest | - | 8.21 | 9.96 | 41.47 | 25.65 | 4.28 |

**Associates / Enterprises over which directors and / or their relatives has significant influence**

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **1) Purchase** | | | | | | |
| Goods/Process Charges | 213.06 | 129.73 | 4.12 | 48.20 | 6.84 | - |
| 2**) Sales** | | | | | | |
| Job Work | 16.41 | 7.64 | 2.71 | 22.26 | 7.42 | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| **3) Interest Paid** | - | - | - | 22.03 | 44.94 | 32.85 |
| **4) Investments** | | | | | | |
| Opening Balance | 910.75 | 388.00 | - | - | - | - |
| Capital introduced | 475.92 | 1,059.12 | 388.00 | - | - | - |
| Capital Withdrawan | 53.86 | 536.37 | - | - | - | - |
| Share of Profit for the Year | - | - | - | - | - | - |
| Closing Balance | 1,332.81 | 910.75 | 388.00 | - | - | - |
| **5) Finance** | | | | | | |
| Opening Balance | - | - | - | 285.88 | 349.97 | 111.44 |
| Loan Taken | - | 18.37 | 10.07 | 62.05 | 163.76 | 293.98 |
| Repayment of Loan taken | - | 18.37 | 10.07 | 347.93 | 227.85 | 55.45 |
| Closing Balance | - | - | - | - | 285.88 | 349.97 |
| **6) Outstanding** | | | | | | |
| Receivables | - | 0.95 | - | 3.19 | 4.32 | - |
| Payables | 172.06 | - | - | - | - | - |

**Annexure XXIX**
**STATEMENT OF CAPITALIZATION**

*(₹ in lakhs)*

| Particulars | Pre-Issue (as at December 31, 2017) | Post Issue |
|---|---|---|
| **Debt** | | |
| Long Term Debt (including current maturity on long term debt) | 2,128.80 | 2,128.80 |
| Short term debt | 124.43 | 124.43 |
| **Total Debts (A)** | **2,253.23** | **2,253.23** |
| | | |
| **Shareholder's Funds** | | |
| Share Capital | 297.18 | 406.38 |
| Reserve and surplus | 1888.95 | 3,745.35 |
| **Total (B)** | **2,186.13** | **4,151.73** |
| | | |
| **Long term Debt (including current maturity of long term debt) / Shareholder's funds** | **0.97** | **0.51** |
| **Total Debt / Shareholder's Funds** | **1.03** | **0.54** |

**Annexure XXX**
**STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED**

*(₹ in lakhs)*

| Particulars | As at December 31, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Disputed income tax demand | 92.03 | 43.78 | 43.78 | 43.18 | 43.18 | 43.18 |
| Bank guarantee | 88.92 | 68.92 | 78.92 | 78.92 | 29.66 | 29.66 |
| Corporate guarantee | - | - | 300.00 | 300.00 | 300.00 | 300.00 |
| **T O T A L** | **180.95** | **112.70** | **422.70** | **422.10** | **372.84** | **372.84** |

**Annexure XXXI**
**STATEMENT OF ACCOUNTING RATIOS, AS RESTATED**

*(₹ in lakhs except share data)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Restated PAT as per P & L Account | 189.12 | 338.82 | 446.17 | 432.86 | 351.74 | 80.94 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Actual Number of Equity Shares outstanding at the end of the year/ period | 27,38,500 | 27,38,500 | 27,38,500 | 27,38,500 | 26,53,500 | 26,53,500 |
| Equivalent Weighted Avg. number of Equity Shares at the end of the year/ period | 27,38,500 | 27,38,500 | 27,38,500 | 27,04,034 | 26,53,500 | 26,53,500 |
| Diluted Weighted Avg. number of Equity Shares at the end of the year / period | 29,71,830 | 29,71,830 | 29,71,830 | 29,71,364 | 28,86,830 | 28,86,830 |
| Share Capital | 297.18 | 297.18 | 297.18 | 297.18 | 288.68 | 288.68 |
| Reserves & Surplus | 1,888.95 | 1,699.83 | 1,361.01 | 914.84 | 464.98 | 113.23 |
| Misc. Expenses not w/off | - | - | - | 0.70 | 1.75 | 1.75 |
| **Net Worth** | **2,186.13** | **1,997.01** | **1,658.19** | **1,211.32** | **751.91** | **400.17** |
| **Earnings Per Share:** | | | | | | |
| Basic | 6.91 | 12.37 | 16.29 | 16.01 | 13.26 | 3.05 |
| Diluted | 6.36 | 11.40 | 15.01 | 14.57 | 12.18 | 2.80 |
| Return on Net Worth (%) | 8.65% | 16.97% | 26.91% | 35.73% | 46.78% | 20.23% |
| Net Asset Value Per Share (Rs) | 73.56 | 67.20 | 55.80 | 41.24 | 26.05 | 13.86 |
| Nominal Value per Equity share (Rs.) | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |

*Notes on Accounting Ratios:*

1. Basic Earnings Per Share (₹) = (Restated PAT as per P & L Account/ Weighted Average Number of Equity Shares at the end of the Year/ period end)
.
2. Diluted Earnings Per Share (₹) = (Restated PAT as per P & L Account/ Weighted Average Number of Equity Shares at the end of the Year/ period end + potential no. of equity shares upon conversion of CCPS).

3. Return on Net Worth (%) = Restated PAT as per P & L Account/ Net Worth - Restated * 100.

4. Net Asset Value Per Share (₹) = Net Worth - Restated/ Number of Equity Shares at the end of the Year/ period end + potential no. of equity shares upon conversion of CCPS.

**Annexure XXXII**
**STATEMENT OF TAX SHELTER**

*(₹ in lakhs)*

| Particulars | For the period ended December 31, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Tax Rates** | | | | | | |
| Normal Corporate tax rates (%) | **33.06%** | **33.06%** | **33.06%** | **32.45%** | **32.45%** | **32.45%** |
| Minimum alternate tax rates (%) | **20.39%** | **20.39%** | **20.39%** | **20.01%** | **20.01%** | **19.06%** |
| **Profit before tax as per Restated P/L (A)** | **210.81** | **510.01** | **668.00** | **641.00** | **444.73** | **56.39** |
| **Incomes considered separately** | | | | | | |
| Dividend (Exempt) | - | 0.12 | 0.12 | - | - | - |
| **Total income considered separately (B)** | | 0.12 | 0.12 | - | - | - |
| **Restated Profit other than income considered separately (C)=(A-B)** | **210.81** | **509.89** | **667.88** | **641.00** | **444.73** | **56.39** |
| **Tax Adjustment** | | | | | | |
| **Permanent Differences** | | | | | | |
| Penalty under various provisions | - | 0.15 | 0.56 | - | - | - |
| Interest on TDS | - | 0.12 | 0.60 | - | - | - |
| Prior Period Expenses | - | 10.00 | (0.50) | 0.50 | - | - |
| **Total Permanent Differences (D)** | - | 10.27 | 0.65 | 0.50 | - | - |
| **Timing Differences** | | | | | | |
| Depreciation as per Income Tax | (168.94) | (247.92) | (255.64) | (272.20) | (291.49) | (310.48) |

| | | | | | | |
|---|---|---|---|---|---|---|
| Depreciation as per Books | 128.42 | 181.89 | 181.31 | 191.03 | 359.36 | 387.21 |
| Loss on sale of Fixed Assets | - | - | - | - | - | - |
| Audit Fees | - | (1.04) | 1.04 | - | - | - |
| Gratuity Provision | 13.92 | 12.04 | 9.03 | 5.97 | 3.38 | 2.72 |
| Foreign exchange loss | 1.44 | - | - | - | - | - |
| **Total Timing Differences (E)** | **25.15** | **(55.03)** | **(64.26)** | **(75.20)** | **71.25** | **79.45** |
| **Taxable Income/(Loss) (F=C+D+E)** | **185.66** | **465.14** | **604.27** | **566.30** | **515.98** | **135.84** |
| Less: B/fd losses (G) | - | - | - | - | (138.55) | (135.84) |
| **Net Taxable Income (H=F-G)** | **185.66** | **465.14** | **604.27** | **566.30** | **377.43** | **(0.00)** |
| **Tax payable as per normal provisions (other than 115JB) of the Act (I)** | **61.38** | **153.79** | **199.79** | **183.74** | **122.46** | **(0.00)** |
| MAT Credit**(J)** | - | - | - | - | (11.26) | - |
| **MAT on Book Profit (K)** | **42.98** | **103.98** | **136.19** | **128.26** | **88.98** | **10.74** |
| **Tax paid as per normal or MAT** | **Normal** | **Normal** | **Normal** | **Normal** | **Normal** | **MAT** |
| **Total payable for the year maximum of (I-J) or (K)** | **61.38** | **153.79** | **199.79** | **183.74** | **111.20** | **10.74** |

**Note:**

1. The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Profit and Loss Account.

**CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS**

There has been no change in the Accounting Policies in the last three (3) years.

**CHANGES IN ACCOUNTING PERIOD**

There has been no change in the accounting period of the Company.

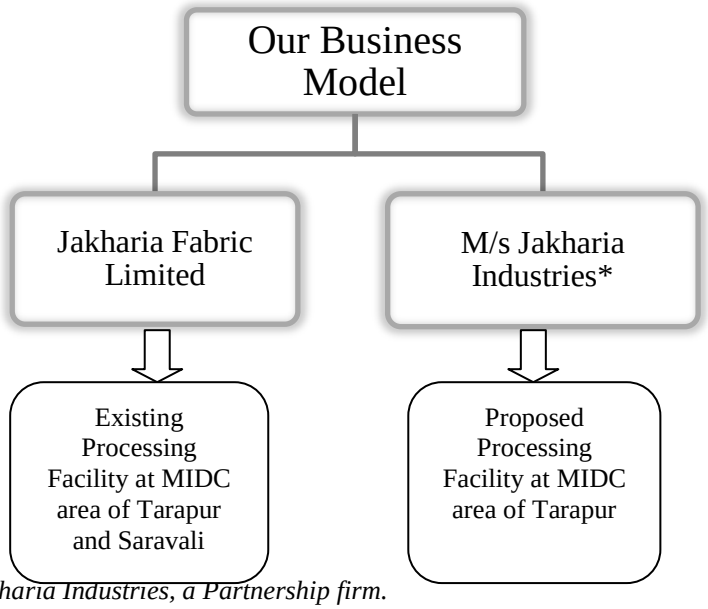
## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.*

*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

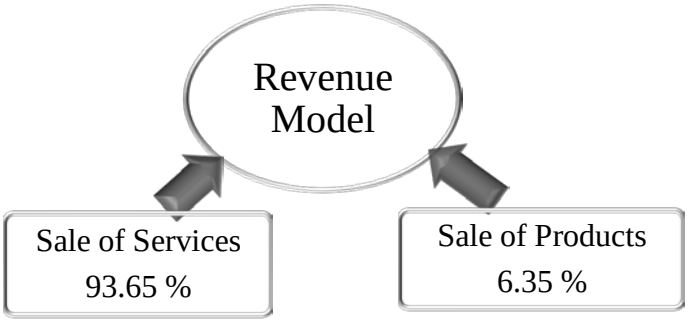
Our Company is engaged in the business of dyeing and processing of fabrics on job work basis for other textile companies as well as for own manufacturing product lines. Our Company procures Grey Fabric from the market and further dyes and finishes the same as per the client's requirements on the basis of quality of the fabric, sizing requirements etc. Our Company also outsources certain processes like weaving of the fabric and printing as per the demand of the customers based on the quality required. Our Company manufactures and processes the fabric specially suitable for Shirtings.

Our Company is in process of setting up an additional processing facility at Plot No. J1/1, MIDC Tarapur Industrial Area, Boisar, Palghar – 401 506. This facility is being set up through M/s Jakharia Industries, which is a Partnership Firm, wherein our Company is a partner. The Partnership firm is set up with an intention to establish a new processing house with a proposed capcity of 360 lakh meters p.a. for colouring, dying, printing and finishing and processing working or manufacturing of cotton, linen, wool synthetics and various other textile products.




** Our Company is a Partner in M/s. Jakharia Industries, a Partnership firm.*

The following diagram depicts breakup of revenue, percentage wise based on Job work services provided and the sale of fabric manufactured by us for the period ended December 31, 2017:




We have positioned ourselves as a multi-product, multi-fibre and multi-market player ensuring that our products include a diverse mix of fabrics mainly catering to domestic market and also to the international market. Wide ranges of fabric are processed at our Processing house which includes cotton, polyester, viscose and man-made & blended fabrics. For further details, please refer "*Services and Products* under *Our Business*" beginning on page no. 74 of this Prospectus.

Our Company has set-up two (2) processing units located at MIDC Area of Saravali, Bhiwandi in Maharashtra and MIDC Area of Tarapur, Bhiwandi in Maharashtra. The plant has the facilities for dyeing and processing wide range of fabrics.

We have dedicated semi-automatic machines and skilled operators for manual checking of raw materials as well as Finished Goods. Our Testing and QC Technical team combined with our testing equipments ensures the quality of raw material dispensed in the production process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

**COMPETITION**

Textiles being a global industry, we face competition from small as well as big players in the textile industry in domestic market as well as international market. This industry is highly competitive and fragmented. We have a number of competitors offering services similar to us. Even with a diversified product portfolio, quality approach, processing flexibility and modern technology we may have to face competitive pressures.

We believe the principal elements of competition in textile industry are price, fabric quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as a knowledge-based processing unit with industry expertise in Dying and providing varied quality of fabric which enables us to provide our clients with innovative designs suitable to current fashion and market requirements.

**Significant Developments after December 31, 2017 that may affect our Future Results of Operations**

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

**Factors affecting our Result of Operation**

Except as otherwise stated in this Prospectus and the Risk Factors given in the Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others.

***Cost of Materials consumed***

Cloth, colours and certain chemicals are the primary inputs required for processing our products. Our requirements depend on the quality of our end products as per the requirements of our clients. Our Company has developed a healthy and long term relationship with the quality suppliers of both yarn and grey cloth from whom we source our current requirements. Our Company places back to back order for grey cloth and other fabric based on sales order received thereby minimizing exposure to price volatility of raw material. Our endeavour is to efficiently utilize the input material and get maximum output.

***Our Financial Expenses***

We have term loan and working capital facilities from our bankers. Our profitability is significantly impacted by our financial costs. For the period ending December 31, 2017 and for the fiscals 2017, 2016 and 2015 our financial expenses were ₹ 73.90 lakhs, ₹ 234.65 lakhs, ₹ 219.92 lakhs and ₹ 242.77 lakhs respectively. Our financial growth depends on how well we manage and service our debts.

***Increasing competition in the industry***

Our Company faces competition from local, national and also from organized and unorganized players in the market. Our Company operates in competitive environment which may force us to reduce the prices of our processed fabrics and it may have an effect on our margins.

***General economic and business conditions***

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect textile industry in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.

***Our ability to successfully implement its strategy and its growth and expansion plans***

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company's roll out schedules and cause cost and time over runs.

