



VINNY OVERSEAS LIMITED

Our Company was originally incorporated as Vinny Overseas Private Limited at Ahmedabad, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 29, 1992 bearing Registration Number 04-17742 of 1992-93 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on February 21, 2017 and the name of our Company was changed to Vinny Overseas Limited and a fresh certificate of incorporation consequent upon Conversion of Private Company to Public Limited dated March 02, 2017 was issued by the Registrar of Companies Ahmedabad. For further details of Incorporation, Change of Name and Registered Office of our company, please refer to chapter titled "General Information" and "Our History and Certain Other Corporate Matters" beginning on page 72 and page 160 of this Draft Prospectus.

Registered Office: B/H International Hotel, Narol-Isanpur Road, Narol Ahmedabad Gujarat 382405 India

Corporate Identification Number: U51909GJ1992PLC017742

Contact Person: Pushpendra Singh Ranawat, Company Secretary and Compliance Officer;

Tel. No.: +91 79 2573 1900; **Fax:** N.A. **Email:** cs@vinnyoverseas.in; **Website:** www.vinnyoverseas.in

PROMOTER OF OUR COMPANY: HIRALAL PAREKH

THE ISSUE

INITIAL PUBLIC ISSUE CONSISTING FRESH ISSUE OF 25,96,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH ("EQUITY SHARES") OF VINNY OVERSEAS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●]/- PER EQUITY SHARE, INCLUDING A SHARE PREMIUM OF RS. [●]/- PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING RS. [●] LAKHS ("THE ISSUE"), OF WHICH 1,32,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●]/- PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 24,64,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH FOR CASH AT A PRICE OF RS. [●]/- PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.22% AND 26.79% RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH AND THE ISSUE PRICE OF RS. [●]/- IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to the chapter titled "Issue Procedure" beginning on page 238 of this Draft Prospectus. A copy of the Prospectus will be delivered for registration to the Registrar as required under Section 26 of the Companies Act, 2013.

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME, (THE "SEBI (ICDR) REGULATIONS"), FOR FURTHER DETAILS PLEASE REFER THE SECTION TITLED "ISSUE INFORMATION" BEGINNING ON PAGE 229 OF THIS DRAFT PROSPECTUS.

RISKS IN RELATION TO FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is Rs. 10 and the Issue Price of Rs. [●]/- per Equity Share is [●] times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager as stated in the chapter titled 'Basis for Issue Price' beginning on page 105 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and / or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in 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 the Company and this Issue, including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 21 of this Draft Prospectus.

COMPANY'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and this issue, which is material in the context of this Issue, that the information contained in this Draft 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 or inclusion of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect.

LISTING

The Equity Shares of our Company issued through this Draft Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"). In terms of the Chapter XB of the SEBI ICDR Regulations, 2009 as amended from time to time. Our Company has received an In principle approval letter dated [●] from National Stock Exchange of India Limited for using its name in this issue document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.

LEAD MANAGER TO THE ISSUE



PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED
406-408, Keshava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East), Mumbai – 400051,
Maharashtra, India
Tel: +91-22 61946700
Fax: +91-22 2659 8690
Website: www.pantomathgroup.com
Email: ipo@pantomathgroup.com
Contact Person: Hardik Bhuta
SEBI Registration No: INM000012110

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED
1st Floor, Bharat Tin Works Building, Opposite Vasant
Oasis, Makwana Road, Marol,
Andheri (East), Mumbai-400059, Maharashtra.
Tel: +91 22 62638200
Fax: +91 22 62638299
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Jibu John
SEBI Registration Number: INR000001385

ISSUE PROGRAMME

ISSUE OPENS ON [●]

ISSUE CLOSES ON [●]

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

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



SECTION I – GENERAL

DEFINITION AND ABBREVIATION

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the ICDR Regulations, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Our Industry”, “Statement of Tax Benefits”, “Financial Statements”, “Outstanding Litigation and Material Developments” and “Main Provisions of Articles of Association” beginning on pages 109, 108, 186, 205 and 284, respectively shall have the meaning ascribed to such terms in such Sections.

In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

GENERAL TERMS

Term	Description
“Our Company”, “the Company” or “the Issuer”	Vinny Overseas Limited, a Public Limited Company incorporated under the Companies Act, 1956 and having its Registered Office at B/H International Hotel, Narol- Isanpur Road, Narol, Ahmedabad - 382405, Gujarat, India.
“We”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company

COMPANY RELATED TERMS

Term	Description
“AoA” or “Articles” or “Articles of Association”	Articles of Association of Vinny Overseas Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted on August 7, 2018 as the Company’s Audit Committee in accordance with the Section 177 of the Companies Act, 2013 and the rules made thereunder and disclosed as such in the chapter titled “Our Management” beginning on page 164.
Auditor or Statutory Auditor	The Statutory Auditor of our Company, being, Kishan M. Mehta & Co, Chartered Accountants
Bankers to the Company	Such banks which are disclosed as Bankers to the Company in the chapter titled “General Information” on page 72 of this Draft Prospectus.
Board of Directors/ the Board / our Board/ Director(s)	The Board of Directors of our Company, as duly constituted from time to time, including all duly constituted Committee(s) thereof.
Chief Financial Officer	The Chief Financial Officer of our Company being, Mularam Naruram Prajapati
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Pushpendra Singh Ranawat.
Corporate Social Responsibility Committee	The committee of the Board of Directors constituted on August 7, 2018 as the Company’s Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013 and the rules



Term	Description
	made thereunder and disclosed as such in the chapter titled “ <i>Our Management</i> ” beginning on page 164.
Director(s)	Director(s) of our Company, unless otherwise specified
Equity Shares	Equity Shares of our Company of face value of Rs. 10/- each fully paid up.
Equity Shareholders/ shareholders	Persons/Entities holding Equity Shares of our Company
Executive Director(s)	An executive director of our Company namely, Hiralal Parekh, Latadevi Parekh and Vandani Chowdary
Group Companies	Such Companies as are included in the chapter titled “ <i>Our Group Companies</i> ” beginning on page 182 of this Draft Prospectus
Independent Director	The Independent Director(s) of our Company as disclosed in the chapter titled ‘ <i>Our Management</i> ’ beginning on page 164 of this Draft Prospectus
ISIN	International Securities Identification Number. In this case being [●]
Key Managerial Personnel (KMP)	Key managerial personnel of our Company in terms of Regulation 2 (1) (s) of the SEBI Regulations and Section 2(51) of the Companies Act, 2013 and as identified in “ <i>Our Management</i> ” beginning on page 164 of this Draft Prospectus.
Memorandum of Association or Memorandum or MOA	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of Directors constituted on August 7, 2018 as the Company’s Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and the rules made thereunder and disclosed as such in the chapter titled “ <i>Our Management</i> ” beginning on page 164.
Non-Executive Director	Non-Executive Directors of our Company namely Nishita Shah
Peer Reviewed Auditor	Independent Auditor having a valid Peer Reviewed Certificate in our case being KPSJ & Associates LLP, Chartered Accountants
“Promoter”, “Promoters” or “our Promoters”	The Promoter(s) of our Company as included in the Chapter “ <i>Our Promoter(s) and Promoter Group</i> ” on page 178 of this Draft Prospectus
Promoter Group	Includes such persons and entities are constituting our promoter group in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as enlisted in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 178 of this Draft Prospectus
Quarter	A period of 3 (three) continuous months
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.
Registered Office	The Registered office of our Company situated at B/H International Hotel, Narol- Isanpur Road, Narol, Ahmedabad - 382405, Gujarat, India
Restated Financial Statements	The restated financial information of our Company, which comprises the restated statement of assets and liabilities, the restated statement of profit and loss and the restated statement of cash flow as at and for the financial years ended March 31, 2018, March 31, 2017, March 31 2016, March 31, 2015 and March 31, 2014, together with the annexures and notes thereto prepared in terms of the requirements of the Companies Act,