**RESULTS OF OUR OPERATIONS**

*(₹ in lakhs)*

| Particulars | For the Period ended December 31, 2017 | % of Total Income | For the year ended March 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | 2017 | % of Total Income | 2016 | % of Total Income | 2015 | % of Total Income | 2014 | % of Total Income |
| **INCOME** | | | | | | | | | | |
| Revenue from Operations | 5,348.03 | 99.48% | 7,479.05 | 97.09% | 7,676.12 | 99.39% | 8,847.49 | 99.22% | 7,557.32 | 99.67% |
| Other Income | 28.21 | 0.52% | 223.79 | 2.91% | 47.37 | 0.61% | 69.76 | 0.78% | 25.40 | 0.33% |
| **Total Income** | **5,376.25** | **100%** | **7,702.84** | **100%** | **7,723.49** | **100%** | **8,917.25** | **100%** | **7,582.72** | **100%** |
| **EXPENDITURE** | | | | | | | | | | |
| Cost of Material Consumed | 2,637.67 | 49.06% | 3639.04 | 47.24% | 2717.48 | 35.18% | 3,681.91 | 41.29% | 4,247.13 | 56.01% |
| Changes in inventories | (49.90) | -0.93% | 138.54 | 1.80% | (134.89) | -1.75% | 98.94 | 1.11% | (79.98) | -1.05% |
| Employee benefit expenses | 779.84 | 14.51% | 795.53 | 10.33% | 871.75 | 11.29% | 689.47 | 7.73% | 498.38 | 6.57% |
| Finance costs | 73.90 | 1.37% | 234.65 | 3.05% | 219.92 | 2.85% | 242.77 | 2.72% | 258.73 | 3.41% |
| Depreciation | 128.42 | 2.39% | 181.89 | 2.36% | 181.31 | 2.35% | 191.03 | 2.14% | 359.36 | 4.74% |
| Other Expenses | 1,595.49 | 29.68% | 2,203.19 | 28.60% | 3,199.92 | 41.43% | 3,372.14 | 37.82% | 1,854.36 | 24.46% |
| **Total Expenses** | **5,206.12** | **96.08%** | **7,192.83** | **93.38%** | **7,055.49** | **91.35%** | **8,276.25** | **92.81%** | **7,137.99** | **94.13%** |
| **Profit before Prior period item, exceptional item, extraordinary items and tax** | **210.82** | **3.92%** | **510.01** | **6.62%** | **668.00** | **8.65%** | **641.00** | **7.19%** | **444.73** | **5.87%** |
| Prior period items | - | - | - | - | - | - | - | - | - | - |
| **Profit before exceptional item, extraordinary items and tax** | **210.82** | **3.92%** | **510.01** | **6.62%** | **668.00** | **8.65%** | **641.00** | **7.19%** | **444.73** | **5.87%** |
| Exceptional items | - | - | - | - | - | - | - | - | - | - |
| **Profit before extraordinary items and tax** | **210.82** | **3.92%** | **510.01** | **6.62%** | **668.00** | **8.65%** | **641.00** | **7.19%** | **444.73** | **5.87%** |
| Extraordinary items | - | - | - | - | - | - | - | - | - | - |
| **Net Profit /(Loss) before tax** | **210.82** | **3.92%** | **510.01** | **6.62%** | **668.00** | **8.65%** | **641.00** | **7.19%** | **444.73** | **5.87%** |
| *Less:* **Tax expense** | | | | | | | | | | |
| (i) Current tax | 61.38 | 1.14% | 153.00 | 1.99% | 200.58 | 2.60% | 183.74 | 2.06% | 111.20 | 1.47% |
| (ii) Deferred tax | (39.69) | -0.74% | 18.19 | 0.24% | 21.25 | 0.28% | 24.40 | 0.27% | (23.12) | -0.30% |
| **Total Tax Expense** | **21.69** | **0.40%** | **171.19** | **2.22%** | **221.83** | **2.87%** | **208.14** | **2.33%** | **88.08** | **1.16%** |
| **Net Profit/ Loss after tax** | **189.12** | **3.52%** | **338.82** | **4.40%** | **446.17** | **5.78%** | **432.86** | **4.85%** | **356.66** | **4.70%** |

***Main Components of our Profit and Loss Account***

***Income***

Our total income comprises of revenue from operations and other income.

*Revenue from Operations*

Our revenue from operations as a percentage of total income was 99.48% for the period ended December 31, 2017. Our revenue from operation as a percentage of total income were 97.09%, 99.39% and 99.22% respectively, for the fiscals 2017, 2016 and 2015

*Other Income*

Our other income comprises of interest on Fixed deposits, dividend, duty drawback and miscellaneous income. Other income, as a percentage of total income was 0.52% for the period ended December 31, 2017 and 2.91%, 0.61% and 0.78% respectively, for the fiscals 2017, 2016 and 2015.

***Expenditure***

Our total expenditure primarily consists of Cost of Material Consumed, changes in Inventories, Employee Benefit Expenses, Finance costs, Depreciation & Amortisation Expenses and Other Expenses.

*Cost of Material Consumed*

Cost of Material Consumed are primarily in relation to purchases of various raw materials consisting of certain coal, dyes & chemicals, grey etc. for processing of fabrics as per the customer requirements.

*Employee Benefit Expenses*

Expenses in relation to employees' and benefits include gratuity, salaries and wages, directors remuneration, contribution to PF & others, staff welfare expenses etc.

*Finance costs*

Finance cost primarily consists of interest payable on loans availed by our company from banks and others, bank charges etc.

*Depreciation Expenses*

Depreciation Expenses consist of depreciation on the Tangible assets of our Company which primarily includes Factory Building, Plant & Machinery, Computer, Furniture and Fixtures etc.

*Other Expenses*

Other expenses consist of manufacturing expenses, administrative expense, selling and distribution expense and various other expenses. Such expenses primarily include power and fuel charges, electricity expense, job work/sub-contracting expense, packing expenses, carriage inward and outward, brokerage expense etc.

*Provision for Tax*

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainly that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

**Review for the nine (9) months period ended December 31, 2017**

*Income*

Our total income for the nine months period ended December 31, 2017 was ₹ 5,376.25 lakhs. In the mentioned period, the revenue earned from operations is ₹ 5,348.03 lakhs or 99.48% of the total income. Other income for said period was recorded at ₹ 28.21 lakhs or 0.52% of total income.

*Cost of material consumed*

Cost of material consumed for the nine months period ended December 31, 2017 was ₹ 2,637.67 lakhs which as a proportion of our total income was 49.06%.

*Employee Benefit Expenses*

Our Employee Benefit Expenses for the nine months period ended December 31, 2017 were ₹ 779.84 lakhs. As a proportion of our total income they were 14.51%.

*Financial Cost*

Our Financial Cost for the nine months period ended December 31, 2017 was ₹ 73.90 lakhs i.e. 1.37 % of the total income for the period.

*Depreciation*

Our Depreciation for the nine months period ended December 31, 2017 was ₹ 128.42 lakhs. As a proportion of total income they were 2.39 %.

*Other Expenses*

Our Other Expenses for the nine months period ended December 31, 2017 was ₹ 1,595.49 lakhs. As a proportion of our total income they were 29.68 %.

*Profit before Tax*

Profit before Tax for the nine months period ended December 31, 2017 was ₹ 210.82 lakhs.

*Profit after Tax*

Profit after Tax for the nine months period ended December 31, 2017 was ₹ 189.13 lakhs

**Fiscal 2017 compared with fiscal 2016**

*Income*

In fiscal 2017, our total income decreased by ₹ 20.65 lakhs or 0.27%, from ₹ 7,723.49 lakhs in fiscal 2016 to ₹ 7,702.84 lakhs in fiscal 2017. The decrease in the year 2017 was due to decrease in the revenue from operations as compared to last year.

Other income increased by ₹ 176.42 lakhs or 372.44%%, from ₹ 47.37 lakhs in fiscal 2016 to ₹ 223.79 lakhs in fiscal 2017. The major factor for such increase was due to rise in interest income on income tax refund, foreign exchange gain, duty drawback and sale of export license.

*Cost of material consumed*

Cost of material consumed increased by ₹ 921.56 lakhs or 33.91%, from ₹ 2,717.48 lakhs in fiscal 2016 to ₹ 3,639.04 lakhs in fiscal 2017 due to increase in cost of purchase of raw materials like purchase of coal, grey, stores and spares, finish material and other packing materials.

*Employee Benefit Expenses*

Our staff cost decreased by ₹ 76.22 lakhs or 8.74%, from ₹ 871.75 lakhs in fiscal 2016 to ₹ 795.53 lakhs in fiscal 2017. This decrease was mainly due to decrease in salaries and wages and directors remuneration as compared to last fiscal.

*Finance Cost*

Finance cost during the year increased by ₹ 14.73 lakhs or 6.70%, from ₹ 219.92 lakhs in fiscal 2016 to ₹ 234.65 lakhs in fiscal 2017 due to increase in Interest on bank borrowings, Stamp Duty and Processing charges.

*Depreciation*

Depreciation expenses increased by ₹ 0.57 lakhs, or 0.32% from ₹ 181.31 lakhs in fiscal 2016 to ₹ 181.89 lakhs in fiscal 2017. This increase was on account of additions of assets in FY 2016-17and also due to WDV effect on the existing assets.

*Other Expenses*

Other expenses decreased by ₹ 996.74 lakhs or 31.15% from ₹ 3,199.92 lakhs in fiscal 2016 to ₹ 2,203.19 lakhs in fiscal 2017. The decrease was majorly due to decrease in certain expense like Jobwork/subcontracting, Freight, Machinery repairs & maintenance, water expenses, Cash Discount, Consultancy charges etc.

*Profit before Tax*

The decrease in the revenue from operations has led to decrease in our Profit before tax by ₹ 157.98 lakhs or 23.65% from ₹ 668 lakhs in fiscal 2016 to ₹ 510.01 lakhs in fiscal 2017.

*Profit after Tax*

After accounting for taxes at applicable rates, our Profit after Tax decreased by ₹ 107.35 lakhs or 24.06%, from ₹ 446.17 lakhs in fiscal 2016 to ₹ 338.82 lakhs in fiscal 2017.

**Fiscal 2016 compared with fiscal 2015**

*Income*

In fiscal 2016, our total income decreased by ₹ 1,193.76 lakhs or 13.39%, from ₹ 8,917.25 lakhs in fiscal 2015 to ₹ 7,723.49 lakhs in fiscal 2016. The decrease in the year 2016 was due to decrease in the revenue from operation and other income as compared to last year.

Other income decreased by ₹ 22.39 lakhs or 32.10%, from ₹ 69.76 lakhs in fiscal 2015 to ₹ 47.37 lakhs in fiscal 2016. The decrease in the year 2016 was due to decrease in other miscellaneous income, Credit balance written back and Interest on vat refund as compared to last year.

*Cost of material consumed*

Cost of material consumed decreased by ₹ 964.43 lakhs or 26.19%, from ₹ 3,681.91 lakhs in fiscal 2015 to ₹ 2,717.48 lakhs in fiscal 2016 due to decrease in cost of purchase of various raw materials.

*Employee Benefit Expenses*

Our Employees benefit expenses increased by ₹ 182.28 lakhs or 26.44%, from ₹ 689.47 lakhs in fiscal 2015 to ₹ 871.75 lakhs in fiscal 2016. This increase was mainly due to increase in Director Remuneration and employees Salaries and wages, Gratuity and other employee related contributions and benefits due to increase in number of employees .

*Finance Cost*

Finance cost during the year decreased by ₹ 22.85 lakhs or 9.41%, from ₹ 242.77 lakhs in fiscal 2015 to ₹ 219.92 lakhs in fiscal 2016. The decrease was due to decrease in Bank Interest and Interest on bank borrowings.

*Depreciation Expenses*

Depreciation expenses decreased by ₹ 9.72 lakhs or 5.09% from ₹ 191.03 lakhs in fiscal 2015 to ₹ 181.31 lakhs in fiscal 2016. This decrease was due to WDV effect on the existing assets and also due to reduction in fixed assets.

*Other Expenses*

Other expenses decreased by ₹ 172.22 lakhs or 5.11% from ₹ 3,372.14 lakhs in fiscal 2015 to ₹ 3,199.92 lakhs in fiscal 2016. The decrease was due to decrease in Consultancy charges, Jobwork/subcontracting, MPCB related expense, Freight, Packing expenses and loss on sale of Fixed assets incurred in Fiscal 2016.

*Profit before Tax*

The decrease in other expenses, financial costs and raw material cost has led to an increase in Profit before tax by ₹ 27 lakhs from ₹ 641 lakhs in fiscal 2015 to ₹ 668 lakhs in fiscal 2016.

*Profit after Tax*

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 13.31 lakhs or 3.08 %, from ₹ 432.86 lakhs in fiscal 2015 to ₹ 446.17 lakhs in fiscal 2016.

**Fiscal 2015 compared with fiscal 2014**

*Income*

In fiscal 2015, our total income increased by ₹ 1,334.53 lakhs or 17.60%, from ₹ 7,582.72 lakhs in fiscal 2014 to ₹ 8,917.25 lakhs in fiscal 2015. The increase in the year 2015 was due to increase in the revenue from operations and other income as compared to last year.

Other income increased by ₹ 44.36 lakhs or 174.69%, from ₹ 25.40 lakhs in fiscal 2014 to ₹ 69.76 lakhs in fiscal 2015. The major factor for such increase was due to Interest income on fixed deposits, Interest income on vat refund and other miscellaneous income.

*Cost of material consumed*

Cost of material consumed decreased by ₹ 565.22 lakhs or 13.31%, from ₹ 4,247.13 lakhs in fiscal 2014 to ₹ 3,681.91 lakhs in fiscal 2015 due to decrease in cost of purchase of various raw materials.

*Employee Benefit Expenses*

Our employee benefit expense increased by ₹ 191.08 lakhs or 38.34%, from ₹ 498.38 lakhs in fiscal 2014 to ₹ 689.47 lakhs in fiscal 2015. This increase was mainly due to rise in the salary thereby increase in contribution to Provident Fund and others and increase in Directors Remuneration.

*Finance Cost*

Finance cost during the year decreased by ₹ 15.97 lakhs or 6.17%, from ₹ 258.73 lakhs in fiscal 2014 to ₹ 242.77 lakhs in fiscal 2015. The major factor for such decrease was due to decrease in Bank Charges, Bank Interest and Interest on bank borrowings.

*Depreciation Expenses*

Depreciation expenses decreased by ₹ 168.33 lakhs or 46.84% from ₹ 359.36 lakhs in fiscal 2014 to ₹ 191.03 lakhs in fiscal 2015.This decrease was on account of purchase of fixed assets in FY 2014-15 and depreciation effect due to change in Companies Act, 2013

*Other Expenses*

Other expenses increased by ₹ 1,517.78 lakhs or 81.85% from ₹ 1,854.36 lakhs in fiscal 2014 to ₹ 3,372.14 lakhs in fiscal 2015. The increase was due to increase in expense like Freight, Jobwork/subcontracting, MPCB related expense and insurance expense incurred in fiscal 2015.

*Profit before Tax*

Our Profit before tax is increased by ₹ 196.27 lakhs from ₹ 444.73 lakhs in fiscal 2014 to ₹ 641 lakhs in fiscal 2015 due to increase in revenue from operations and other income.

*Profit after Tax*

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 76.20 lakhs or 21.37 %, from ₹ 356.66 lakhs in fiscal 2014 to ₹ 432.86 lakhs in fiscal 2015.

**Cash Flows**

(₹ in lakhs)

| Particulars | For period ending December 31, 2017 | For the Year ended March 31, | | |
|---|---|---|---|---|
| | | 2017 | 2016 | 2015 |
| Net Cash from Operating Activities | 574.63 | 208.49 | 956.81 | 800.77 |
| Net Cash from Investing Activities | (524.75) | (634.69) | (795.10) | (119.17) |
| Net Cash used in Financing Activities | (33.03) | 214.96 | (131.73) | (662.70) |

***Cash Flows from Operating Activities***

Net cash from operating activities for the period ended December 31, 2017 was ₹ 574.63 lakhs as compared to the PBT of ₹ 210.81 lakhs for the same period. This difference is primarily on account of depreciation, Interest and Financial charges, Inventories, Trade payables, Trade receivables, Short term loans & advances, short term and long term provisions, other current and non-current assets and other current liabilities.

Net cash from operating activities in fiscal 2017 was ₹ 208.49 lakhs as compared to the PBT of ₹ 510.01 lakhs for the same period. This difference is primarily on account of depreciation, Interest and Financial charges, Inventories, Trade payables, Trade receivables, Short term loans & advances, short term and long term provisions, other current and non-current assets and other current liabilities.

Net cash from operating activities in fiscal 2016 was ₹ 956.81 lakhs as compared to the PBT of ₹ 668 lakhs for the same period. This difference is primarily on account of depreciation, Interest and Financial charges, Inventories, Trade payables, Trade receivables, Short term loans & advances, short term and long term provisions, other current and non-current assets and other current liabilities.

Net cash from operating activities in fiscal 2015 was ₹ 800.77 lakhs as compared to the PBT of ₹ 641 lakhs for the same period. This difference is primarily on account of depreciation, Interest and Financial charges, Inventories, Trade payables, Trade receivables, Short term loans & advances, short term and long term provisions, other current and non-current assets and other current liabilities.

***Cash Flows from Investment Activities***

For the period ended December 31, 2017, the net cash invested in Investing Activities was negative ₹ 524.75 lakhs. This was majorly on account of purchase of fixed assets and changes in Non- Current Investment.

In fiscal 2017, the net cash invested in Investing Activities was negative ₹ 634.69 lakhs. This was majorly on account of purchase of fixed assets and changes in Non- Current Investment.

In fiscal 2016, the net cash invested in Investing Activities was negative ₹ 795.10 lakhs. This was majorly on account of purchase of fixed assets, Changes in Capital WIP and changes in Non- Current Investment.

In fiscal 2015, the net cash invested in Investing Activities was negative ₹ 119.17 lakhs. This was on account of purchase of fixed assets.

***Cash Flows from Financing Activities***

Net cash from financing activities for the period ending December 31, 2017 was negative ₹ 33.03 lakhs. This was on account of changes in long term borrowings and short term borrowings, changes in long term loans and advances and decrease in Interest & Financial Charges.

Net cash from financing activities in fiscal 2017 was ₹ 214.96 lakhs. This was on account of changes in long term borrowings and short term borrowings, changes in long term loans and advances and decrease in Interest & Financial Charges.

Net cash from financing activities in fiscal 2016 was negative ₹ 131.73 lakhs. This was on account of changes in long term borrowings and short term borrowings, changes in long term loans and advances and decrease in Interest & Financial Charges.

Net cash from financing activities in fiscal 2015 was negative ₹ 662.70 lakhs. This was on account of changes in long term borrowings and short term borrowings, changes in long term loans and advances and decrease in Interest & Financial Charges.

**OTHER MATTERS**

1. **Unusual or infrequent events or transactions**

   Except as described in this 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 "*Financial Information*" and chapter titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*", beginning on page nos. 125 and 150 respectively of this Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

3. **Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

   Other than as described in the chapter titled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Conditions and Result of Operations*", beginning on page nos. 10 and 150 respectively of this Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. **Future relationship between Costs and Income**

   Other than as described in the chapter titled "*Risk Factors*" beginning on page no. 10 of this Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

**5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

**6. Total turnover of each major industry segment in which our Company operates.**

Our Company is engaged in the business of dyeing and processing of fabrics on job work basis for other textile companies as well as for own manufacturing product lines. Our Company procures Grey Fabric from the market and further dyes and finishes the same as per the client's requirements on the basis of quality of the fabric, sizing requirements etc. Relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page no. 68 of this Prospectus.

**7. Status of any publicly announced new products or business segments**

Please refer to the chapter titled "*Our Business*" beginning on page no. 74 of this Prospectus.

**8. The extent to which the business is seasonal.**

Our business is not seasonal in nature.

**9. Any significant dependence on a single or few suppliers or customers**

The revenues from our top 5 and top 10 customers constituted approximately 29.51 % and 45.85 % respectively for fiscal 2017. For period ending December 31, 2017, the revenues from our top 5 and top 10 customers constituted approximately 34.75 % and 52.47 % respectively. For further details, please refer chapter "*Our Business*" beginning on page no. 74 of this Prospectus.

**10. Competitive Conditions**

Our Company faces competition from players in the global market as well as domestic market. We expect competition to intensify due to possible changes in government policy in relation to exports and further compliance standards for the products manufactured by us, existing competitors globally and locally further expanding their operations and further many small and medium-sized companies and entities engaged in manufacturing of chemicals. This we believe may impact our financial condition and operations.

## FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on December 31, 2017 together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

*(₹ in lakhs)*

| Nature of Borrowing | Amount |
|---|---|
| Secured Borrowings[(1)] | 1,085.16 |
| Unsecured Borrowings[(1)] | 1,168.07 |
| **Total** | **2,253.23** |

*[(1)]Includes ₹ 120.54 lakhs shown under Other Current Liabilities as 'Current Maturities of Long Term Debt'*

### A. Details of Secured Loans (other than vehicle loans)

*(₹ in lakhs)*

| Name of Lenders | Type of Loan | Date of Sanction | Amount Sanctioned* | Amount outstanding as on December 31, 2017 | Interest (in %) | Repayment | Security |
|---|---|---|---|---|---|---|---|
| Kotak Mahindra Bank | Term Loan 2 | July 22, 2016 | 163.00 | 157.36 | MCLR + 1.00% [(1)] | Repayable in 46 months<br><br>Final maturity – July 2021 | Note 1 |
| | Term Loan 3 | | 915.00 | 792.65 | | Repayable in 72 months<br><br>Final maturity – September 2023 | |
| | Cash Credit | | 200.00 | 124.43 | MCLR + 1.00% [(1)] | Repayable on Demand | |

** The amounts are as per the revised sanction letter dated December 04, 2017.*

*[(1)]Current applicable MCLR for 6 months is 8.30%*

**Note 1:** Secured by first and exclusive charge on all existing and future current assets, including moveable fixed assets.

Further the above loans are secured by means of collateral security by way of equitable mortgage over following properties:

1. Factory land & building located at Plot No. A-13, MIDC Tarapur, Industrial area, Village Pamtembhi, Taluka Palghar, Dist. Thane (factory of JFPL) owned by Jakharia Fabric Pvt. Ltd.

2. Factory land & building situated at survey no. 1/1 & 25/25, Devji Nagar, near Shanti Sagar Complex, Village Narpoli, Bhiwandi, Dist. Thane- 421 302 owned by Mr. Himatlal Shah and Mr. Jignesh Shah.

3. Flat No. 504, 5$^{th}$ Floor, Tower 1, Gemini Building, Runwal Authurium, LBS Road, Mulund W, Mumbai owned by Dixit Manikchand Shah and Manikchand Panachand Shah.

4. Flat No. 1201, 12$^{th}$ Floor, B-wing, E/6 Apartment, Nahar Sarvodaya Heights CSHL, Sarvodaya Parshwanath Nagar, Mulund W, Mumbai owned by Jignesh Himatlal Shah, Himatlal Panchand Shah and Shejal Jignesh Shah.

5. Flat No. 605, 6$^{th}$ Floor, Building No. 2, Man Mandir Suraksha CHS, Mulund W, Mumbai owned by Sejal Jignesh Shah and Nitin Shah.

6. Plot No. J-1/11, MIDC, Tarapur Industrial Area, village Saravali, Taluka Palghar, Dist. Thane owned by Jakharia Industries.

Moreover, secured by personal guarantee of:

- Himatlal Panachand Shah
- Jignesh Himatlal Shah
- Nitin Keshavji Shah
- Dixit Manekchand Shah
- Manekchand Panachand Shah

**RESTRICTIVE / NEGATIVE COVENANTS**

The above loan agreements includes various restrictive covenants in relation to certain actions to be undertaken by our Company and for which prior written approval of the Bank(s) is required. The major restrictive covenants (which require prior approval) are mentioned below: (some of these may be common across all banks, while some may be specific to a particular bank).

1. Our Company shall not effect any adverse changes in Company's capital structure.

2. Our Company shall not declare dividends/ withdraw any amount in any form of salary/ remuneration/ incentive/ commission by the Promoters/ Directors in case of overdue with the Bank.

3. Our Company cannot change directors/ ownership/ promoters/ major shareholders without the written consent of the Bank.

In addition to the above, our company has availed vehicle loan amounting to ₹ 10.72 lakhs as on December 31, 2017 and the same is availed at an interest rate of 9.27 % p.a.

**B. Details of Unsecured Borrowings:**

Our Company has availed unsecured loans as on December 31, 2017 details of which are set out below:

*(₹ in lakhs)*

| Sr. No. | Nature of Borrowing | Amount[(1)] |
|---|---|---|
| 1. | Loan from Directors | 1,117.26 |
| 2. | Loan from Related Parties | 50.81 |
| **Total** | | **1,168.07** |

*(1) These Loans availed from Directors and related parties are interest free from April 01, 2017. Earlier, interest was provided at the rate of 12%. These loans are repayable on demand.*

**C. Details of Indebtedness of M/s. Jakharia Industries (Partnership Firm):**

| Name of Lenders | Type of Loan | Date of Sanction | Amount Sanctioned (₹ in lakhs) | Interest (in %) | Repayment | Security |
|---|---|---|---|---|---|---|
| Kotak Mahindra Bank | Term Loan | June 21, 2018 | 3,500.00 | MCLR* 3M + Spread 1.30% (1) | Repayable in 84 months (including moratorium of 12 months) | Note 2 |
| | Cash Credit | | 200.00 | MCLR* 3M + Spread 1.30% (1) | 12 months | |

*Current applicable MCLR for 3 months is 8.50%

**Note 2:** Secured by first and exclusive charge on all existing and future current assets, including moveable fixed assets of M/s. Jakharia Industries.

Further the above loans are secured by means of collateral security by way of equitable mortgage over following properties:

1. Survey no. 1/2 & 25/25, Devji Nagar, near Shanti Sagar Complex, Village Narpoli, Bhiwandi, Dist. Thane- 421 302.

2. Flat No. 504, 5th Floor, Tower 1, Gemini Building, Runwal Authurium, LBS Road, Mulund W, Mumbai- 400 080.

3. Flat No. 1201, 12th Floor, B-wing, E/6 Apartment, Nahar Sarvodaya Heights CSHL, Sarvodaya Parshwanath Nagar, Mulund W, Mumbai.

4. Flat No. 605, 6th Floor, Building No. 2, Man Mandir Suraksha CHS, Mulund W, Mumbai.

5. Plot No. J-1/11, MIDC, Tarapur Industrial Area, village Saravali, Taluka Palghar, Dist. Thane.

Moreover, secured by personal guarantee of:

- Himatlal Panachand Shah
- Jignesh Himatlal Shah
- Nitin Keshavji Shah
- Dixit Manekchand Shah
- Manekchand Panachand Shah and
- All property owners

# SECTION VII – LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

***Except as stated in this section, there are no:***

***A. (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoters, Group Companies. Our Board, in its meeting held on April 27, 2018, determined that outstanding legal proceedings involving the Company, its Directors, Promoters and Material Group Companies: (a) where the aggregate amount involved, in such individual litigation exceeds 1% of the revenue of our Company as per the last audited financial statements; or (b) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 1% of the revenue of our Company as per the last audited financial statements, if similar litigations put together collectively exceed 1% of the revenue of our Company as per the last audited financial statements, or (c) litigations whose outcome could have a material impact on the business, operations, prospects or reputation of our Company, will be considered as material litigation ("Material Litigation").***

***B. (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) 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; or (vi) material frauds committed against our Company in the last five years.***

***Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors being in excess of 1% of the Company's revenue as per last audited financial statements of our Company, as material dues for our Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on April 27, 2018.***

***All terms defined in a particular litigation are for that particular litigation only.***

### LITIGATION INVOLVING OUR COMPANY

### A. LITIGATION FILED AGAINST OUR COMPANY

**1. Litigation Involving Criminal Matters:**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities:**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

| Sr. No | Type of Direct Tax | No. of Cases | Amount in dispute/demanded (in ₹ lakhs) |
|---|---|---|---|
| 1. | Income Tax | 1 | 48.66[(1)] |
| | **Total** | 1 | **48.66*** |

**The aforesaid amount may be subject to additional penalties, interest and/or tax that may be levied by the concerned authorities, the amount of which is unascertainable as on date.*

*[(1)] Assessment Order dated March 2, 2013 was passed by the Assessing officer in respect of the Assessment Year 2010-2011. The assessee has preferred an appeal against the aforesaid order before the Commissioner of Income-tax (Appeals) ("CIT(A)") subsequent to which the CIT(A) has passed an appellate order dated August 18, 2014 partly allowing the appeal. The Dy. Commissioner of Income Tax has thereafter, preferred an appeal against the aforesaid appellate order before the Income Tax Appellate Tribunal ("ITAT") subsequent to which the ITAT has passed an order*

*dated September 21, 2016 dismissing the appeal. The Pr. Commissioner of Income Tax-15, Mumbai has thereafter, preferred an appeal against the ITAT's order before the Hon'ble Bombay High Court. The matter is currently pending.*

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**B. LITIGATIONS FILED BY OUR COMPANY**

**1. Litigation Involving Criminal Matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities:**

NIL

**3. Litigation Involving Tax Liabilities**

**(i) Direct Tax Liabilities**

| Sr. No | Type of Direct Tax | No. of Cases | Amount in dispute/demanded* (in ₹ lakhs) |
|---|---|---|---|
| 1. | Income Tax | 1 | Unascertainable [(1)] |

**The aforesaid amount may be subject to additional penalties, interest and/or tax that may be levied by the concerned authorities, the amount of which is unascertainable as on date.*

*[(1)] Assessment Order dated December 20, 2017 pursuant to reassessment was passed by the Assessing officer in respect of the Assessment Year 2012-2013. The assessee has preferred an appeal against the aforesaid order before the Commissioner of Income-tax (Appeals) ("CIT(A)"). The matter is currently pending.*

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**LITIGATIONS INVOLVING OUR DIRECTORS**

**A. LITIGATIONS FILED AGAINST THE DIRECTORS**

**1. Litigation involving Criminal Matters**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation Involving Tax Liabilities:**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations:**

NIL

**B. LITIGATIONS FILED BY OUR DIRECTORS**

**1. Litigation involving Criminal Matters**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities:**

NIL

**3. Litigation Involving Tax Liabilities:**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations:**

NIL

**LITIGATIONS INVOLVING OUR PROMOTERS**

**A. LITIGATIONS FILED AGAINST OUR PROMOTERS**

**1. Litigation involving Criminal Matters:**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities:**

NIL

**3. Litigation Involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**B. LITIGATIONS FILED BY OUR PROMOTERS**

**1. Litigation involving Criminal Matters:**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities:**

NIL

**3. Litigation Involving Tax Liabilities**

**(i) Direct Tax Liabilities**

| Sr. No | Type of Direct Tax | No. of Cases | Amount in dispute/demanded (in ₹ lakhs) |
|---|---|---|---|
| 1. | Income Tax | 1 | 0.67[(1)] |
| 2. | Income Tax | 1 | 15.44[(2)] |
| 3. | Income Tax | 1 | 56.10[(3)] |

*[(1)]Assessment Order dated March 26, 2015was passed by the Assessing officer in respect of the Assessment Year 2012-2013 against Mr. Jignesh Shah ("assessee"). Whilst the assesse has paid the total amount demanded, the assessee has preferred an appeal against the aforesaid assessment order before the Commissioner of Income-tax (Appeals) ("CIT(A)") subsequent to which the CIT(A) has passedan appellate order dated December 11, 2017 partly allowing the appeal.The assessee has preferred an appeal against the aforesaid order before the Income Tax Appellate Tribunal. The matter is currently pending.*

*[(2)]Assessment Order dated December 29, 2015 was passed by the Assessing officer in respect of the Assessment Year 2013-2014 against Mr. Jignesh Shah ("assessee"). The assessee has preferred an appeal against the aforesaid assessment order before the Commissioner of Income-tax (Appeals) ("CIT(A)"). The matter is currently pending.*

*[(3)]Assessment Order dated December 29, 2015 was passed by the Assessing officer in respect of the Assessment Year 2014-2015 against Mr. Jignesh Shah ("assessee"). The assessee has preferred an appeal against the aforesaid assessment order before the Commissioner of Income-tax (Appeals) ("CIT(A)"). The matter is currently pending.*

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**LITIGATIONS INVOLVING OUR GROUP COMPANIES**

**A. LITIGATIONS FILED AGAINST OUR GROUP COMPANIES**

**1. Litigation involving Criminal Matters:**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities:**

NIL

**3. Litigation Involving Tax Liabilities:**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**B. LITIGATIONS FILED BY OUR GROUP COMPANIES**

**1. Litigation involving Criminal Liabilities:**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities:**

NIL

**3. Litigation Involving Tax Liabilities**

**(i) Direct Tax Liabilities**

| Sr. No | Type of Direct Tax | No. of Cases | Amount in dispute/demanded (in ₹ lakhs) |
|---|---|---|---|
| 1. | Income Tax (Assessment Year 2009-2010) | 1 | 5.64[(1)] |
| 2. | Income Tax (Assessment Year 2010-2011) | 1 | 29.26[(1)] |
| 3. | Income Tax (Assessment Year 2011-2012) | 1 | 17.92[(1)] |
| 4. | Income Tax (Assessment Year 2009-2010) | 1 | 4.99[(2)] |
| 5. | Income Tax (Assessment Year 2010-2011) | 1 | 24.90[(2)] |
| 6. | Income Tax (Assessment Year 2011-2012) | 1 | 14.70 [2)] |

*[(1)]Assessment Orders dated March 21, 2014were passed by the Assessing officer in respect of the Assessment Year 2009-20102010-2011 and 2011-2012 respectively, against M/s. Dixit Processors ("assessee"). The assessee has preferred appeals against the aforesaid assessment orders before the Commissioner of Income-tax (Appeals) ("CIT(A)") which were dismissed vide a combined CIT(A) order dated December 31, 2015, issued in this regard. The assessee has thereafter, preferred appeals against the aforesaid CIT(A) order before the Income Tax Appellate Tribunal ("ITAT"), which were partly allowed vide a combined ITAT order dated January 31, 2018 issued in this regard.*

*[(2)]Penalty Orders dated July 28, 2016were passed by the Assessing officer in respect of the Assessment Years2009-2010, 2010-2011 and 2011-2012 respectively, against M/s. Dixit Processors ("assessee"). The assessee has preferred appeals against the aforesaid penalty orders before the Commissioner of Income-tax (Appeals) ("CIT(A)") which were dismissed vide CIT(A) orders dated December 11, 2017, respectively. The assessee has thereafter, preferred appeals against the CIT(A) orders before the Income Tax Appellate Tribunal. These matters are currently pending.*

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years**.