Term	Description
	2013, as amended read with the SEBI (ICDR) Regulations as amended from time to time.
RoC / Registrar of Companies	Registrar of Companies, ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India.
Stakeholders Relationship Committee	The committee of the Board of Directors constituted on August 7, 2018 as the Company's Stakeholder's Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 and the rules made thereunder and disclosed as such in the chapter titled " <i>Our Management</i> " beginning on page 164.
"you", "your" or "yours"	Prospective investors in this Issue

ISSUE RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Applicant as proof of registration of the Application.
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the successful 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)	Successful Applicant(s) to whom Equity Shares are allotted
Applicant	Any prospective applicant who makes an Application pursuant to the terms of the Prospectus and the Application Form and unless otherwise stated or implied, includes an ASBA Applicants
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Intermediaries Collecting	<ol style="list-style-type: none"> 1. a SCSB with whom the bank account to be blocked, is maintained 2. a syndicate member (or sub-syndicate member) If any 3. a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)('broker') if any 4. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity) a registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)



Term	Description
Application form/ASBA form	An application form, whether physical or electronic, used by Applicants which will be considered as the application for Allotment in terms of this Draft Prospectus.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Applicants, to make an Application authorising an SCSB to block the Application Amount in the ASBA Account
ASBA Account	An account maintained with an SCSB and specified in the Application Form submitted by Applicants for blocking the Application Amount mentioned in the Application Form
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, and Ahmedabad.
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited.
Banker to the Issue Agreement/ Public Issue Account Agreement	Agreement dated August 25, 2018 entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 238 of this Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of Stock Exchange (www.nseindia.com)
CAN or 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.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches/Designated Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Collecting Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details



Term	Description
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Designated CDP Locations	Such centres of the CDPs where Applicant can submit the Application Forms. 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 website of the Stock Exchange (www.nseindia.com) and updated from time to time
Designated RTA Locations	Such centres of the RTAs where Applicant can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of this Draft Prospectus
Designated Intermediary(ies)/Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Stock Exchange/Stock Exchange	National Stock Exchange of India Limited.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Draft Prospectus	This Draft Prospectus dated August 29, 2018 issued in accordance with Section 26 of the Companies Act, 2013 and filed with the National Stock Exchange of India Limited under SEBI (ICDR) Regulations
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Prospectus constitutes an invitation to subscribe for the Equity Shares offered herein on the basis of the terms thereof
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Share Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
First/sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and included in “Issue Procedure” on page 238 of this Draft Prospectus



Term	Description
Issue/Issue Size/ Initial Public Offer/ Initial Public Offering/ IPO	The Initial Public Issue of 25,96,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating to Rs.[●] comprising the Fresh Issue.
Issue Agreement	The agreement dated August 14, 2018 between our Company and the LM, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	The date after which the Designated Intermediary will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Opening Date	The date on which the Designated Intermediary shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, including any revisions thereof.
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs [●] per equity share.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” at page 98 of this Draft Prospectus
Lead Manager/LM	The Lead Manager to the Issue namely Pantomath Capital Advisors Private Limited, SEBI registered Category – I Merchant Banker
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Lot size	[●] Equity Shares and in multiples of [●] Equity Shares thereof
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Making Agreement	Market Making Agreement dated August 14, 2018 between our Company, Lead Manager and Market Maker
Market Maker Reservation Portion	The Reserved Portion of 1,32,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] for the Market Maker in this Issue.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 24,64,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] by our Company



Term	Description
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, see " <i>Objects of the Issue</i> " on page 98
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Non Institutional Applicants	All Applicants, including Category III FPIs that are not QIBs or Retail Individual Investors, who have apply for Equity Shares for an amount of more than Rs. 2,00,000/- but not including NRIs other than Eligible NRIs
Non-Resident	A person resident outside India, as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended from time to time, and includes FIIs and FPIs
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Other Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Prospectus	The Prospectus to be registered with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information
Public Issue Account	Account to be opened with the Banker to the Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the applicants on the Designated Date.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank.
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on www.nseindia.com



Term	Description
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar Agreement	The agreement dated August 14, 2018, entered by our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category / Categories	Categories of persons eligible for making Application under reservation portion.
Resident Indian	A person resident in India, as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended from time to time
Retail Individual Applicant(s)/Retail Individual Investor(s)/RII(s)/RIB(s)	Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their Karta), who apply for an amount less than or equal to Rs 2,00,000/-
Revision Form	Form used by the Applicants, to modify the quantity of the Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s)
SCSB/ Self Certified Syndicate Banker	Bank which is registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time
SME Exchange	Emerge Platform of National Stock Exchange of India Limited
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Applicant as proof of registration of the Application
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The agreement dated August 14, 2018 entered into between the Underwriter and our Company
Working Day	(i) Till Issue closing date: All days other than a Saturday, Sunday or a public holiday; (ii) Post Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank



Term	Description
	holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

TECHNICAL AND INDUSTRY TERMS

Term	Description
A-TUFS	Amended Technology Up-gradation Fund Scheme
CAGR	Compound annual growth rate
CCEA	Cabinet Committee on Economic Affairs
DGCIS	Directorate General of Commercial Intelligence and Statistics
DGFT	The Directorate General of Foreign Trade
EESL	Energy Efficiency Services Ltd
EMDE	emerging market & developing economies
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
IIP	Index of Industrial Production
IMF	International Monetary Fund
KVIC	Khadi and Village Industries Commission
MEIS	Merchandise Exports from India Scheme
MFA	Multi-Fibre Arrangement
POL	Petroleum, Oil and Lubricants
PPP	Public-Private Partnership
SAATHI	Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries
SCBTS	Scheme for Capacity Building in Textiles Sector
TUFS	Technology Up-gradation Fund Scheme
UNIDO	United Nations Industrial Development Organisation

CONVENTIONAL AND GENERAL TERMS/ABBREVIATIONS

Term	Description
A/C	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012



Term	Description
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
AS 18	Accounting Standard 18 issued by the Institute of Chartered Accountants of India
A.Y./AY	Assessment Year
AoA	Articles of Association
Banking Regulation Act	Banking Regulation Act, 1949
B. A.	Bachelor of Arts
B. Com	Bachelor of Commerce
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Category I Foreign Portfolio Investors	FPIs who are registered as-Category I foreign portfolio investors under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as- Category II foreign portfolio investors under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as-Category III foreign portfolio investors under the SEBI FPI Regulations
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CST	Central Sales Tax
Cm	Centimetre
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the notified Sections
Companies Act	Companies Act, 1956 to the extent not repealed, and/ or the Companies Act, 2013
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the DIPP, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996, as amended from time to time.