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

**Pending proceedings initiated against our Company for economic offences**.

There are no pending proceedings initiated against our Company for economic offences.

**Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous companies act enactment in the last 5 (five) years against our Company**.

There are no inquiries, investigations etc. instituted under the Companies Act or any previous companies enactment in the last 5 (five) years against our Company.

**Material Fraud against our Company in the last 5 (five) years**

There has been no material fraud committed against our Company in the last 5 (five) years.

**Fines imposed or compounding of offences for default**

There are no other fines imposed or compounding of offences done in the last 5 (five) years immediately preceding the year of the Prospectus for the Company for default or outstanding defaults.

**Non-Payment of Statutory Dues**

Except as disclosed under the chapter titled "Financial Information, as Restated", there have been no defaults or outstanding defaults in the payment of statutory dues payable by the Company as of the date of the last audited financial statements of the Company. For details of dues of income tax, sales tax, customs duty, excise duty, value added tax and cess, which have not been deposited as on December 31, 2017 on account of disputes, see "*Financial Statements*" beginning on page no. 125 and "*Outstanding Litigation and Material Developments – Litigations involving our Company – Litigation filed by our Company – Tax Liabilities*" beginning on page no. 164 of this Prospectus.

**Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development, 2006**

As of December 31, 2017, there were no cases of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development, 2006.

**Material Creditors of the Company, having amount outstanding as on December 31, 2017 being in excess of 1% of the Company's revenue, as per last audited financial statements of our Company.**

As of December 31, 2017, as per our Financial Statements, we had 279 creditors to whom a total amount amounting to ₹ 1,426.65 lakhs was outstanding out of which 2 creditors were material creditors in terms of the Materiality Policy and the total amount due to such material creditors was ₹ 490.56 lakhs.

Complete details of outstanding dues to our creditors as on December 31, 2017 are available at the website of our Company at www.jakhariafabric.com.

*Information provided on the website of our Company is not a part of this 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, would be doing so at its own risk.*

**Material developments occurring after last balance sheet date**

Except as disclosed elsewhere in this Prospectus, there have been no material developments since the date of the last financial statements as disclosed in the Prospectus.

## GOVERNMENT AND OTHER KEY APPROVALS

***Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.***

***The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.***

**Approvals for the Issue**

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 April 27, 2018 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.

2. The shareholders of our Company have, pursuant Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the extra ordinary general meeting held on May 2, 2018 authorized the Issue.

3. In-principle approval dated June 01, 2018 from the NSE for listing of the Equity Shares issued by our Company pursuant to the Issue.

4. The ISIN of our Company is INE00N401018.

**Approvals pertaining to Incorporation, name and constitution of our Company**

1. Certificate of Incorporation dated June 22, 2007 issued by the Registrar of Companies, Maharashtra, Mumbai in the name of "Jakharia Fabric Private Limited".

2. A fresh Certificate of Incorporation consequent upon change of name from "Jakharia Fabric Private Limited" to "Jakharia Fabric Limited" was issued on April 27, 2018 by the Registrar of Companies, Mumbai.

3. The Corporate Identification Number (CIN) of our Company is U17200MH2007PLC171939.

**I. GENERAL APPROVALS**

1. Our Company has obtained Tax Deduction Account Number (TAN): MUMJ13274C from the Income Tax Department which valid until cancelled.

2. Our Company has obtained a Certificate of Importer-Exporter Code (IEC) bearing No.0308023382, dated June 30, 2008 under the Ministry of Commerce and Industry issued by the Foreign Trade Development Officer which is valid until cancelled.

3. Our Company has obtained Industrial Entrepreneurs Memorandum, dated July 20, 2015, bearing No.1081/SIA/IMO/2015, issued by the Entrepreneurial Assistance Unit, Secretariat for Industrial Approvals which is valid until cancelled.

4. Our Company has obtained Membership with the Powerloom Development and Export Promotion Council bearing Membership No.: PLMR/W/MEM/21231/2013-2014 which is valid until March 31, 2019.

5. Our Company has registered under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 and have obtained Enrolment No.: 99561683633P and TIN – 27490643031P, respectively, in this regard. The said registration is valid until cancelled.

## II. TAX RELATED APPROVALS

| Sr. No. | Description | Authority | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|
| 1. | Permanent Account Number (PAN) | Income Tax Department | AABCJ8510G | - | Valid until cancelled |
| 2. | Registration Certificate under From GST REG-06 for Goods and Services Tax | Government of India | GSTIN: 27AABCJ8510G1ZP | - | Valid until cancelled |

## III. BUSINESS RELATED APPROVALS

| Sr. No. | Property Description | Licences/Approvals obtained | Date of Certificate | Date of Expiry |
|---|---|---|---|---|
| 1. | Plot No. A-13, MIDC, Tarapur, Tal. Palghar, District-Thane | Lok Panchayat Approval issued under the Gram Panchayat Kolvade by the Sarpanch, Gram Panchayat, Kolvade | November 20, 2017 | Valid until cancelled |
| | | Factory License bearing Registration number 13139 and License number 099075, issued by the Officer, Industrial Security and Heath, Mumbai, Maharashtra. | December 31, 2011 | December 31, 2019 |
| | | Registration under the Employees Provident Funds & Miscellaneous Provisions Act, 1952 bearing code number: KDMAL0214993000 issued by the Employees Provident Fund Organization, Ministry of Labour and Employment, Government of India. | December 15, 2013 | Valid until cancelled |
| | | Registration under the Employees State Insurance Act, 1948 bearing ESI Code: 35000405250000108 issued by the Employees' State Insurance Corporation | June 23, 2017 | Valid until cancelled |
| | | Sanction of Building Permit and Commencement Certificate for carrying out development work of factory and building and development work permit issued by the MIDC Drainage Sub -div (SPA), Tararpur bearing no. DE/SPA/TRP/886 of 2011. | March 24, 2011 | March 23, 2012 |
| | | Approval of Plans submitted to the MIDC for proposed factory building issued by the Deputy Engineer, MIDC Drainage Sub-Div.(SPA), Tarapur. | March 24, 2011 | Valid until cancelled subject to construction work commencing within 12 months from March 24, 2011 |
| | | Entrepreneurs Memorandum Acknowledgement under Part II bearing Entrepreneurs Memorandum Number 27-021-12-05854-Part II issued by District Industries Centre, Thane. | September 06, 2013 | Valid until cancelled |
| | | Consent to Establish-MPCB/PCI-I/EIC-TN-2142-10/CC-194 under Section 25 of the Water (Prevention & Control) of Pollution Act and Section 21 of the Air (Prevention & Control) of Pollution Act, 1981 and Renewal of Authorization under Rule 5 of the Hazardous Waste (Management, Handling and Transboundry Movement) Rules, 2008 issued by Maharashtra Pollution Control Board. | May 07, 2010 | Valid upto commissioning of the Project or 5 years whichever is earlier |

| | | | | |
|---|---|---|---|---|
| | | Certificate of Registration bearing No.1813800710012826issued under sub-Section (2) of the Section 7 of the Contract Labour (Regulation & Abolition ) Act,1970 issuedby the Office of the Registering Officer, Palghar (Tarapur). | April 26, 2018 | December 31, 2018 |
| | | Consent to Operate bearing no. RO THANE/CONSENT/1612000867/TR-I/1153/22 under Section 26 of the Water (Prevention & Control) of Pollution Act and Section 21 of the Air (Prevention & Control) of Pollution Act, 1981 and Renewal of Authorization under Rule 5 of the Hazardous Waste (Management, Handling and Transboundry Movement) Rules, 2008 issued by Maharashtra Pollution Control Board. | December 26, 2016 | September 30, 2020 |
| 2. | Plot No. 13/1, MIDC Industrial Area Saravali, Kalyan Bhiwandi Road, Dist. Thane, Maharashtra-421302 | LokPanchayat Approval issued under the Gram PanchayatSaravali by the Sarpanch, Gram Panchayat, Saravali. | July 04, 2009 | Valid until cancelled |
| | | Factory License bearing Registration number: 1661700218996 and License number: 0218996, issued by the Officer, Industrial Security and Heath, Mumbai, Maharashtra. | September 25, 2017 | December 31, 2019 |
| | | Registration under the Employees Provident Funds & Miscellaneous Provisions Act, 1952 bearing code number: THTHA0015814000 issued by the Employees Provident Fund Organization, Ministry of Labour and Employment, Government of India. | September 03, 2014 | Valid until cancelled |
| | | Registration under the Employees State Insurance Act, 1948 bearing ESI Code: 34000118320000304 issued by the Employees State Insurance Corporation. | February 18, 2018 | Valid until cancelled |
| | | Consent to Operate bearing no. MPCB/17/188/1703002012 under Section 26 of the Water (Prevention & Control) of Pollution Act and Section 21 of the Air (Prevention & Control) of Pollution Act, 1981 and Renewal of Authorization under Rule 5 of the Hazardous Waste (Management, Handling and Transboundry Movement) Rules, 2008 issued by Maharashtra Pollution Control Board. | March 30, 2017 | December 31, 2021 |
| | | Entrepreneurs Memorandum Acknowledgement under Part I bearing Entrepreneurs Memorandum Number 27-021-12-02797-Part I issued by District Industries Centre, Thane. | May 2, 2010 | Valid until cancelled |
| | | Certificate for use of a boiler bearing boiler registry no.: MR/16712 issued by the Deputy Director, Maharashtra under the provisions of Section 7/8 of the Boilers Act, No. V of 1923. | December 17, 2017 | December 07, 2018 |
| | | The certificate of registration bearing No.1710200710009673 ,Dated 23/02/2016 issued under sub-Section (2) of the Section 7 of the Contract Labour (Regulation & Abolition) Act,1970 registering the establishment is further amended as per application dt.25/04/2018 | April 25, 2018 | December 31, 2018 |

**IV.** Our Group has acquired land at MIDC, Tarapur in the name of M/S. Jakharia Industries, a Partnership firm, in which our company is a partner with 85% share of profit. We propose to set up an additional fabrics processing unit in the name of M/S. Jakharia Industries. Further one of the object of the issue is to part finance the setting up of processing unit through M/S. Jakharia Industries at Tarapur, MIDC. The following are the approvals obtained with respect to the aforesaid proposed plant:

| Sr. No. | Property Description | Licences/Approvals obtained | Date of Certificate | Date of Expiry |
|---|---|---|---|---|
| 1. | Plot No. J-1/1, MIDC, Tarapur, Tq.&Dist.Palghar. | Consent to Establish RED Category-Format 1.0/BO/JD(WPC)/UAN No.37466/CE/CC-1803001484 under Section 25 of the Water (Prevention & Control) of Pollution Act and Section 21 of the Air (Prevention & Control) of Pollution Act, 1981 and Renewal of Authorization under Rule 5 of the Hazardous Waste (Management, Handling and Transboundry Movement) Rules, 2008 issued by Maharashtra Pollution Control Board. | March 31, 2018 | Valid upto commissioning of the unit or 5 years whichever is earlier |
| | | Grant of permission for new or change in size of water connection from existing mm.dia. to 15.00mm.dia. SWC No./Dt. SWC/4/18/20170502/481396/02-0 by Deputy Engineer MIDC Sub-Division(Maintenance), Tarapur. | June 23, 2017 | Valid until cancelled |
| | | Firm quotation for new permanent power connection issued by Maharshtra State Electricity Distribution Co. Ltd. For application number 8544105. | April 26, 2016 | Valid until cancelled |
| | | Registration Certificate under Form GST REG-06 for Goods and Services Tax GSTIN Number 27AALFJ5597L1ZH issued by the Government of India with validity from July 01, 2017. | September 22, 2017 | Valid until cancelled |
| | | Tax Deduction Account Number (TAN): MUMJ18828F from the Income Tax Department. | - | Valid until cancelled |
| | | Approval of Plans submitted to the MIDC for proposed factory building and drainage plan(internal works) issued by the Deputy Engineer, Special Planning Authority MIDC Drainage Sub-Div.(SPA), Tarapur. | March 01, 2017 | Valid until cancelled |
| | | Permanent Account Number registration number AALFJ5597L issued by the Income Tax Department. | December 12, 2015 [Date of Issue] | Valid until cancelled |

## V. PENDING APPROVALS

The Company has filed applications for the registrations of the following approvals:

- Application filed before MIDC for No Objection Certificate from the concerned Fire Officer in accordance with the provisions of the Maharashtra Fire Prevention and Life Safety Measures Act, 2006, in respect of the Company's premises located at Plot No. A-13, MIDC, Tarapur, Tal. Palghar, District-Thane; and

- Application filed for Short Term Certificate dated May 10, 2018 before the Directorate of Steam Boilers Mumbai for 3 months from May 8, 2018 for operation of the coal fired boiler bearing no. MR/15141 for the unit at Plot No. A-13, MIDC, Tarapur, Tal. Palghar, District-Thane.

## VI. APPROVALS REQUIRED TO BE OBTAINED BY THE COMPANY, BUT NOT APPLIED FOR:

- Approvals or permissions from MIDC for occupying the factory premises located at Plot No. 13/1, MIDC Industrial Area Saravali, Kalyan Bhiwandi Road, Dist. Thane, Maharashtra-421302. For further details, please refer to chapter titled "*Risk Factors*" beginning on page no. 10 of this Prospectus.

- No Objection Certificate from the concerned Fire Officer in accordance with the provisions of the Maharashtra Fire Prevention and Life Safety Measures Act, 2006, in respect of the Company's premises located at Plot No. 13/1, MIDC Industrial Area Saravali, Kalyan Bhiwandi Road, Dist. Thane, Maharashtra-421302.

# SECTION VIII – OTHER REGULATORY AND STATUTORY DISCLOSURES

**Authority for the Issue**

Our Board of Directors have vide resolution dated April 27, 2018 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1) (C) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held with a shorter notice on May 02, 2018, in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

The Company has obtained approval from NSE vide letter dated June 01, 2018 to use the name of NSE in this Offer Document for listing of equity shares on the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE. NSE is the designated stock exchange.

**Prohibition by SEBI, the RBI or Governmental Authorities**

We confirm that there is no prohibition on our Company, its Directors, Promoter and entities forming part of our Promoter Group from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

We further confirm that none of our Company, it's Promoter, relatives of Promoter (as defined under Companies Act, 2013), our Directors and our Group Companies have been identified as wilful defaulters by the RBI or other authorities.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

**Association with Securities Market**

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled "*Risk factors*", "*Our Promoter and Promoter Group*", "*Our Group Companies*" and "*Outstanding Litigations and Material Developments*" beginning on page nos. 10, 116, 120 and 164 respectively, of this Prospectus.

**Eligibility for the Issue**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulation; and this Issue is an "Initial Public Issue" in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed ten crores rupees, shall issue shares 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 National Stock Exchange of India Limited i.e. NSE EMERGE).

We confirm that:

1. In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to the said underwriting please see "*General Information- Underwriting*" on page no. 39 of this 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 shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working 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 (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, 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 Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and the Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the arrangement of Market Making, please see "*General Information- Details of the Market Making Arrangements for this Issue*" on page no. 39 of this Prospectus.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of the SEBI (ICDR) Regulations, 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 Offer.

5. Our Company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.

6. Our Company has a website: www.jakhariafabric.com

7. There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application to NSE for listing on EMERGE platform of SME segment.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE (NSE EMERGE):-

1. Our Company was incorporated as *"Jakharia Fabric Pvt. Ltd"* on June 22, 2007 under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration No. 171939. The status of our Company was changed to a public limited company and the name of our Company was changed to "*Jakharia Fabric Limited*" by a special resolution passed on April 20, 2018. A fresh certificate of incorporation consequent to the change of name was granted to our Company on April 27, 2018, by the Registrar of Companies, Mumbai at Maharashtra.

2. As on the date of this Prospectus, our Company has a paid up capital of ₹ 297.18 Lakhs (₹ 2.97 crores) and the Post Issue Capital will be of upto ₹ 406.38 Lakhs (₹ 4.06 crores) which is less than ₹ 25 crores.

3. The Company has been incorporated on June 22, 2007 and has track record of over three years and has positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth as on December 31, 2017.

4. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

5. There is no winding up petition against our Company, which has been admitted by the court or a liquidator has not been appointed of competent jurisdiction against our Company.

6. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our Company.

7. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of Promoters, Group Company, Companies promoted by the Promoters of our Company.

8. There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.

**Disclosure**

Our Company, our Directors, our Promoters, Promoter Group and our Group Company have confirmed that they have not been identified as wilful defaulters by the RBI or any other Governmental Authority.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH 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 ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 21, 2018.**

**AS PER REGULATION 106(O) OF THE SEBI ICDR REGULATIONS, ONLY THE PROSPECTUS HAS TO BE FILED WITH SEBI ALONG WITH A DUE DILIGENCE CERTIFICATE AS PER FORM A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS BY THE LEAD MANAGER.**

**WE, THE LEAD MANAGER TO THE ABOVE MENTIONED 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 PROSPECTUS PERTAINING TO THE SAID ISSUE.**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

   A. **THE 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 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, 1956, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), 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 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 FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD /TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE 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 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 AUDITOR'S 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 COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY 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 COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED WITH 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 73 OF THE COMPANIES ACT, 1956 (SECTION 40 OF 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 PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKER(S) TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT 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 PROSPECTUS:**

    A. **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, AND**

    B. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY 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 HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, 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 PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

16. **WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR (PLEASE SEE "ANNEXURE A" FOR FURTHER DETAILS).**

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 CERTIFIED BY PEER REVIEW AUDITORS PURSUANT TO THEIR REPORT DATED MAY 24, 2018.**

**THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR 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 LEAD MERCHANT BANKERS ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.**

**Note:**
All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of section 26 and 30 of the Companies Act, 2013.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATIONS 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 OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

**2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES 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 SPECIFIED SECURITIES OF THE COMPANY.**

**5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISO 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.**

**Disclaimer from our Company, Directors and the Lead Manager**

Our Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

**CAUTION**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU for Issue Management entered into among the Lead Manager and our Company dated May 02, 2018 and addendum dated May 24, 2018, the Underwriting Agreement dated May 02, 2018 and addendum dated May 24, 2018 entered into among the Underwriter and our Company and the Market Making Agreement dated May 02, 2018 and addendum dated May 24, 2018, entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the Lead Manager 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 or elsewhere.

**Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, 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 of our Company and 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 and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter 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 of our Company.

**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, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial

institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the 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. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any 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.

**Disclaimer Clause of the NSE Emerge Platform**

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/108 dated June 01, 2018 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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 any other reason whatsoever."

**Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "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 of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with 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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

**Filing**

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106 (O) (1). However, a copy of the Prospectus shall be filed with SEBI at Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the RoC situated at Everest, 100, Marine Drive, Mumbai – 400 002.

**Listing**

An application shall be made to SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within eight days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

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 National Stock Exchange of India Limited i.e. NSE EMERGE mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained approval from NSE vide letter dated June 01, 2018 to use the name of NSE in this Offer document for listing of equity shares on SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE.

**Price Information of past issues handled by the Lead Manager**

| *Sr. No.* | *Issue Name* | *Issue size (₹ Cr.)* | *Issue Price (₹)* | *Listing date* | *Opening price on listing date* | *+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30th calendar days from listing* | | *+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90th calendar days from listing* | | *+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180th calendar days from listing* | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Garv Industries Limited | 3.20 | 10.00 | 25/04/2018 | 10.00 | -10.00% | 1.23% | N.A. | N.A. | N.A. | N.A. |
| 2. | Giriraj Civil Developers | 9.00 | 100.00 | 02/04/2018 | 101.00 | 1.00% | 4.96% | N.A. | N.A. | N.A. | N.A. |
| 3. | Yasho Industries Limited | 28.99 | 100.00 | 02/04/2018 | 106.00 | 6.00% | 5.78% | N.A. | N.A. | N.A. | N.A. |
| 4. | Karda Constructions Limited | 77.40 | 180.00 | 02/04/2018 | 136.00 | 4.03% | 5.78% | N.A. | N.A. | N.A. | N.A. |
| 5. | Uravi T and Wedge Lamps Limited | 15.00 | 100.00 | 28/3/2018 | 102.50 | 3.00% | 5.72% | N.A. | N.A. | N.A. | N.A. |
| 6. | Advitya Trade India Limited | 4.31 | 15.00 | 26/3/2018 | 15.01 | 75.33% | 4.34% | N.A. | N.A. | N.A. | N.A. |
| 7. | Shreeshay Engineers Limited | 5.40 | 15.00 | 21/03/2018 | 15.25 | 20.00% | 3.86% | 20.00% | 6.49% | N.A. | N.A. |
| 8. | CKP Leisure Ltd. | 11.54 | 30.00 | 06/03/2018 | 27.00 | -6.67% | 0.74% | -29.17% | 3.70% | N.A. | N.A. |
| 9. | Banka BioLoo Ltd | 12.63 | 115.00 | 27/02/2018 | 114.00 | -7.83% | -4.17% | -17.39% | 1.27% | N.A. | N.A. |
| 10. | Medico Remedies Limited | 10.99 | 100.00 | 08/02/2018 | 100.00 | -3.00%. | -3.21% | -2.50% | 2.63% | N.A. | N.A. |

**Summary Statement of Disclosure**

| *Financ-ial Year* | *Total no. of IPOs* | *Total Funds Raised (₹ in Cr.)* | *Nos. of IPOs trading at discount - 30th calendar day from listing day* | | | *Nos. of IPOs trading at premium - 30th calendar day from listing day* | | | *Nos. of IPOs trading at discount - 180th calendar day from listing day* | | | *Nos. of IPOs trading at premium - 180th calendar day from listing day* | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | *Over 50%* | *Between 25-50%* | *Less than 25%* | *Over 50%* | *Between 25-50%* | *Less than 25%* | *Over 50%* | *Between 25-50%* | *Less than 25%* | *Over 50%* | *Between 25-50%* | *Less than 25%* |
| 2018-19 | 4[(1)] | 118.59 | - | - | 1 | - | - | 3 | - | - | - | - | - | - |
| 2017-18 | 16 | 318.24 | 1 | 1 | 4 | 1 | 1 | 8 | - | 1 | 1 | - | - | 4 |
| 2016-17 | 10 | 147.26 | - | 1 | - | 1 | - | 8 | - | 1 | - | 2 | 3 | 4 |

[(1)] *Details indicated in 2018-19 are for the IPOs completed as on date.*

***Notes:***

*a) Since the listing date of Garv Industries Limited, Giriraj Civil Developers, Yasho Industries Limited, Karda Constructions Limited, Uravi T and Wedge Lamps Limited, Advitya Trade India Limited was April 25, 2018, April 02, 2018, April 02, 2018, April 02, 2018, March 28, 2018, March 26, 2018 respectively, information related to closing price and benchmark index as on the 90th calendar day and 180th calendar day from the listing date is not available.*

*b) Since the listing date of Shreeshay Engineers Limited, CKP Leisure Ltd., Banka BioLoo Ltd., and Medico Remedies Limited was March 21, 2018, March 06, 2018, February 27, 2018 and February 08, 2017 respectively, information related to closing price and benchmark index as on the 180th calendar day from the listing date is not available.*

*c) The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.*

*d) In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.*

*e) Source: www.bseindia.com and www.nseindia.com and BSE Sensex and NSE Nifty as the Benchmark Index.*

**Track record of past issues handled by the Lead Manager**

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited – *www.afsl.co.in*

**Consents**

Consents in writing of: (a) the Directors, the Chief Financial Officer, Company Secretary & Compliance Officer, Peer Review Auditor and the Statutory Auditor; and (b) the Lead Manager, Registrar to the Issue, the Legal Advisors to the Issue, Banker to the Company, Banker to the Issue, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 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.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. V J Shah & Co., Chartered Accountants, Peer Review Auditors, have provided their written consent to the inclusion of their report dated May 24, 2018 on Restated Financial Statements and M/s. Shah Shroff & Associates, Chartered Accountants, Statutory Auditors, have provided their written consent to the inclusion of their report dated May 02, 2018 on Statement of Tax Benefits, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Prospectus.

**Expert Opinion**

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

Our Company has received written consent from its Peer Review Auditor namely, M/s. V J Shah & Co., Chartered Accountants, to include their name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as "Expert" as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Restated Financial Statements dated May 24, 2018 and from its Statutory Auditors namely, M/s Shah Shroff & Associates, Chartered Accountants, to include their name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as "Expert" as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Statement of Tax Benefits dated April May 02, 2018 issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

**ISSUE RELATED EXPENSES**

Issue related expenses include underwriting and Issue management fees, selling commission, distribution expenses, market making charges, legal fees, fees to advisors, printing and stationery costs, advertising expenses, listing fees payable to the Stock Exchange, and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange, including fees payable to Depositories is given below:
The details of estimated Issue expenses are set forth below:

*(₹ in lakhs)*

| Sr. No. | Particulars | Amount (₹ in lakhs) | % of Total Expenses | % of Total Issue size |
|---|---|---|---|---|
| 1 | Issue Management fees including fees and reimbursements of Market Making fees, selling commissions, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses. | 48.30 | 70.86 % | 2.46 % |
| 2 | Brokerage [(1)(2)(3)] | 8.00 | 11.74 % | 0.41 % |
| 3 | Printing & Stationery, Distribution, Postage, etc. | 2.00 | 2.93 % | 0.10 % |
| 4 | Advertisement and Marketing Expenses | 2.00 | 2.93 % | 0.10 % |
| 5 | Stock Exchange Fees, Regulatory and other Expenses | 7.86 | 11.53 % | 0.40 % |
| **Total** | | **68.16** | **100.00 %** | **3.47 %** |

[1)] *The SCSBs and other intermediaries will be entitled to a commission of ₹ 10 per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.*

[2)] *The SCSBs would be entitled to processing fees of ₹ 10 per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.*

[3)] *Further the SCSBs and other intermediaries will be entitled to selling commission of 0.01 % of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.*

**Fees, Brokerage and Selling Commission Payable to the Lead Manager**

The total fees payable to the Lead Manager (including underwriting commission and selling commission) is as stated in the MOUs dated May 02, 2018 and addendum dated May 24, 2018, the Underwriting Agreement dated May 02, 2018 and addendum dated May 24, 2018 and the Market Making Agreement dated May 02, 2018 and addendum dated May 24, 2018 among our Company and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

**Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company, and the Registrar to the Issue dated May 02, 2018.

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 to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post.

**CAPITAL ISSUE DURING THE LAST FIVE YEARS**

**Previous Public and Rights Issues**

We have not made any rights and public issues in the past, and we are an "Unlisted Company" 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 Equity Shares otherwise than for Cash**

Except as stated in the chapter titled "*Capital Structure*" beginning on page no. 46 of this Prospectus, we have not issued any Equity Shares for consideration other than for cash.

**Commission and Brokerage Paid on Previous Issues of our Equity Shares**

Since this is an Initial Public Offer of the 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 the Equity Shares since inception of the Company.

**Capital Issues in the last three (3) years by Listed Group Companies / Subsidiaries / Associates**

None of our Group Companies / Subsidiaries / Associates that are listed on any Stock Exchange has made any Capital Issue in the last three (3) years.

**PERFORMANCE VIS-À-VIS OBJECTS**

**Issuer Company**

Our Company has not made any public issue since its incorporation.

**Listed Group Companies / Subsidiaries / Associate Companies**

Our Group Company is not listed on any Stock Exchange and has not made any rights and public issues in the past ten (10) years. Further, we do not have any subsidiary as on date of this Prospectus.

**OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY THE COMPANY**

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

**Stock Market Data for our Equity Shares**

This being an initial public offer of the Company, the Equity Shares of the Company are not listed on any stock exchange.

**DISPOSAL OF INVESTOR GRIEVANCES**

**Mechanism for Redressal of Investor Grievances**

The Company has appointed Bigshare Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on April 27, 2018 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

| Name of the Member | Nature of Directorship | Designation in Committee |
|---|---|---|
| Mr. Anant Sawant | Non Executive Independent Director | Chairman |
| Mrs. Rajashri Kovil | Non Executive Independent Director | Member |
| Mr. Nitin Shah | Managing Director | Member |

For further details, please see the chapter titled "*Our Management*" beginning on page no. 100 of this Prospectus.

The Company has also appointed Mr. Bhavin Waghela as the Company Secretary and Compliance Officer for this Issue and she may be contacted at the Registered Office of our Company. The contact details are as follows:

**Name:** Mr. Bhavin Waghela
**Address**: Office No.1224, Deoji Nagar, Narpoli Village Bhiwandi Thane – 421302.
**Tel No:** 91-25- 2227 8892
**Email:** info@jakhariafabric.com

Investors can contact the Compliance Officer or the Registrar to the Issue or the 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 accounts and refund orders.

**Status of Investor Complaints**

We confirm that we have not received any investor compliant during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

**Disposal Of Investor Grievances By Listed Companies Under The Same Management**

No company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act, 1956 has made any public issue (including any rights issues to the public) during the last three years and hence there are no pending investor grievances.

**Change in Auditors**

Our Company has changed its Statutory Auditors by appointing M/s. Shah Shroff & Associates, Chartered Accountant in place of M/s. J. Ajmera & Associates, Chartered Accountants due to casual vacancy arising on resignation. Subsequently, the appointment of M/s. Shah Shroff & Associates, Chartered Accountants was regularised *vide* Resolution passed in the AGM dated September 30, 2016.

**Capitalisation of Reserves or Profits**

Except as stated in the chapter titled "*Capital Structure*" beginning on page no. 46 of this Prospectus, our Company has not capitalised our reserves or profits during the last five years.

**Revaluation of Assets**

We have not revalued our assets since incorporation.

# SECTION IX – ISSUE RELATED INFORMATION

## TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Prospectus, the Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.*

*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 websites of the concerned stock exchanges 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.*

**Authority for the Issue**

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on April 27, 2018 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extra Ordinary General Meeting held with a shorter notice on May 02, 2018 in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

**Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects including dividend with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please refer the chapter titled *"Main Provisions of the Articles of Association" b*eginning on page no. 242 of this Prospectus.

**Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, the Memorandum and Articles of Association, and recommended by the Board of Directors and the Shareholders at their discretion 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 the chapter titled *"Dividend Policy"* and "*Main Provisions of Article of Association*" beginning on page nos. 124 and 242 of this Prospectus.

**Face Value and Issue Price**

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Prospectus at the price of ₹ 180 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled *"Basis for Issue Price"* beginning on page no. 62 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

**Compliance with the disclosure and accounting norms**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall also 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 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;
- ✓ Right of free transferability; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled *"Main Provisions of Articles of Association"* beginning on page no. 242 of this Prospectus.