Term	Description
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECS	Electronic Clearing System
EGM/EOGM	Extraordinary General Meeting
EPFA	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
EPS	Earnings Per Share
EPF	Employees Provident Fund
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
FIs	Financial Institutions
FII(s)	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FPI(s)	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under Regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
FV	Face Value
F.Y./FY/Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GoI/ Government	Government of India



Term	Description
HNI	High Networth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
Income Tax Act/IT Act	The Income Tax Act, 1961, as amended.
IND(AS)/IND AS/Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
INR/Rs./Rupees	Indian National Rupee
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT Authorities	Income Tax Authorities
IT Rules	The Income Tax Rules, 1962, as amended from time to time
Ltd.	Limited
MAT	Minimum Alternate Tax
MBA	Master of Business Administration
MCA	The Ministry of Corporate Affairs, GoI
M.Com	Master of Commerce
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mn	Million
MoA	Memorandum of Association
MoF	Ministry of Finance, GoI
MoU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
MSME	Micro, Small and Medium Enterprises
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NBFC	Non Banking Finance Company
Net Worth	Aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and



Term	Description
	miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident (External) Account
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NI Act	Negotiable Instruments Act, 1881
OCB	Overseas Corporate Bodies
p.a.	per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Pvt.	Private
P/E Ratio	Price Earnings Ratio
PSU	Public Sector Undertaking(s)
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act, 1933
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC	Registrar of Companies
ROE	Return on Equity
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self-Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996



Term	Description
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 Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations /Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Listing Regulations / SEBI Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Sec	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TNW	Total Net Worth
u/s	Under Section
UIN	Unique Identification Number
US/ U.S. / USA/ United States	United States of America
USD / US\$ / \$	United States Dollar, the official currency of the United States of America
UOI	Union of India
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.
WDV	Written Down Value



Term	Description
WTD	Whole-time Director
w.e.f.	With effect from
YoY	Year over year

Notwithstanding the following: -

- i) In the Section titled “*Main Provisions of the Articles of Association*” beginning on page 284 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that Section;
- ii) In the Section titled “*Financial Statements*” beginning on page 186 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that Section;
- iii) In the Section titled “*Risk Factor*” beginning on page 21 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that Section;
- iv) In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page 108 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
- v) In the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 187 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that chapter.



PRESENTATION OF FINANCIAL, INDUSTRIAL AND MARKET DATA

CERTAIN CONVENTIONS

All references in this Draft Prospectus to “India” are to the Republic of India. All references in this Draft Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America, together with its territories and possessions.

FINANCIAL DATA

Unless stated otherwise, the financial data included in this Draft Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the Section titled *‘Financial Statements as Restated’* beginning on page 186 this Draft Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

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

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the Section titled *‘Financial Statements as Restated’* beginning on page 186 of this Draft Prospectus.

CURRENCY AND UNITS OF PRESENTATION

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

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

INDUSTRY & MARKET DATA

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

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

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



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

This Draft Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward looking statement.

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

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

For a further discussion of factors that could cause our actual results to differ, refer to Section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 21 and 187 respectively of this Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date of this Draft Prospectus. Neither we, our Directors, Lead Manager, Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the LM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.



SECTION II – RISK FACTORS

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

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this Section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this Section in conjunction with the chapters titled “Our Business” beginning on page 130, “Our Industry” beginning on page 109 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 187 respectively, of this Draft Prospectus as well as other financial information contained herein.

Materiality

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

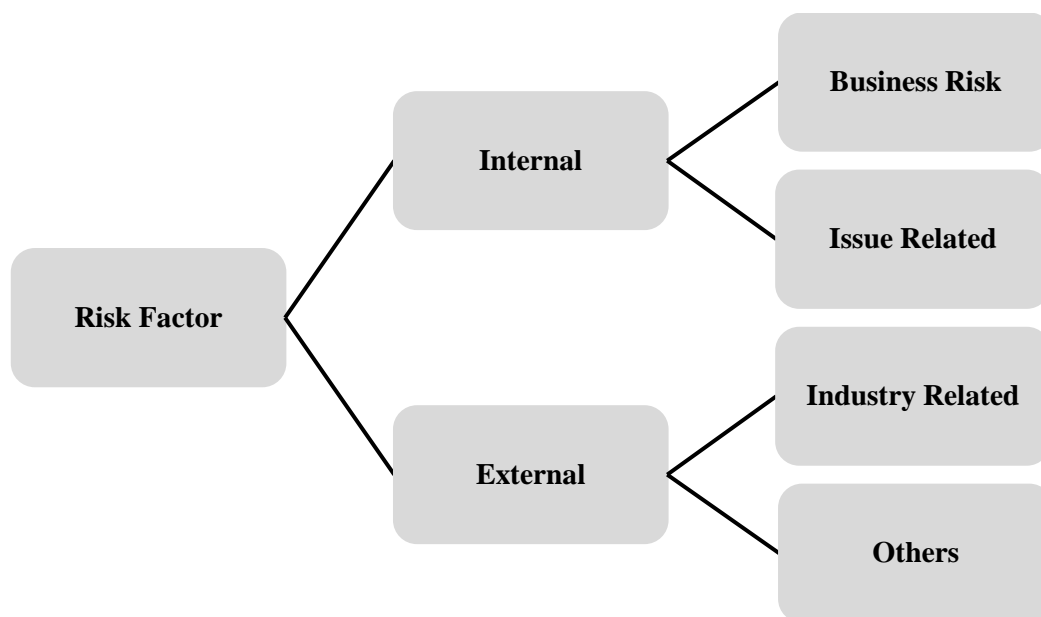
- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively;*
- *Some events may not be material at present but may have material impact in future.*

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

In this Draft Prospectus, any discrepancies in any table between total and sums of the amount listed are due to rounding off.



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



INTERNAL RISK FACTORS:

BUSINESS SPECIFIC RISKS

1. *There are outstanding legal proceedings and litigations against our Company, our Promoters, our Directors and our Group Companies. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.*

We are involved in certain legal proceedings (including direct and indirect taxation related proceedings, criminal proceedings and commercial and intellectual property disputes) at different levels of adjudication before various courts, tribunals and appellate authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties by other statutory authorities, we may need to make payments or make provisions for future payments, which may increase expenses and current or contingent liabilities and adversely affect our reputation.