**Minimum Application Value; Market Lot and Trading Lot**

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

1) Tripartite agreement dated May 24, 2018 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.

2) Tripartite agreement dated May 22, 2018 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

Trading of the Equity Shares will happen in the minimum contract size of 800 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 800 Equity Share subject to a minimum allotment of 800 Equity Shares to the successful Applicants.

**Minimum Number of Allottees**

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 collected shall be refunded within 6 Working days of closure of issue.

**Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

**Nomination Facility to Investor**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, 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 in accordance with Section 72 (3) of the Companies Act, 2013, 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 accordance to Section 72 (4) of the Companies Act, 2013, 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 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 the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ 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. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

**Withdrawal of the Issue**

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for 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 Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

**ISSUE PROGRAMME**

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

| Event | Indicative Date |
|---|---|
| Issue Opening Date | June 29, 2018 |
| Issue Closing Date | July 03, 2018 |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On and before July 06, 2018 |
| Initiation of Allotment / Refunds / Unblocking of Funds | On and before July 09, 2018 |
| Credit of Equity Shares to demat accounts of Allottees | On and before July 10, 2018 |
| Commencement of trading of the Equity Shares on the Stock Exchange | On and before July 11, 2018 |

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. 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.

Applications 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 (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between 10.00 a.m. and 3.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications 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 Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

**Minimum Subscription**

The requirement for 90% minimum subscription in terms of Regulation 14 of the ICDR Regulations is not applicable to the Issue. In terms of Regulation 106P(1) of the ICDR Regulations, the Issue is not restricted to any minimum subscription level and is 100% underwritten. Further, pursuant to Regulation 106R of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 50.

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. However, we shall ensure that the minimum subscription to be received shall be subject to allotment of minimum number of specified securities as prescribed in sub-clause (b) of clause (2) of rule 19 of Securities Contracts (Regulation) Rules, 1957 and also that the minimum number of allottees as prescribed in regulation 106R of the SEBI (ICDR) Regulations, 2009, as amended.

**Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 800 shares. 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 National Stock Exchange of India Limited i.e. NSE EMERGE.

**Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting**

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please see the section titled "*Main Provisions of Articles of Association*" beginning on page no. 242 of this Prospectus.

**New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

**Option to receive Equity Shares in Dematerialized Form**

As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialized form. As per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the NSE Emerge Platform.

**Migration to Main Board**

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE 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 NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above ₹ 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), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

- If the Paid up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we 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.

**Market Making**

The shares issued through this Issue are proposed to be listed on the SME Platform of NSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing of shares offered through this Prospectus.

For further details of the agreement entered into between our Company, The Lead Manager and the Market Maker, please see the chapter titled *"General Information - Details of the Market Making Arrangement for this Issue"* beginning on page no. 39 of this Prospectus.

**Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai. The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions 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.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106 (M) (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed more than ten crore rupees, shall issue shares 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 National Stock Exchange of India Limited i.e. NSE EMERGE]. For further details regarding the salient features and terms of such this Issue, please see the chapters titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on page nos. 188 and 195 respectively, of this Prospectus.

Following is the issue structure:

*Public issue of 10,92,000 Equity Shares of ₹ 10/- each (the "Equity Shares") for cash at a price of ₹ 180 per Equity Share (including a Share premium of ₹ 170 per Equity Share) aggregating to ₹ 1,965.60 lakhs ("the Issue") by Jakharia Fabric Limited. ("JFL" or the "Company" or the "Issuer").*

*The Issue comprises a reservation of 60,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of 10,32,000 Equity Shares of ₹ 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 26.87% and 25.39%, respectively of the post Issue paid up equity share capital of the company. The Issue is being made through the Fixed Price Process:*

| Particulars of the Issue | Net Issue to Public | Market Maker Reservation Portion |
|---|---|---|
| Number of Equity Shares available for allocation | 10,32,000 Equity Shares | 60,000 Equity Shares |
| Percentage of Issue Size available for allocation | 94.51% of the Issue Size | 5.49% of the Issue Size |
| Basis of Allotment | Proportionate subject to minimum allotment of 800 Equity Shares and further allotment in multiples of 800 Equity Shares each. | Firm Allotment |
| Mode of Application | Through ASBA Process Only | Through ASBA Process Only |
| Minimum Application Size | *For QIB and NII:*<br><br>Such number of Equity Shares in multiples of 800 Equity Shares such that the Application Value exceeds ₹ 2,00,000.<br><br>*For Retail Individuals:*<br><br>800 Equity Shares | 60,000 Equity Shares |
| Maximum Application Size | *For QIB and NII:*<br><br>Such number of Equity Shares in multiples of 800 Equity Shares such that the Application Size does not exceed 10,42,000 Equity Shares.<br><br>*For Retail Individuals:*<br><br>Such number of Equity Shares in multiples of 800 Equity Shares such that the Application Value does not exceed ₹ 2,00,000. | 60,000 Equity Shares |
| Mode of Allotment | Dematerialized Form | Dematerialized Form |
| Trading Lot | 800 Equity Shares | 800 Equity Shares, However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009. |
| Terms of Payment | The entire Application Amount will be payable at the time of submission of the Application Form 2. | |
| Application Lot Size | 800 Equity Share and in multiples of 800 Equity Shares thereafter | |

**Note:**

1) *50 % of the Equity Share offered are reserved for allocation to Applicants below or equal to ₹ 2.00 lakhs and the balance for higher amount Applications.*

2) *In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.*

3) *Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*

4) *SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

**Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the "Circular") standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

| Issue Price(in ₹) | Lot Size (No. of shares) |
|---|---|
| Up to 14 | 10000 |
| More than 14 up to 18 | 8000 |
| More than 18 up to 25 | 6000 |
| More than 25 up to 35 | 4000 |
| More than 35 up to 50 | 3000 |
| More than 50 up to 70 | 2000 |
| More than 70 up to 90 | 1600 |
| More than 90 up to 120 | 1200 |
| More than120 up to 150 | 1000 |
| More than150 up to 180 | 800 |
| More than180 up to 250 | 600 |
| More than 250 up to 350 | 400 |
| More than 350 up to 500 | 300 |
| More than 500 up to 600 | 240 |
| More than 600 up to 750 | 200 |
| More than 750 up to 1000 | 160 |
| Above1000 | 100 |

Further to the Circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

## ISSUE PROCEDURE

*All Applicants 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 ("General Information Document"), included below under "Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act 2013, to the extent applicable to a public issue. The General Information Document would be made available with the Lead Manager and would also be made available on the websites of the Stock Exchanges and the Lead Manager before opening of Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and shall not be liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications 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 Prospectus.*

*Please note that all the Applicants can participate in the Issue only through the ASBA process. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.*

*ASBA Applicants are required to submit ASBA Applications to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs. 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 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 NSE Ltd to act as intermediaries for submitting Application Forms are provided on http://www.nseindia.com For details on their designated branches for submitting Application Forms, please see the above mentioned NSE 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 application forms.*

## PART A

### FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Reg. 106(M)(1) of Chapter XB of the SEBI (ICDR) Regulations, 2009 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications 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 Applicants shall not be less than the minimum 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 Lead Manager 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 Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant'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 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 application is liable to be rejected. Applicants 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**.

**APPLICATION FORM**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

| Category | Colour[(1)] |
|---|---|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis | White |
| Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis | Blue |

(1) *excluding electronic Application Form*

Designated Intermediaries shall submit Application Forms to SCSBs and shall not submit it to any non-SCSB bank.

**Who Can Apply?**

1. Indian nationals resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);

2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: ― Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications 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 authorised to invest in equity shares;

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 (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);

7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;

8. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applications portion;

9. VCFs registered with SEBI;

10. FVCIs registered with SEBI;

11. Eligible QFIs;

12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions)

13. Multilateral and bilateral development financial institutions;

14. State Industrial Development Corporations;

15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;

16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;

17. Insurance companies registered with Insurance Regulatory and Development Authority;

18. Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;

19. Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;

20. Limited liability partnerships;

21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;

22. Nominated Investor and Market Maker

23. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India

24. 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 policy of the Government of India, OCBs cannot participate in this Issue. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.***

**Applications not to be made by**

1. Minors (except through their Guardians)

2. Partnership firms or their nominations

3. Overseas Corporate Bodies

**Maximum and Minimum Application Size**

***a) For Retail Individual Applicants:***

The Application must be for a minimum of 800 Equity Shares and in multiples of 800 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹ 2,00,000.

***b) For Other Applicants (Non-Institutional Applicants and QIBs):***

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 800 Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.**

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Information for the Applicants**

a) Our Company shall file the Prospectus with the RoC at least three working days before the Issue Opening Date.

b) Our Company shall, after registering the 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 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) Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

d) Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorized agent(s).

e) Application should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch.

f) The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.

**The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.**
**Availability of the Prospectus and the Application Forms:**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

**Participation by associates and affiliates of the Lead Manager**

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis.

**Applications by Mutual Funds**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

**In case of a Mutual Fund, a separate 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 Applications clearly indicate the scheme concerned for which the Application has been made.**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.**

**Applications by Eligible NRIs**

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants applying 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 Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

**Applications by FPI and 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. Further, a qualified foreign investor who had not obtained a certificate of registration as and FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such qualified foreign investors who have not registered as FPIS under the SEBI FPI Regulations shall not be eligible to participate in this Issue.

In case of Applications 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 Application Form, failing which our Company reserves the right to reject any application 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 Applications 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 Application Form, failing which our Company reserves the right to reject any Application 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 24.00% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.00% 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 24.00% 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.

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 Application Form for Non-Residents (blue in color).

**Applications 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 offering.

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 offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the 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 Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

**Applications by Limited Liability Partnerships**

In case of Applications 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 Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

**Applications by Insurance Companies**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% 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 belong to: 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.

**Applications by Provident Funds / Pension Funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250.00 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

**Applications by Banking Companies**

In case of Applications 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 Application Form, failing which our Company reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30.00% of the paid up share capital of the investee company or 30.00% of the banks' own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval).

**Applications 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 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 application in public issues and clear demarcated funds should be available in such account for such applications.

**Applications under Power of Attorney**

In case of Applications 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 K 250 million (subject to applicable law) and pension funds with a minimum corpus of K 250 million, 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 Application Form. Failing this, our Company reserves the right to accept or reject any Application 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 Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.

b) With respect to Applications 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 Application Form.

c) With respect to Applications made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, 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 Application Form.

d) With respect to Applications 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 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 Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

**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 Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application 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 this Prospectus.**

**General Instructions**

**Do's:**

1) Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2) Read all the instructions carefully and complete the Application Form in the prescribed form;

3) Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

4) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;

5) If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;

6) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;

7) Ensure that the name(s) given in the 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 Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;

8) Ensure that you request for and receive a stamped acknowledgement of your Application;

9) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

10) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;

11) Except for Applications (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) Applications 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 Applicants 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;

12) Ensure that the Demographic Details are updated, true and correct in all respects;

13) 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;

14) Ensure that the category and the investor status is indicated;

15) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;

16) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

17) Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their 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 Applications are liable to be rejected. Where the 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 Application Form;

18) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;

19) Ensure that you have mentioned the correct ASBA Account number in the Application Form;

20) Ensure that you have correctly signed the authorisation/undertaking box in the 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 Application Amount mentioned in the Application Form at the time of submission of the Application;

21) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and

22) The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1) Do not apply for lower than the minimum Application size;

2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;

3) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

4) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;

5) Do not submit the Application Forms to any non-SCSB bank or our Company;

6) Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;

7) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;

8) Do not apply for a Application Amount exceeding ₹ 200,000 (for Applications by Retail Individual Applicants);

9) Do not fill up the Application Form such that the Equity Shares applied 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 Prospectus;

10) Do not submit the General Index Register number instead of the PAN;

11) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;

12) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;

13) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

14) Do not apply 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);

15) Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Issuance of a Confirmation of Allocation Note ("CAN") and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.

2. The Registrar will then dispatch a CAN to their Applicants 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 Applicant.

**Payment instructions**

The entire issue price of ₹ 180 per Equity Share is payable on Application. In case of allotment of lesser number of Equity Shares than the number applied, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants shall specify the bank account details in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Not Retails Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instruction to the SCSBs to unblock the application money in the relevant back 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 application, as the case may be.

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 application forms.

Electronic Registration of Applications

1) The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.

2) The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of the next Working day from the Issue Closing Date.

3) The Application Collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4) Neither the Lead Manager nor the Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.

5) The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorised agents during the Issue Period. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange.

6) With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:

- Name of the Applicant;
- IPO Name;
- Application Form Number;
- Investor Category;
- PAN Number
- DP ID & Client ID
- Numbers of Equity Shares Applied for;
- Amount;
- Location of the Banker to the Issue or Designated Branch, as applicable;
- Bank Account Number and
- Such other information as may be required.

7) In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above mentioned details and mentioned the bank account number, except the Electronic Application Form number which shall be system generated.

8) 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 or having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

9) Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

10) The Application Collecting Intermediaries shall have no right to reject the applications, except on technical grounds.

11) The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way deemed or construed to mean the compliance with various statutory and other requirements by our Company and / or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness or any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; not does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

12) The Application Collecting Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN No., DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with the Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

13) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA Applicants.

Allocation of Equity Shares

1) The Issue is being made through the Fixed Price Process wherein 60,000 Equity Shares shall be reserved for the Market Maker. 5,16,000 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from the Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to Non Retail Applicants.

2) Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

3) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

4) In terms of SEBI Regulations, Non Retails Applicants shall not be allowed to either withdraw or lower the size of their application at any stage.

5) Allotment status details shall be available on the website of the Registrar to the Issue.

**Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- issue advertisement, we shall state the Issue Opening Date and the Issue 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.

**Signing of the Underwriting Agreement and the RoC Filing**

a) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on May 02, 2018 and addendum dated May 24, 2018.

b) For terms of the Underwriting Agreement please refer chapter titled "*General Information*" beginning on page no. 39 of this Prospectus.

c) We will file a copy of the Prospectus with the RoC in terms of Section 26 and all other provision applicable as per Companies Act.

**Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application Form, name and address of the SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants 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, refund orders etc. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs.

**Impersonation**

**Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:**

**"Any person who:**

***a)*** **makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**

***b)*** **makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**

***c)*** **Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

**Undertaking by our Company**

We undertake the following:

1) If our Company does not proceed with the Issue after the 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 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;

2) If our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;

3) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

4) All steps for 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 are taken within six Working Days of the Issue Closing Date;

5) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;

6) 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;

7) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;

8) No further Issue of Equity Shares shall be made till the Equity Shares offered through this Issue Document are listed or until the Application monies are refunded on account of non-listing, under-subscription etc;

9) Adequate arrangements shall be made to collect all Application Forms and

10) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time.

**Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;

2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and

4) Our Company shall comply with the requirements of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## PART B

**General Information Document for Investing in Public Issues**

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Prospectus before investing in the Issue.

### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Applicants in IPOs and FPOs, and 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**").

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Prospectus filed by the Issuer with the Registrar of Companies ("RoC"). Applicants should carefully read the entire 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 Prospectus, the disclosures in the Prospectus shall prevail. The 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.

For the definitions of capitalized terms and abbreviations used herein Applicants may see "*Glossary and Abbreviations*".

### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

#### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the 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, Applicants may refer to the 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 Applicants may refer to the 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 Issue") or undertake a Fixed Price Issue ("Fixed Price Issue"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the 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.

Applicants should refer to the 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 Applicants) and not more than ten Working Days. Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the Prospectus. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, 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.

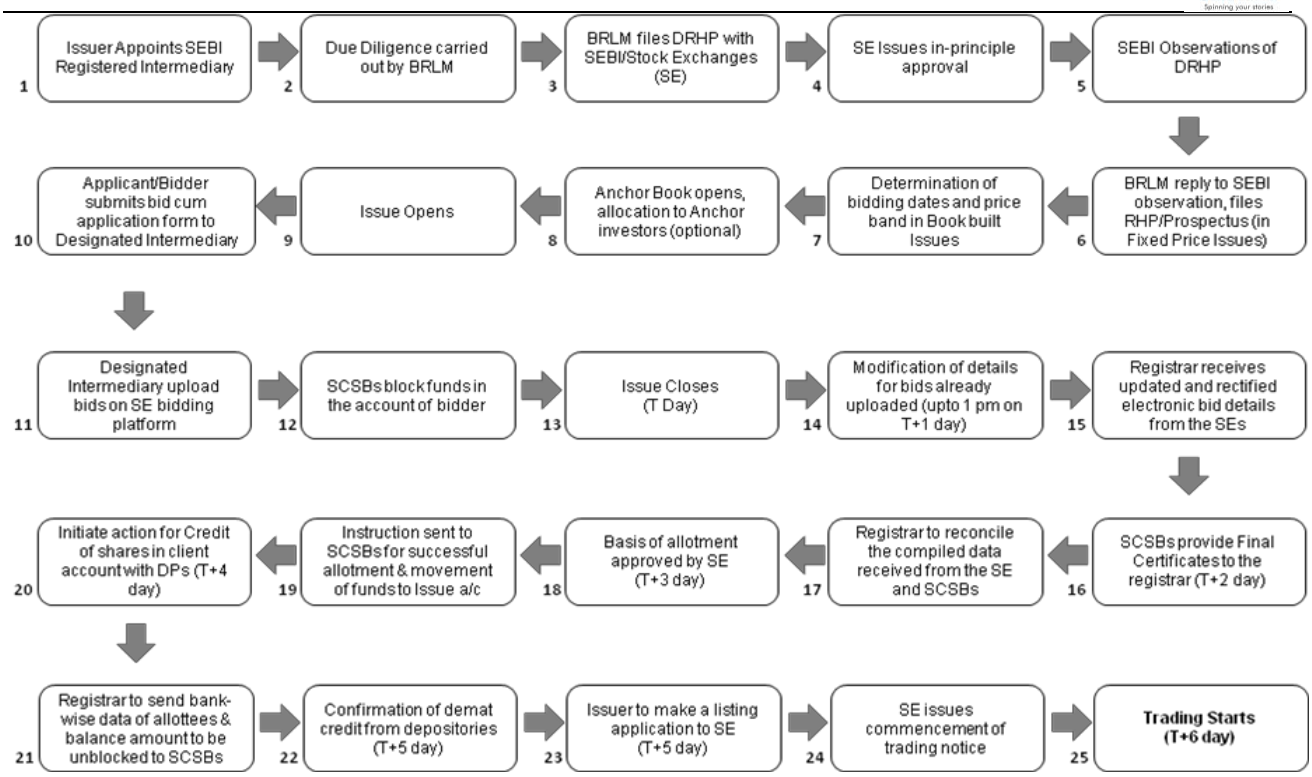
## 2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Applicants may note that this is not applicable for Fast Track FPOs:

In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

i. Step 7 : Determination of Issue Date and Price

ii. Step 10: Applicant submits Bid cum Application Form with Designated Branch of SCSB.




**SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE**

Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
-

- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors ("NIIs") category;

- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;

- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;

- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;

- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and

- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

- As per the existing regulations, OCBs are not allowed to participate in an Issue.

**SECTION 4: APPLYING IN THE ISSUE**

**Book Built Issue**: Bidders should only use the specified ASBA 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 Managers, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the 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.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Applicants is as follows:

| Category | Colour[(1)] |
|---|---|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis | White |
| Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis | Blue |

(1) *excluding electronic Application Form*

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

### 4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus 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 Bid cum Application Form and sample are provided below.

A sample Bid cum Application Form is reproduced below:

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

**COMMON BID CUM APPLICATION FORM** | **XYZ LIMITED - INITIAL PUBLIC ISSUE - R** | **FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS**

Address : ..... Contact Details: ..... CIN No .....

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : .....

Bid cum Application Form No.

| SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE |
|---|---|
| | |
| **SUB-BROKER'S / SUB-AGENT'S STAMP & CODE** | **ESCROW BANK/SCSB BRANCH STAMP & CODE** |
| | |
| **BANK BRANCH SERIAL NO.** | **SCSB SERIAL NO.** |
| | |

**1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER**

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

**2. PAN OF SOLE / FIRST BIDDER**

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

**4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF ")**

| Bid Options | No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) | | | |
|---|---|---|---|---|---|
| | 8 \| 7 \| 6 \| 5 \| 4 \| 3 \| 2 \| 1 | Bid Price: 3 \| 2 \| 1 | Retail Discount: 3 \| 2 \| 1 | Net Price: 3 \| 2 \| 1 | "Cut-off" (Please ✓ tick) |
| Option 1 | | | | | ☐ |
| (OR) Option 2 | | | | | ☐ |
| (OR) Option 3 | | | | | ☐ |

**5. CATEGORY**

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

**6. INVESTOR STATUS**

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - M F
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

* HUF should apply only through *Karta* (*Application by HUF would be treated on par with Individual*)

**7. PAYMENT DETAILS** | PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

**8A. SIGNATURE OF SOLE/ FIRST BIDDER**

Date :

**8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)**

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

**BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)**

TEAR HERE

LOGO

**XYZ LIMITED**
**INITIAL PUBLIC ISSUE - R**

**Acknowledgement Slip for Broker/SCSB/ DP/RTA**

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Stamp & Signature of SCSB Branch

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

**XYZ LIMITED - INITIAL PUBLIC ISSUE - R**

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| No. of Equity Shares | | | |
| Bid Price | | | |
| Amount Paid (₹) | | | |

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

**Acknowledgement Slip for Bidder**

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE / FIRST BIDDER / APPLICANT

a) Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

b) **Mandatory Fields**: Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

c) **Joint Bids/Applications**: In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Bid cum Application Form/Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

d) **Impersonation**: Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"***Any person who***:

- ***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.***"

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

e) **Nomination Facility to Applicant**: Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST APPLICANT

a) PAN (of the sole/first Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Applicants residing in Sikkim ("PAN Exempted Applicants"). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.

e) Applications by Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories

#### 4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS

a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**

b) Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

c) Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.

d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

#### 4.1.4 FIELD NUMBER 4: BID OPTIONS

a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus 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/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))

c) **Cut-Off Price**: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

d) **Minimum Application Value and Bid Lo**t: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

e) **Allotment**: The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the Prospectus 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 ₹ 2,00,000.

b) In case the Bid Amount exceeds ₹ 2,00,000 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 ₹ 2,00,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 2,00,000 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 ₹ 2,00,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the 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/ Issue 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 ₹ 2,00,000 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 ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor 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 Issue 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.

i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

j) 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 (For details of Bidders may refer to (Section 5.6 (e))

#### 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 three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

   Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

1) 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.

2) 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:

1) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the issue portion in public category.

2) 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.

3) 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.

4) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

### 4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

a) 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.

b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the Prospectus.

c) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.

d) 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 Applicant may refer to the Prospectus.

### 4.1.6 FIELD NUMBER 6: INVESTOR STATUS

a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

b) Certain categories of Applicants, 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. Applicants are requested to refer to the Prospectus for more details.

c) Applicants should check whether they are eligible to apply on non -repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

d) Applicants should ensure that their investor status is updated in the Depository records.

### 4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the Prospectus 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 offered, if any.

b) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.

c) All Bidders (except Anchor Investors) can participate in the Issue only through the ASBA mechanism.

d) Bid Amount cannot be paid in cash, through money order or through postal order.

#### 4.1.7.1 Instructions for Anchor Investors:

a) Anchor Investors may submit their Bids with a Book Running Lead Manager.

b) Payments should be made either by RTGS, NEFT or cheque/ demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Anchor Investor Application Form is submitted. Cheques/ bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

c) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.

d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

e) Anchor Investors are advised to provide the number of the Anchor Investor Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### 4.1.7.2 Payment instructions for Bidders (other than Anchor Investors)

a) Bidders may submit the Bid cum Application Form either

   1) in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account, or

   2) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

   3) in physical mode to any Designated Intermediary.

b) 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, may not be accepted.

c) 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;

d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

f) Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate

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 the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries ).

g) Bidders bidding through a Registered Broker, RTA or CDP should note that Bid cum Application Forms submitted to them 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 the Registered Brokers, RTA or CDP, as the case may be, to deposit Bid cum Application Forms.

h) 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.

i) 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.

j) 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.

k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

l) 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.

m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### 4.1.7.2.1 Unblocking of ASBA Account

a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful 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.

#### 4.1.7.3 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 offered in the Issue, Bidders may refer to the Prospectus.

c) The Bidders entitled to the applicable Discount in the Issue may block an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

### 4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

a) Only the First Applicant is required to sign the Bid cum Application Form/Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

b) If the ASBA Account is held by a person or persons other than the Applicant., then the Signature of the ASBA Account holder(s) is also required.

c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/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/Application Form.

d) Applicants must note that Bid cum Application Form/Application Form without signature of Applicant and/or ASBA Account holder is liable to be rejected.

### 4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

a) Bidders should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.

b) All communications in connection with Bids/Applications made in the Issue should be addressed as under:

1) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity shares, refund orders, the Applicants should contact the Registrar to the Issue.

2) In case of Bids submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.

3) In case of queries relating to uploading of Bids by a Syndicate Member, the Applicants should contact the relevant Syndicate Member.

4) In case of queries relating to uploading of Bids by a Registered Broker, the Applicants should contact the relevant Registered Broker

5) In case of Bids submitted to the RTA, the Applicants should contact the relevant RTA.

6) In case of Bids submitted to the DP, the Applicants should contact the relevant DP.

7) Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.

c) The following details (as applicable) should be quoted while making any queries –

1) full name of the sole or First Applicant, Bid cum Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;

2) name and address of the Designated Intermediary, where the Bid was submitted; or

3) In case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

d) In case of Anchor Investor bids cheque or draft number and the name of the issuing bank thereof.

For further details, Applicant may refer to the Prospectus and the Bid cum Application Form.

**4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

a) During the Bid/ Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

b) RII may revise their bids or withdraw their Bids till the Bid/ Issue Close Date.

c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

d) The Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Bid. Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

| COMMON BID REVISION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - R<br>Address : ..... Contact Details: ..... CIN No ..... | FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS |
|---|---|---|

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : .....

Bid cum Application Form No.

| SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE |
|---|---|
| SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE |
| BANK BRANCH SERIAL NO. | SCSB SERIAL NO. |

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
Mr. / Ms.
Address
Email
Tel. No (with STD code) / Mobile
2. PAN OF SOLE / FIRST BIDDER
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

| Bid Options | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) 8 7 6 5 4 3 2 1 | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price 3 2 1 | Retail Discount 3 2 1 | Net Price 3 2 1 | "Cut-off" (Please✓tick) |
|---|---|---|---|---|---|
| Option 1 | OLD BID | | | | |
| (OR) Option 2 | | | | | |
| (OR) Option 3 | | | | | |

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

| Bid Options | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) 8 7 6 5 4 3 2 1 | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price 3 2 1 | Retail Discount 3 2 1 | Net Price 3 2 1 | "Cut-off" (Please✓tick) |
|---|---|---|---|---|---|
| Option 1 | REVISED BID | | | | |
| (OR) Option 2 | | | | | |
| (OR) Option 3 | | | | | |

6. PAYMENT DETAILS — PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

| 7A. SIGNATURE OF SOLE/ FIRST BIDDER | 7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) | BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system) |
|---|---|---|
| Date : | I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue<br>1)<br>2)<br>3) | |

TEAR HERE

LOGO

XYZ LIMITED
BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

| Additional Amount Paid (₹) | Bank & Branch | Stamp & Signature of SCSB Branch |
|---|---|---|
| ASBA Bank A/c No. | REVISED BID | |
| Received from Mr./Ms. | | |
| Telephone / Mobile | Email | |

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| No. of Equity Shares | REVISED BID | | |
| Bid Price | | | |
| Additional Amount Paid (₹) | | | |

Stamp & Signature of Broker / SCSB / DP / RTA

ASBA Bank A/c No.
Bank & Branch

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

### 4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3. 4.2.2

**FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Applicant has Bid for three options in the Bid cum Application Form and such Applicant is changing only one of the options in the Revision Form, the Applicant 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 Applicants 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 Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 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 ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

### 4.2.3 FIELD 6: PAYMENT DETAILS

a) All Applicants are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

b) Applicant may Offer 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 Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant 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 Applicant is deemed to have approved such revised Bid at the Cut-off Price.

d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

### 4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

## 4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

### 4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

### 4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

a) The Issuer may mention Price or Price Band in the Prospectus. However a Prospectus registered with RoC contains one price or coupon rate (as applicable).

b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.

d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

e) An application cannot be submitted for more than the Issue size.

f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

g) Multiple Applications: An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

   1) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Applicant and may be rejected.

   2) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

i. The following applications may not be treated as multiple Bids:

   1) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.

   2) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

3) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

### 4.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS

a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

### 4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

### 4.3.5 FIELD 7: PAYMENT DETAILS

a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue

b) Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.

#### 4.3.5.1 Payment instructions for Applicants

a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.

b) Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant 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.

c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.

i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application 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 Application, as the case may be.

l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

**4.3.5.2 Unblocking of ASBA Account**

a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, 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 Application 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 Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

**4.3.5.3 Discount (if applicable)**

a) The Discount is stated in absolute rupee terms.

b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

**4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

**4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM**

**4.4.1 Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-**

| Mode of Application | Submission of Bid cum Application Form |
|---|---|
| Anchor Investors Application Form | • To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form |
| All Applications (other than Anchor Investors) | • To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location<br>• To the Designated Branches of the SCSBs where the ASBA Account is maintained |

a) Applicants should submit the Revision Form to the same Designated Intermediary through which such Applicant had placed the original Bid.

b) Upon submission of the Bid cum Application Form, the Applicant will be deemed to have authorized the Issuer to make the necessary changes in the Prospectus and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Applicant.

c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

## SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/ Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### 5.1 SUBMISSION OF BIDS

a) During the Bid/ Issue Period, Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.

b) In case of Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Applicants 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 Applicants are requested to refer to the Prospectus.

### 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 Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the 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 BRLMs 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) BRLMs 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.

### 5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

b) Bids/Applications by OCBs; and

c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Bid cum application form/Application Form;

e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

f) Bids/Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in the Prospectus);

g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

h) PAN not mentioned in the Bid cum Application Form/Application Form, except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;

l) Bids/Applications at Cut-off Price by NIIs and QIBs;

m) 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;

n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

o) Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account;

p) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Prospectus;

q) Multiple Bids/Applications as defined in the GID and the Prospectus;

r) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the Prospectus and the Bid cum Application Forms;

s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;

t) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

u) Where no confirmation is received from SCSB for blocking of funds;

v) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

w) Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

x) Bids/Applications not uploaded on the terminals of the Stock Exchanges; and

y) Bids/Applications 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.

## 5.6 BASIS OF ALLOCATION

a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Prospectus. For details in relation to allocation, the Applicant may refer to the Prospectus.

b) Under-subscription in any category (except QIB Category) is allowed to be met with spillover 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.

c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Applicants may refer to the Prospectus.

d) 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 ₹ 20 to ₹ 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 (₹) | Cumulative Quantity | Subscription |
|---|---|---|---|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

**e) Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding ("Alternate Book Building Process").

The Issuer may specify the Floor Price in the Prospectus or advertise the Floor Price at least one Working Day prior to the Bid/ Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the Application Form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net issue to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied

for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of the GID.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Applicants may refer to Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### 7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### 7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### 7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Applicants may refer to the SEBI ICDR Regulations, 2009 or Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

   In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a

proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

## 7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with the Investor and the BRLMs, subject to compliance with the following requirements:

1) not more than 60% of the QIB Category will be allocated to Anchor Investors;

2) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

3) allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum Allotment of ₹ 5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 250 crores, and an additional 10 Anchor Investors for every additional ₹ 250 crores or part thereof, subject to minimum Allotment of ₹ 5 crores per such Anchor Investor.

b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

d) **In the event the Issue Price is lower than the Anchor Investor Issue Price**: Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

## 7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

a) Bidders may be categorized according to the number of Equity Shares applied for;

b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

### 7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

a) Designated Date: On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

b) Issuance of Allotment Advice: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.

## 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 six 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 CDPs, and dispatch the Allotment Advice within six Working Days of the Bid/ Issue Closing Date

### 8.2 GROUNDS FOR REFUND

#### 8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Applicants.

If such money is not refunded to the Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the Prospectus.