A summary of the material outstanding proceedings involving our Company, Promoters, Directors and our Group Entities, including the aggregate approximate amount involved to the extent ascertainable, is provided below:

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labour Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	Aggregate amount involved (Rs. in lakhs)
Company							
By the Company	Nil	1	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	1	Nil	Nil	Nil	15.89
Promoters							
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil



Group Companies							
By Group Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against Group Companies	Nil	Nil	3	Nil	Nil	Nil	0.15
Directors other than promoters							
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries							
By the Subsidiaries	N.A.*	N.A.*	N.A.*	N.A.*	N.A.*	N.A.*	N.A.*
Against the Subsidiaries	N.A.*	N.A.*	N.A.*	N.A.*	N.A.*	N.A.*	N.A.*

*N.A. – Not Applicable

For further details, see “*Outstanding Litigation and Other Material Developments*” on page 205 of this Draft Prospectus

2. ***We do not have any long-term agreement or contract of supply Grey Cloth. We also do not have any long-term agreements or contracts for any other inputs like Chemicals & Colours, etc. used in our processing unit are consequently are exposed to price and supply fluctuations for our raw materials.***

We are, to a major extent, dependent on external suppliers for our raw materials requirements specifically the grey cloth and we do not have any long-term supply agreements or commitments in relation to the same or for any other raw materials used in our manufacturing process. Consequently, we are exposed to price and supply fluctuations in grey cloth and other raw materials, and these fluctuations may adversely affect our ability to obtain orders and/or to execute them in a timely manner, which would have a material adverse effect on our business, results of operations and financial condition.

In case of non-availability of raw materials on favourable terms, we may have to procure the same at the terms and conditions prevalent at that point. This will result in reducing our revenues by a considerable amount due to shortage of raw material or due to inability to procure the same. Further, unfavourable terms of raw materials may also force us to reduce the scale of our operations resulting in a down-sizing of our overall business. We may have to put on hold any expansion plans and our future growth will be severely stunted.

3. ***Any fluctuations/volatility in the prices of fabrics, colours & chemicals and other raw materials, may adversely impact our total cost of goods sold.***

Our Company mainly purchases Grey Fabrics from various suppliers for our processing operations. Also, processing requires colours and chemicals which are used for dyeing and printing. 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. The prices of Grey Fabric depend largely on the market prices of the various yarns and cotton, which are the raw material for manufacture of grey fabric and any increase in prices of raw material is generally passed on to our customers.

However, any upward fluctuations in the prices 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, any material shortage or interruption in the supply or decrease in quality of these raw materials could also adversely impact our business operations.

4. ***We may be unable to attract and retain employees with the requisite skills, expertise and experience, which would adversely affect our operations, business growth and financial results.***



We rely on the skills, expertise and experience of our employees to create designs which are preferred by our customers. Our employees through their years of experience and expertise in designing related activity are creating varieties of designs as per the global trend and continuously updating them with their own expertise. Designs being one of our important competitive strengths, we are largely dependent on our in-house designing team. Our employees may terminate their employment with us prematurely and we may not be able to retain them. Experienced and skilled workers in the textile industry are highly sought after, and competition for talent is intense. If we experience any failure to attract and retain competent personnel or any material increase in employee costs as a result of the shortage of skilled employee, our competitiveness and business would be damaged, thereby adversely affecting our financial condition and operating results. Further, if we fail to identify suitable replacements of our departed staff, our business and operation could be adversely affected and our future growth and expansions may be inhibited.

5. *Our Company has not complied with certain statutory provisions and has made delayed filing of required forms with the Registrar of Companies under Companies Act. Such non-compliances/lapses may attract penalties*

Our Company is required under the Companies Act to make certain filings with the Registrar of Companies, from time to time within the stipulated period. Our Company had on certain occasions made delayed/ lapsed in filing of required forms and certain filing were inadequate in nature. Further, our Company has not complied with certain statutory provisions in the past including but not limited to the following:-

- In the List of Allottees attached in the Form no. 2 dated 31.03.1998, 11.10.1999, 02.09.2005 and 31.03.2017 filed with RoC, Company has inadvertently mentioned the name of Members of the Mohanlal Bhoorchand Parekh HUF as joint shareholders instead of Mohanlal Bhoorchand Parekh HUF. The error has been rectified by Members of Board in their meeting held on August 08, 2018 and fresh Share Certificate has been issued to the shareholders.
- In the List of Allottees attached in the Form no. 2 dated 31.03.1998, 02.09.2005, 24.12.2009, 22.03.2011, 26.03.2013 and 31.03.2017 filed with RoC, Company has inadvertently mentioned the name of Members of the Hiralal Jagdishchand HUF as joint shareholders instead of Hiralal Jagdishchand HUF. The error has been rectified by Members of Board in their meeting held on August 08, 2018 and fresh Share Certificate has been issued to the shareholders.
- In the List of Allottees attached in the Form no. 2 dated 15.09.2010 and 31.03.2017 filed with RoC, Company has inadvertently mentioned the Lalit kumar Champalal Lalwani Jointly with Ponidevi Lalit Kumar as joint shareholders instead of Lalit Kumar Champalal Lalwani. The error has been rectified by Members of Board in their meeting held on August 08, 2018 and fresh Share Certificate has been issued to the shareholders.
- In the form 2 dated March 26, 2013, our Company has wrongly attached the list of allottees.
- In the transfer deed dated December 03, 2012, consideration for the transfer was wrongly mentioned as Rs. 100 instead of Rs. 250/-;
- Form MR-1 was not filed for the appointment of our Managing Director and the Whole-time Director;
- Form 2 relating to allotment of 11,980 shares issued on December 25, 1992 is not traceable by us. Information in relation to such allotment have been disclosed in the Section titled "Capital Structure" in this Draft Prospectus, based on information in our statutory registers, share certificates, Minutes, we may not be able to furnish any further documents in this regard.

Also in some cases the forms have been filed belatedly with Registrar for which delayed fees has been paid by the Company.

Although no show cause notice have been issued against the Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, penal actions may be taken against the Company and its directors, in which event the financials of the Company shall be affected.

6. *Our Company specialize in creating designs as per the trend followed by global companies, we therefore stands at a risk of facing infringement claims against copying any patented designs.*

We believe our Company's unique strength is creating designs which are as per the global trend and in fashion. In the same regards, team of our Company travels across different countries to select trending



designs being followed by global companies. We replicate such designs apart from creating our own designs which are then used in our textile fabrics. Certain designs in the textile industry is patented and unauthorized use of such designs may lead to infringement claims, litigations, and penalty among others. Such incidents may drain our resources towards non-core activities leading to financial and operational losses. However, our Company ensures that no patented designs are used in our manufacturing and till date, our Company has not faced any such actions, suits, legal claims from any of the Company, but we may not be able to assure that such adverse situation will not arise in future, occurrence of which may adversely impact our business operations.

7. ***Our Company is dependent on third party transportation providers for the delivery of raw materials and finished products. Accordingly, continuing increases 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 Company's reputation, 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. Transportation strikes could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers. Non-availability of ships, trucks and railway could also adversely affect our receipt of raw materials and the 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.

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

8. ***We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of VINNY OVERSEAS LIMITED from VINNY OVERSEAS PRIVATE LIMITED pursuant to name change of our company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.***

We require a number of approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. Also, we were a private limited company in the name of "VINNY OVERSEAS PRIVATE LIMITED" which was carrying business of fabric processing. After complying with the relevant procedure of Companies Act, the said private limited company was converted into a public limited company in the year 2017. After conversion there was change of name of the company from "VINNY OVERSEAS PRIVATE LIMITED" to "VINNY OVERSEAS LIMITED" pursuant to Rule 29 of the Companies (Incorporation) Rules, 2014. We shall be taking necessary steps for transferring the approvals in new name of our company. In case we fail to transfer/obtain the same in name of the company same may adversely affect our business or we may not be able to carry our business.

Our Company is yet to apply for the Shop and Establishment Certificate and Udhog Aadhar Memorandum. Consolidated consent and authorization is expired and our Company is yet to make an application renewal application for the same.

Approvals like Professional Tax Enrolment Certificate and Professional Tax Registration Certificate are currently not traceable by the company. Additionally, our company has not applied for change of name of the approval/s mentioned in pending approvals Section of Government and Other Statutory Approvals Chapter. For more information, see chapter "Government and Other Statutory Approvals" on page 212 of this Draft Prospectus. Our Company was having excise registration certificate bearing no. AAACV6577EXM001, however our Company surrendered the certificate in May 2007.



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

For further details, please refer the Chapter “Government and other Statutory Approvals” on page 212 of this Draft Prospectus.

9. *Our Company depends on timely identification of evolving fashion trends and creating new designs. Any lag on the part of our Company in this regard may adversely affect our business operations.*

The key success factor in the textiles business is in creating appealing designs and colour combinations to create buyer appeal. In order to be in line with this success factor, we maintain a team of in house designers who design and develop the products as per customer’s needs. This team works on the development of designs by analysing the needs of clients by parameters like latest dyeing combinations, new printing techniques & patterns and most importantly the feedback gained from the sales of the similar products that were designed earlier. Our inability to tap the changing fashion can lead to rejection and obsolescence of our textiles thus damaging goodwill, business operations and financial conditions.

Some of our clients generally provide us with a basic design concept for their products, based on which our designing team finalises the design and pattern for their products. It is very important for the designing team and also the Company’s management to have a good understanding of the trends prevailing in the Domestic market and the International Market. Any failure to update ourselves or understand the trends in different regions of the world may result in reduction of our sales, adversely affecting our financial condition.

10. *We generate a substantial portion of revenue from our domestic operations in certain geographical regions especially Rajasthan, Gujarat and Maharashtra. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.*

As on the date of this Draft Prospectus, we generate a substantial portion of our revenue from domestic operations through our customers situated in Rajasthan, Gujarat and Maharashtra. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in Rajasthan, Gujarat and Maharashtra region to expand our operations in other parts of India and overseas markets, should we decide to further expand our operations.

Factors such as competition, culture, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in such regions, and our experience in these regions may not be applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local distributors, dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside Rajasthan, Gujarat and Maharashtra market may adversely affect our business prospects, financial conditions and results of operations.

11. *Our Company does not enter into any binding agreement with its customers at the time of receiving orders. Company may not be able to enforce any claims on customers in case of non-acceptance of manufactured products by them.*

Our Company manufactures textile fabrics on the basis of orders placed by our customers. Post that, we place orders for the raw material required in the production and initiate the production process. Once the



production is completed, the same is delivered to the customers and subsequently consideration is received as per the credit terms.

However, Company do not enter into any agreement with our customers which legally binds them for acceptance of the orders they have placed as the business operations are performed primarily on the basis of trusts and relationships. Our customer may deny to take the delivery of goods owing to any reasons, which may impact our financial position adversely, since we do not have any legal right to enforce the purchase order on our customers. However, our Company has not faced any such situation in the past, but we may not be able to assure that such actions by our customers will not occur in future.

12. *Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.*

Modernization and technology up-gradation is essential to provide better quality product. Although we strive to keep our technology in line with the latest standards, we may be required to implement new technology or upgrade the existing employed by us. Further, the costs in upgrading our technology could be significant which could substantially affect our finances and operations. Our failure or inability to incorporate any change in technology might place our competitors at an advantage in terms of costs, efficiency and timely delivery of the final products.

13. *Inventories and trade receivables form a major part of our current assets and net worth. Failure to manage our inventory and trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity.*

Our Company's business is working capital intensive and hence, inventories and trade receivables form a major part of our current assets and net worth. The results of operations of our business are dependent on our ability to effectively manage our inventory (raw material and finished goods) and trade receivables.

To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. However, if our management misjudges expected customer demand, it could cause either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture or purchase, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, all of which could have an adverse impact on our income and cash flows.

To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and dealers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

14. *Our historical revenues have been significantly dependent on few customers. We have not entered into any long term or definitive agreements with our customers. If our customers choose not to source their requirements from us or if there is any loss of business from one or more of them, it may adversely affect our financial condition and results of operations.*

A significant proportion of our revenues have historically been derived from a limited number of customers. Our top 10 and top 5 customers for the period ended March 31, 2018 contributed 39.45 % and 30.01 % respectively of our total revenue from operations. The loss of orders from any of these significant customers will result in a considerable reduction in our revenue. Our business from customers is dependent on our continuing relationship with such customers, the quality of our products, competitive pricing and our ability to timely deliver on their orders, and there can be no assurance that such customers will continue to do business with us in the future on commercially acceptable terms or at all. If our customers do not continue to purchase products from us, or reduce the volume of products purchased from us, our business prospects, results of operations and financial condition may be adversely affected. Significant dependence on them may increase the potential volatility of our results of operations and exposure to individual contract risks. In the event that any of these customers discontinue purchase of products from us, our results of operations and financial condition may be adversely affected.



We have not entered into any long term or definitive agreements with our customers, and instead rely on purchase orders to govern the volume, pricing and other terms of sales of our products. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, we may be unable to seek compensation for any surplus unpurchased products that we manufacture. Our customers do not, typically, place firm purchase orders until a short time before the products are required from us as a result of which, we do not hold a significant order book at any time, making it difficult for us to forecast revenue, production or sales. Consequently, there is no commitment on the part of the customer to continue to source their requirements from us, and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences.

Any failure to meet our customers' expectations could result in cancellation of orders. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.

Management perception: We believe that we have maintained good and long term relationships with our customers which shall lead to continuity in the receipt of the work orders and thus in generation of the revenues.