### 8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any Issue for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue, the Equity Shares in the Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended

### 8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

### 8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

## 8.3 MODE OF REFUND

a) **In case of Bids/Applications (other than Anchor Investors):** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.

b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

a) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

b) Direct Credit - Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

c) RTGS - Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers, etc. Anchor Investors may refer to Prospectus.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 working days of the Bid/ Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

| Term | Description |
|---|---|
| Allotment/Allot/Allotted | The allotment of Equity Shares pursuant to the Issue to successful Applicants |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges |
| Allottee | An Applicant to whom the Equity Shares are Allotted |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Invest or Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Prospectus. |
| Anchor Investor Application Form | The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Prospectus |
| Anchor Investor Portion | Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors |

| Term | Description |
|---|---|
| Application Form | The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue |
| Application Supported by Blocked Amount/ASBA | An application, whether physical or electronic, used by Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB |
| ASBA Account | Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Applicant |
| Banker(s) to the Issue / Escrow Collection Bank(s) / Collecting Banker | The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened ,and as disclosed in the Prospectus and Bid cum Application Form of the Issuer |
| Basis of Allotment | The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue |
| Bid | An indication to make an Issue during the Bid/ Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications there to. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application |
| Bid Amount | The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Applicant up on submission of the Bid(except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount |
| Bid/ Issue Closing Date | Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language news paper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Bid/ Issue Closing Date |
| Bid/ Issue Opening Date | The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Bid/ Issue Opening Date |
| Bid/ Issue Period | Except in the case of Anchor Investors (if applicable),the period between the Bid/ Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period |
| Bid cum Application Form | An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| Applicant | Any prospective investor who makes a Bid pursuant to the terms of the Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant |
| Book Built Process / Book Building Process / Book Building Method | The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made |
| Broker Centres | Broker centres notified by the Stock Exchanges, where Applicants 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 websites of the Stock Exchanges. |
| BRLM(s) / Book Running Lead Manager(s) / Lead Manager / LM | The Book Running Lead Manager to the Issue as disclosed in the Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through |

| Term | Description |
|---|---|
| | the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM |
| Business Day | Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays) |
| CAN / Confirmation of Allotment Note | The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, 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 and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted |
| Client ID | Client Identification Number maintained with one of the Depositories in relation to demat account |
| Collecting Depository Participant or CDPs | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Cut-off Price | Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Applicants are entitled to Bid at the Cut-off Price |
| DP | Depository Participant |
| DP ID | Depository Participant's Identification Number |
| Depositories | National Securities Depository Limited and Central Depository Services (India) Limited |
| Demographic Details | Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details |
| Designated Branches | Such branches of the SCSBs which may collect the Bid cum Application Forms used by Applicants (exc Anchor Investor) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html |
| Designated CDP Locations | Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants.<br><br>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 (www.bseindia.com and www.nseindia.com) |
| Designated Date | The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Applicants in the Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale. |
| Designated Intermediaries / Collecting Agent | Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue |
| Designated RTA Locations | Such locations of the RTAs where Bidders can submit the Bid cum Application Forms to RTAs.<br><br>The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| Designated Stock Exchange | The designated stock exchange as disclosed in the Prospectus of the Issuer |
| Discount | Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009. |
| Draft Prospectus | The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band |

| Term | Description |
|---|---|
| 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 promoter and immediate relatives of the promoter. For further details, Applicant may refer to the Draft Prospectus/ Prospectus. |
| Equity Shares | Equity Shares of the Issuer |
| Escrow Account | Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may issue cheques or demand drafts or transfer money through NEFT or RTGS in respect of the Bid Amount when submitting a Bid |
| Escrow Agreement | Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof |
| Escrow Collection Bank(s) | Refer to definition of Banker(s) to the Issue |
| FCNR Account | Foreign Currency Non-Resident Account |
| First Applicant | The Applicant whose name appears first in the Bid cum Application Form or Revision Form |
| 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, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto |
| FPIs | Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| FPO | Further public offering |
| Foreign Venture Capital Investors or FVCIs | Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000 |
| IPO | Initial public offering |
| 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 | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996 |
| Mutual Funds Portion | 5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the 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 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 Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs) |
| Non-Institutional Category | The portion of the Issue being such number of Equity Shares available for |

| Term | Description |
|---|---|
| | allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Bid cum Application Form |
| Non-Resident | A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI |
| OCB/Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA |
| Offer | Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable |
| Other Investors | Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for |
| Issue Price | The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders 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) |
| PAN | Permanent Account Number allotted under the Income Tax Act, 1961 |
| Price Band | Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation |
| Pricing Date | The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price |
| Prospectus | The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information |
| Public Issue Account | An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date |
| QIB Category | The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis |
| Qualified Institutional Buyers or QIBs | As defined under SEBI ICDR Regulations, 2009 |
| RTGS | Real Time Gross Settlement |
| Refund Account(s) | The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made |
| Refund Bank(s) | Refund bank(s) as disclosed in the Prospectus and Bid cum Application Form of the Issuer |
| Refunds through electronic transfer of funds | Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Registered Broker | Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate |
| Registrar to the Issue /RTO | The Registrar to the Issue as disclosed in the Prospectus and Bid cum Application Form |
| Reserved Category / Categories | Categories of persons eligible for making application/Bidding under reservation portion |
| Reservation Portion | The portion of the Issue reserved for such category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009 |

| Term | Description |
|---|---|
| Retail Individual Investors/RIIs | Investors who applies or bids for a value of not more than L 200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs. |
| Retail Individual Shareholders | Shareholders of a listed Issuer who applies or bids for a value of not more than L 200,000. |
| Retail Category | The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis. |
| Revision Form | The form used by the Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s) |
| RoC | The Registrar of Companies |
| SEBI | The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 |
| SEBI ICDR Regulations, 2009 | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 |
| Self Certified Syndicate Bank(s) or SCSB(s) | A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html |
| Specified Locations | Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/ and updated from time to time |
| Stock Exchanges / SE | The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed |
| Syndicate | The Book Running Lead Manager(s) and the Syndicate Member |
| Syndicate Agreement | The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members |
| Syndicate Member(s) / SM | The Syndicate Member(s) as disclosed in the Prospectus |
| Underwriters | The Book Running Lead Manager(s) and the Syndicate Member(s) |
| Underwriting Agreement | The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date |
| Working Day | Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/ Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India. |

## RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and 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 FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), issued consolidates FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be "qualified institutional investors" (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.**

**The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholders and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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.**

## SECTION X – MAIN PROVISIONS OF ARTICLE OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Table F in Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

*These Articles of Association were adopted in substitution for and to the entire exclusion of the earlier Articles of Association at the Extra-ordinary General Meeting of the Company held on April 20, 2018.*

***Public Company***

**2.** The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013.

***Share capital and variation of rights***

**3.** (i) The Authorized Share Capital of the Company shall be as laid down in Memorandum of Association of the Company.

(ii) Subject to the provisions of the Companies Act 2013 and the applicable Rules made thereunder, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such times as the Directors think fit.

**4.** (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided:

(a) One certificate for all his shares without payment of any charges; or

(b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any 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 for a share to one of several joint holders shall be sufficient delivery to all such holders.

**5.** i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The company may issue new share certificates pursuant to consolidation or sub division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.

**6.** Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

**7.** (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

**8.** (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

**9.** The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith.

**10.** Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

***Lien***

**11.** (i) The Company shall have a first and paramount lien—

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

(iii) The fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares.

**12.** The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—
(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

**13.** (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

**14.** (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

***Calls on shares***

**15.** (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

(iv) The option or right to make call on shares shall not be given to any person except with the sanction of the Company in General Meetings. That is, it may delegate power to make calls on shares subject to approval of the shareholders in a general meeting of the company.

**16.** A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

**17.** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

**18.** (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. Per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

**19.** (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**20.** The Board—

(a) May, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not confer a right to dividend or to participate in profits.

*Transfer of shares*

**21.** (i) The Company shall use a Common form of transfer. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

**22.** The Board may, subject to the right of appeal conferred by section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

**23.** The Board may decline to recognize any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
(c) the instrument of transfer is in respect of only one class of shares.

**24.** On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

**25.** Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

*Transmission of Shares*

**26.** (i) 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 persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

**27.** (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

**28.** (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

**29.** A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

***Forfeiture of Shares***

**30.** If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

**31.** The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
(b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

**32.** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

**33.** (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

**34.** (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

**35.** (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited 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 share.

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv)The transferee shall not be bound to see to the application of the purchase money, 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 or disposal of the share.

**36.** The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

***Alteration of Capital***

**37.** The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. The Authorised Share Capital shall be as per the clause V (a) of Memorandum of Association of the company.

**38.** Subject to the provisions of section 61, the company may, by ordinary resolution,—

*(a)* increase its authorized share capital by such amount as it thinks expedient.

*(b)* consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

*(c)* convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

*(d)* sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

*(e)* cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

**39.** Where shares are converted into stock,—

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations 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) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

**40.** The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
(a) its share capital;
(b) any capital redemption reserve account; or
(c) any share premium account.

***Capitalisation of profits***

**41.** (i) The company in general meeting may, upon the recommendation of the Board resolve—

(a) that it is desirable to capitalise 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, Securities Premium Accounts or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

A. paying up any amounts for the time being unpaid on any shares held by such members respectively;

B. 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;

C. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

D. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

E. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

**42.** (i) whenever such a resolution as aforesaid shall have been passed, the Board shall—

a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
b) Generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and
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 capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

***Dematerialisation of Securities***

**43.** (i) **For the purpose of this Article:-**

"**Beneficial Owner**": Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.
"**Depositories Act**": Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.
"**Depository**": Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.
**"Member":** Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.
**"Security":** Security shall mean such security as may be specified by SEBI.

(ii) **"Dematerialisation of Securities":** Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.

(iii) **"Option to hold securities in physical form or with depository":** Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.

(iv) **"Beneficial Owner may opt out of a Depository":** Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.

(v) **"Securities in Depositories to be in fungible form":** All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) **"Rights of depository and beneficial owners":** A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

(vii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

(viii) **"Transfer of securities":** Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 56 of the Companies Act, 2013 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(ix) **"Register and Index of beneficial owners":** The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

(x) **"Other matters":** Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.

(xi) Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

***Nomination***

**44.** Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of the Act.

***Buy-Back of Shares***

**45.** 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.

***General Meetings***

**46.** All general meetings other than Annual General Meeting shall be called extraordinary general meeting.

**47.** (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

***Proceedings at General Meetings***

**48.** (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

**49.** The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

**50.** If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

**51.** If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

***Adjournment of Meeting***

**52.** (i) 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.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) 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.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

***Voting Rights***

**53.** Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
(a) on a show of hands, every member present in person shall have one vote; and
(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

**54.** A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

**55.** (i) 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.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

**56.** A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

**57.** Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

**58.** No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

**59.** (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

***Proxy***

**60.** 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.

**61.** An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

**62.** A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

***Board of Directors***

**63.** The minimum number of Directors shall be 3 and maximum number of directors shall be 15.
The First Directors of the Company are:

**I. SHRI. HIMATLAL PANACHAND SHAH**
**II. SHRI. JIGNESH HIMMATLAL SHAH**
**III . SHRI. MANEKCHAND PANACHAND SHAH**
**IV. SHRI. DIXIT MANEKCHAND SHAH**
**V. SHRI NITIN KESHAVJI SHAH**

**64.** (i) Subject to the provisions of the Act, the Company may pay any remuneration, as determined by the Board of Directors / General Meeting to all or any of its Directors for the services rendered by them / him in day to day management of the affairs of the company or any other type of services, whether professional in nature or not, for any of the purposes of the company, either by a fixed sum on monthly or annual basis and / or perquisites and / or a percentage of the profits or otherwise as may be determined by the Board or the members in General Meeting.

The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

**65.** The Board may pay all expenses incurred in getting up and registering the company.

**66.** The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

**67.** All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

**68.** Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

**69.** (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

***Proceedings of the Board***

**70.** (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) Subject to the Articles herein, a director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
(iii) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
(iv) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

**71.** 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.

**72.** (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) 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 directors present may choose one of their number to be Chairperson of the meeting.

**73.** (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

**74.** (i) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

**75.** A committee may elect a Chairperson of its meetings.

**76.** 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 meeting.

**77.** (i) A committee may meet and adjourn as it thinks fit.

(ii) 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.

**78.** All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

**79.** Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

**80.** Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

**81.** 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.

***Managing Director***

**82.** The business of the Company may be carried on by the Managing Director(s) who may be appointed by the Board of Directors / members in their General Meeting, from time to time who shall fix the terms, qualifications, remuneration, duties, authorities and powers. The Board may from time to time and subject to the provisions of the Act delegate to the Managing Director(s) such of their powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time, revoke, withdraw, alter or vary all or any of the powers conferred on him or dismiss him from office and appoint another in his place.

**83.** Subject to the provisions of section 179 and 180 of the Companies Act, 2013, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. He shall have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company.

***The Seal***

**84.** (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two 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.

***Dividends and Reserve***

**85.** The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

**86.** 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.

**87.** (i) 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.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

**88.** (i) 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.

(ii) 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.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

**89.** The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

**90.** (i) 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.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent

**91.** Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

**92.** 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.

**93.** No dividend shall bear interest against the company.

**94.** No unclaimed Dividend shall be forfeited before the claim becomes barred by law, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

***Accounts***

**95.** (i) 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.

(ii) 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.

***Winding Up***

**96.** 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.

**97.** 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.

**98.** 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.

**Indemnity**

**99.** Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

# SECTION XI – OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material have been attached to the copy of the Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

**A. Material Contracts**

1. Memorandum of Understanding dated May 02, 2018 between our Company and the Lead Manager and addendum dated May 24, 2018.

2. Memorandum of Understanding dated May 02, 2018 between our Company and the Registrar to the Issue.

3. Escrow Agreement dated May 24, 2018 between our Company, the Lead Manager, Escrow Collection Bank(s) and the Registrar to the Issue.

4. Market Making Agreement dated May 02, 2018 and addendum dated May 24, 2018 between our Company, the Lead Manager and Market Maker.

5. Underwriting Agreement dated May 02, 2018 between our Company, the Lead Manager and Market Maker and addendum dated May 24, 2018.

6. Tripartite agreement between the NSDL, our Company and the Registrar dated May 24, 2018.

7. Tripartite agreement between the CDSL, our Company and the Registrar dated May 22, 2018.

**B. Material Documents**

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.

2. Copy of Certificates of Incorporation of Jakharia Fabric Limited

3. Resolution of the Board of Directors meeting dated April 27, 2018 authorizing the Issue.

4. Shareholders' resolution passed at the EGM dated May 02, 2018 authorizing the Issue.

5. Peer Review Auditor's report for Restated Financials dated May 24, 2018 included in this Prospectus.

6. The Statement of Tax Benefits dated May 02, 2018 from our Statutory Auditor.

7. Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Review Auditor, Banker to the Company, Banker (s) to the Issue, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker and Underwriters as referred to in their specific capacities.

8. Due Diligence Certificate(s) dated June 21, 2018 of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.

9. Approval from NSE vide letter dated June 01, 2018 to use the name of NSE in this Issue Document for listing of Equity Shares on the SME Platform of the NSE.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations or guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

**SIGNED BY THE DIRECTORS OF OUR COMPANY:**

Sd/-
**Mr. Jignesh Shah**
Chairman and Executive Director

Sd/-
**Mr. Nitin Shah**
Managing Director

Sd/-
**Mr. Dixit Shah**
Whole- time Director

Sd/-
**Mr. Himatlal Shah**
Whole- time Director

Sd/-
**Mr. Manekchand Shah**
Whole- time Director

Sd/-
**Mrs. Rajashri Kovil**
Non-Executive Independent Director

Sd/-
**Mr. Anant Sawant**
Non-Executive Independent Director

Sd/-
**Mr. Mukul Vora**
Non-Executive Independent Director

**SIGNED BY THE CHIEF FINANCIAL OFFICER**

Sd/-
**Mr. Manojkumar Tiwari**
Chief Financial Officer

**SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER:**

Sd/-
**Mr. Bhavin Waghela**
Company Secretary and Compliance Officer

Date: June 21, 2018
Place: Mumbai