15. *Our top suppliers contributes major portion of our total raw material purchases. Any disruption in supplies from them may adversely affect our production process.*

Our top 10 and top 5 suppliers contributes around 42.15 % and 31.96 % of our total purchases for the fiscal ended March 31, 2018. We do not have any formal agreement with our raw material suppliers. Though we maintain good relations with them, there can be no assurance that we shall be able to continue such relations with any or all of them. Any disruption in supplies from these parties may require us to find additional suppliers. There can be no assurance that we shall be able to find additional suppliers in time or transact business with them on favorable terms and conditions or the quality of products supplied by these suppliers will be at par with those of our existing suppliers. Since such suppliers are not contractually bound to deal with us exclusively, we may face the risk of losing their services to our competitors. Any disruption in supplies from our suppliers due to inexistence of contracts may adversely affect our production process, trading activity and consequently our results of operations.

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

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

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

Our business requires significant amount of working capital and major Portion of our working capital is utilized towards debtors and inventories. We have been sanctioned working capital of Rs. 960.00 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. For further details regarding working capital requirement, please refer to the Section "*Objects of the Issue*" on page 98 of this Draft Prospectus. Further, we have high outstanding amount from our 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 operations.



18. Our Company has negative cash flows from activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.

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

(Rs. in Lakhs)

Particulars	For The Year Ended				
	2018	2017	2016	2015	2014
Cash Flow from / (used in) Operating Activities	(141.22)	652.41	497.00	180.08	113.32
Cash Flow from / (used in) Investing Activities	(132.95)	(504.16)	(453.35)	(79.58)	(384.04)
Cash Flow from / (used in) Financing Activities	283.31	(145.77)	(54.87)	(99.56)	263.71

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

19. The operations of our Company are subject to manufacturing risk and may be disrupted by failure in the facilities. These liabilities and costs could have a material adverse effect on our business, results of operations and financial condition.

Due to the nature of the business we are required to be compliant with requisite safety requirements and standards. Our manufacturing facilities are subject to operating risk arising from compliance with the directives of relevant government authorities. The operations of our Company are also subject to operating risks, such as breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, earthquakes and other natural disasters and industrial accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment and environmental damage. Such operating risks may result in non-compliance with government regulations, property damage and personal injury which may result in the imposition of civil and criminal penalties, which may adversely affect public perception about our operations and the perception of our suppliers, clients and employees.

20. The industry in which we operate is labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

Our industry being labour intensive is dependent on labour force for carrying out its manufacturing operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We also have entered into an agreement with contract labours that provide us the necessary labours on contract basis. We have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not



unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

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

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

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

22. *Our contingent liabilities in the event they were to materialize could adversely affect our business, financial condition and results of operations.*

As of March 31, 2018, the details of our contingent liabilities as per our restated financial statements were as follows:

(Rs. In Lakhs)

Particulars	As on March 31, 2018
Guarantee as Member of Narol Textile Infrastructure & Enviro Management a company u/s 25 of Companies Act, of proportionate share of financial assistant in favour of the said company for development of common infrastructure facility of effluent treatment.	74.19

For details see Section titled “Financial Statements” on page 186 of this Draft Prospectus.

Any or all of these contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

23. *We have significant power requirements for continuous running of our plant. Any disruption to our operations on account of interruption in power supply may have an effect on our business, results of operations and financial condition.*

Our plant has significant electricity requirements and any interruption in power supply to our plant may disrupt our operations. Our business and financial results may be affected by any disruption of operations. Our Company has set up a power project of 1.650 MW capacity at village Vandhiya, Taluka-Bhachau, District Kutch using wind turbine generators in Gujarat to generate electricity for use in its processing plant. Our Company has executed an agreement with Torrent Power Ltd. (“TPL”) Dated April 12, 2010 whereas TPL has agreed to wheel the electricity generated by our Company for captive use from TPL receiving point to our processing plant. Any disruption or shortage in the supply of electricity from our wind power may negatively affect our business, financial condition and results of operations.



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

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

25. *The Land on which our Plant & Registered Office is situated is not owned by us.*

Our Registered Office & Plant premise are built on land which is situated at B/ H/ International Hotel, Ishanpur Road Narol, Ahmedabad-382405, Gujarat, India. We have obtained this land from our Promoter, Hiralal Parekh through Rent Agreement dated January 15, 2016 for a period of five years w.e.f. April 01, 2016 for a consideration of Rs. 50,000/- per month and which can be renewed on the basis of mutual consent.

Although, the rent agreements can be extended for further period, we cannot assure that we will have the right to occupy the aforesaid premises in future, or that we will be able to continue with the uninterrupted use of this property, which may impair our operations and adversely affect our financial condition.

For further details of our Land and Properties, please refer to the chapter titled "Our Business" beginning on page 130 of this Draft Prospectus.

26. *We have not registered the trademarks used by us for our business and our inability to obtain or maintain these registrations may adversely affect our competitive business position. Our inability to protect or use our intellectual property rights may adversely affect our business.*



We have not applied for the registration of our name and logo . The registration of any trademark is a time-consuming process, and there can be no assurance that any such registration will be granted as and when applied. In the absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual property.

These trademarks are integral to our business, and the loss of any of these intellectual property rights could have a material adverse effect on our business. Further, if any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim ownership or make use of such trademarks and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. Our inability to obtain or maintain these registrations may adversely affect our competitive business position. This may affect our brand value and consequently our business.

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

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



and/or meet the changing demands of textile business and consumer preferences may have an adverse effect on our business, profitability and growth prospects.

28. *Our inability to maintain an optimal level of inventory for our business may impact our operations adversely.*

Our daily operations largely depend on consistent inventory control which is generally dependent on our projected sales in different months of the year. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a range of products. If we over-stock inventory, our required working capital will increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual off take by customers can impact us adversely.

29. *Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations and financial condition. The success of our business will depend greatly on our ability to effectively implement our business and growth strategy.*

We have experienced high growth in recent years. For example, our total income has grown from Rs. 9833.52 Lakhs in FY 2017 to Rs. 13054.15 Lakhs in FY 2018, and our profit for the year has increased from Rs. 170.38 Lakhs in FY 2017 to Rs. 307.56 Lakhs in FY 2018. While no assurance can be given that the past increases in our revenue and profits will continue, if this growth continues, it will place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across the organization.

Our growth strategy requires us to develop and strengthen relationships with existing customers of our operations who may drive high volume orders on an ongoing basis. To remain competitive, we propose to increase our product portfolio; we seek to increase our business from existing customers and by adding new customers, explore new industry verticals, well as expanding into new geographical markets.

Our success in implementing our growth strategies may be affected by:

- our ability to maintain client satisfaction and our quality of services;
- our ability to increase our customer base;
- improve our operations and technology systems
- the general condition of the global economy (particularly of India and the other markets that we currently or may operate in); and
- our ability to compete effectively with existing and future competitors,

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. Separately, our growth strategy also involves expanding into new geographic markets which will involve additional risk. Our ability to execute our growth strategies will also depend, among other things, on our ability to identify key target segments correctly, diversify and differentiate our service offering and pricing to compete effectively etc. While we have successfully executed our business strategy in the past, there can be no assurance that we will be able to execute our strategy on time. Any of these factors could adversely impact our results of operations. We expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and growth strategy could have a material adverse effect on our business, financial condition and profitability.

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

We have entered into various transactions with related parties, including our Promoter, Promoter Group and Group Companies, in relation to, among others, rent expenses for the lease of our Registered Office, remuneration to our Directors, loan taken from Directors and interest on short term borrowings. For details of our related party transactions, see “*Related Party Transactions*” on page 184. These transactions were entered into during the course of ordinary business with related parties, including our Promoter, Promoter Group and Group Companies but we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Furthermore, we may enter into related party transactions in the future, and such transactions may potentially involve conflicts of interest. There



can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition

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

Managing business involves various risks that may adversely affect the Company's operations, and thus in order to mitigate these risks to a certain extent, the appropriate risk cover is required. The Company maintains Standard Fire & Special Perils insurance coverage for its processing unit, plant & machinery, stocks, furniture & fixture and finished products. The Company also maintains boiler & pressure plant insurance for the installed boilers in the plant as well as package insurance policy for the wind mill. The Company believes that its insurance coverage is generally consistent with industry practice. However, to the extent that any uninsured risks materialize or if it fails to effectively cover it for any risks, it could be exposed to substantial costs and losses that would adversely affect results of operations. In addition, the Company cannot be certain that the coverage will be available in sufficient amounts to cover one or more large claims, or that its insurers will not disclaim coverage as to any claims. A successful assertion of one or more large claims against the Company that exceeds its available insurance coverage or that leads to adverse changes in its insurance policies, including premium increases or the imposition of a large deductible or coinsurance requirement, could adversely affect Company's results of operations.

To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

For further details, please refer chapter titled "*Our Business*" beginning on page 130 of this Draft Prospectus.

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

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage contract labour for performance of our certain operations. As on date this Draft Prospectus 143 contract laborers are engaged at our Plant. Although, we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition.

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

We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amounts outstanding and payable by us as secured loans were Rs. 1138.31 lakhs as on March 31, 2018. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adversely effect on business, financial condition or results of operations. For further information on the *Financial Indebtedness* please refer to page 202 of this Draft Prospectus.

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

As on March 31, 2018, our aggregate secured long-term borrowings from banks was Rs. 282.80 Lakhs, while aggregate secured short-term borrowings and current maturity of long term debt from banks amounted to Rs. 855.51 Lakhs. We have entered into certain agreements for our borrowings and some of these agreements require us to maintain certain financial ratios and also impose certain restrictive covenants on us, such as requiring lender consent for, inter alia, effecting any changes in capital structure, making material changes to constitutional documents, incurring further indebtedness, creating further encumbrances on or disposing of assets, undertaking a restructuring or declaring dividends. While there have not been any instances of non-compliances in relation to any of our loan agreements or any covenant



therein, there can be no assurance that we will be able to comply with these covenants in the future or that we will be able to obtain the consents necessary to take the actions that may be necessary.

Any failure to service our debt, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities, affect our ability to raise additional funds or renew maturing borrowings to finance our existing working capital requirements and pursue our growth initiatives. We cannot provide any assurance that our business will generate sufficient cash to enable us to service our debt as they become due. The termination of, or declaration or enforcement of default under, any financing agreement may have an adverse effect on our business, results of operations, financial condition, results of operations and prospects.

35. *Our Promoter has provided personal guarantees for a significant portion of our borrowings and collaterals to secure certain of our loans.*

Our Promoter, Hiralal Parekh, has extended personal guarantees in favour of HDFC Bank in relation to the borrowing facilities availed by our Company. In the event any such guarantees are revoked, our lenders may require us to furnish alternate guarantees, demand repayment of the amounts outstanding under the respective facilities or even terminate such facilities. There can be no assurance that our Company will be able to arrange any alternative guarantees in a timely manner or at all. If our lenders exercise their rights under the relevant debt financing agreements for want of such additional guarantees, our operations and use of assets may be significantly hampered, and our ability to avail further borrowings may be curtailed. Further, if we are required to repay the amounts outstanding under the aforesaid borrowing facilities, our business, results of operations and profitability may be adversely impacted.

For further details, see “Financial Indebtedness” on pages 202 of this Draft Prospectus.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” beginning on page 98 of this Draft Prospectus.

37. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.*

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “Dividend Policy” on page 185 of this Draft Prospectus.

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



As on March 31, 2018, our Company has unsecured loans amounting to Rs. 911.41 Lakhs from related and other parties that are repayable on demand to the relevant lender. Sudden recall may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund. For further details, please refer the chapter “*Financial Indebtedness*” on page no. 202 of this Draft Prospectus. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

39. *Our operations are subject to environmental, workers’ health and safety and employee laws and regulations. We may incur material costs to comply with, or suffer material liabilities or other adverse consequences as a result of, environmental laws and regulations which may have a material adverse effect on our business, financial condition and results of operations.*

Our operations are subject to extensive environmental and hazardous waste management laws and regulations in India, including but not limited to the following:-

- Environmental Protection Act, 1986, as amended;
- Air (Prevention and Control of Pollution) Act, 1981, as amended from time to time;
- Water (Prevention and Control of Pollution) Act, 1974, as amended from time to time and other regulations promulgated by the MoEF and various statutory and regulatory authorities and agencies in India.

The impact of these laws and regulations, or any changes to such laws or regulations, may be significant and may delay the commencement of, or cause interruptions to, our operations. There can be no assurance that compliance with such environmental laws and regulations will not result in a curtailment of production or a material increase in the costs of production or otherwise have a material adverse effect on our financial condition and results of operations. Though, we have been complying with / rectifying such lapses on regular basis we may incur, and expect to continue to incur, significant capital and operating costs to comply with these requirements, including various provisions made for environmental related expenditure.

40. *If more stringent labour laws or other industry standards in India are introduced, our profitability may be adversely affected.*

Our Company is subject to a number of stringent labour laws, which protect the interests of workers, including in relation to dispute resolution, employee retrenchment, pending payments and legislation that imposes financial obligations on employers upon retrenchment. We are also subject to state and local laws and regulations of Gujarat, governing our relationships with our employees, including those relating to minimum wage, bonus, gratuity, overtime, working conditions, recruitment and termination of employment, non-discrimination, work permits and employee benefits.

Further, stringent labour laws will ensure difficulty in maintaining flexible human resource policies, and working environment, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

41. *Within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page 98 of this Draft Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.*

We intend to use entire Issue Proceeds towards meeting working capital requirements, general corporate purposes and issue expenses. Such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled ‘*Objects of the Issue*’ beginning on page 98 of this Draft Prospectus. The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors.

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled ‘*Objects of the Issue*’ beginning on page 98 of this Draft Prospectus, the management will



have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this Issue. However, Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. However in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without our Company being authorised to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholder shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard

- 42. *Our future funds requirements, in the form of 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.

- 43. *Deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.***

Since, the Issue size is less than Rs.10,000 lakh and as per the provisions of Regulation 16 (1) of the SEBI ICDR Regulations, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

However, Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. However in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without our Company being authorised to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholder shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

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

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

- 45. *We are subject to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations.***

We are subject to credit risk through our trade receivables and other receivables due from our customers in case of delay. As of March 31, 2018, our trade receivables are Rs. 2485.04 Lakhs. By their nature, trade receivables involve risks, including the risk of non-performance by counterparties. Further, the failure of any of our customers to make timely payments could affect our profitability and liquidity and decrease in



resources available to us for other uses, including our obligations under the credit facilities granted to us by our lenders. We may also be required to write off trade receivables or increase provisions made against our trade receivable. Any changes in the financial position of our customers that adversely affects their ability to pay and failure of any of our customers to make timely payments may materially and adversely affect our cash flows, business prospects, financial condition and results of operations.

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

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding, unsecured loan given by them or by entities in which they are interested and dividend entitlement in our Company. For further information, see “*Capital Structure*” and “*Our Management*” on pages 80 and 164, respectively, of this Draft Prospectus.

47. *Conflicts of interest may arise out of common business undertaken by our Company and our Group Company, Mohanlal Mahavirchand Impex Pvt. Ltd.*

Our group company, Mohanlal Mahavirchand Impex Pvt. Ltd. is authorized to carry similar activities as those conducted by our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Company in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour our group company. There can be no assurance that our Promoter or our Group Company will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

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

After completion of the Issue, our Promoters and Promoter Group will collectively own 71.75% of the Equity Shares. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

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

49. *We are subject to risks arising from foreign exchange rate fluctuations, which could adversely affect our financial condition and results of operations.*

Our business is also focused on exports to customers in international markets and approximately 6.15% of our revenue as on March 31, 2018 are earned through export market. The exchange rate between the Indian Rupee and the US Dollar and other foreign currencies have changed considerably in recent years and may further fluctuate in the future. Such fluctuations in currency exchange rates may impact our results of operations. We may, therefore, be exposed to risks arising from exchange rate fluctuations, and, we may not be able to pass on all losses on account of foreign currency fluctuations to our customers. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may adversely affect our results of operations

50. *We operate in a highly competitive environment and may not be able to maintain our market position, which may adversely impact our business, result of operations and financial conditions.*

The textile industry in particular, is highly and increasingly competitive and unorganised, and our results of operations and financial condition are sensitive too, and may be materially adversely affected by,



competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially effect our business and result of operations.

The segment to which we cater is fragmented and continues to be dominated by unorganised suppliers. We believe that in order to compete effectively, we must continue to maintain our reputation, be flexible and innovative in responding to rapidly changing market demands and consumer preferences and offer consumers a wide variety of high quality products at competitive prices. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material effect on our business, financial condition and result of operations.

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

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

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

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

53. *Increasing costs with the expansion and push for R&D and technology upgradation to further expand our product portfolio.*

Our continued growth and success depends significantly on continuous product innovation by way of further expanding our product portfolio. We seek to distinguish ourselves from our competitors by introducing new products and different variants of our existing products, based on consumer preferences and demand. Although we seek to identify such trends and introduce new products, we cannot assure you that our products would gain consumer acceptance or that we will be able to successfully compete in such new product segments. Additionally, the development and marketing process of a new product or variant of an existing product would require us to spend considerable time and money. Consequently, any failure on our part to successfully introduce new products and processes may have an adverse effect on our business, results of operations results and financial condition.

54. *The Promoter Group of our Company does not include certain relatives of our Promoter and/or entities in which these persons may have any interest.*

The Promoter Group of our Company does not sisters of our promoter i.e. Savita Mehta and Vijayalaxmi Daga and the entity(ies) in which they severally or jointly may have an interest as they have refused to provide any information pertaining to them or any such entities vide letter dated August 01, 2018.

Thus these immediate relatives are treated as disassociated from the promoter group though there are no formal disassociation agreements with them. Therefore, the disclosure made in this Draft Prospectus are limited to the extent of information that has been made available in relation to Promoter Group. For further details, please refer to chapters titled –“Our Promoter and Promoter Group” beginning on page 178 of this Draft Prospectus.

55. *Our processing unit is geographically located in one area and any localized social unrest, natural calamities, etc. could have material adverse effect on business and financial operations.*

Our processing unit is based in Ishanpur Road, Narol, Ahmedabad in the State of Gujarat. As a result, any localized social unrest, natural disaster or breakdown of services and utilities in and around Ahmedabad



could have material adverse effect on our business, financial position and results of operations. Further, any continuous addition of industries in and around Narol without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure in Ahmedabad, which may affect our business.

- 56. *Some of the information disclosed in this Draft Prospectus is based on information from industry sources and publications which may be based on projections, forecasts and assumptions that may prove to be incorrect. Investors should not place undue reliance on, or base their investment decision on this information.***

The information disclosed in the “Our Industry” Section of this Draft Prospectus on page 109 is based on information from publicly-available industry, Government and research information, publications and websites and has not been verified by us independently and we do not make any representation as to the accuracy of the information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

- 57. *The requirements of being a listed 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 half yearly 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.

- 58. *The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue price.***

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price as may be decided by the Company in consultation with the LM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the Section titled “Risk Factors” on page 21 of this Draft Prospectus.

- 59. *Certain supporting documents in connection with the biographies of certain of our Directors included in this Draft Prospectus, are not available.***

Certain supporting documents in relation to the biographies of our Directors and Key Managerial Personal pertaining to their educational qualifications and past experience, are not available. Such details are supported by affidavits executed by such Directors, certifying the authenticity of the information provided with respect to each such individual.

- 60. *We may face a 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 “Government Approvals”. 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 March 31, 2018 our balance export obligation to be completed is Rs. 154.55 Lakhs. For further information please refer to the chapter “Government And Other Statutory Approvals” beginning on page 212 of this Draft Prospectus.



ISSUE SPECIFIC RISKS

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

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

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

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

- Volatility in the Indian and global capital market;
- Company's results of operations and financial performance;
- Performance of Company's competitors,
- Adverse media reports on Company or pertaining to the Textile Industry;
- Changes in our estimates of performance or recommendations by financial analysts;
- Significant developments in India's economic and fiscal policies; and
- Significant developments in India's environmental regulations.

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

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

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

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

The Issue Price of our Equity Shares will be determined by fixed price method. This price is based on numerous factors (For further information, please refer chapter titled "Basis for Issue Price" beginning on page 105 of this Draft Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;



- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

65. *Any future issuance of Equity Shares by our Company or sales of our Equity Shares by any of our Company's significant shareholders may adversely affect the trading price of our Equity Shares.*

Our Company may be required to finance its future growth and business requirements through additional securities offerings. Any future issuance of Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares, including allotments made pursuant to any employee stock option schemes, or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge, or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

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

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

67. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

EXTERNAL RISK FACTORS

INDUSTRY RISK

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

Our Company is subject to various laws, rules, regulations and policies. For details see Section titled – Key Industry Regulations and Policies beginning on page 146 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, in India, 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 effect on our business, financial condition and results of operations.

OTHER RISKS



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

As stated in the reports of the Auditor included in this Draft Prospectus under chapter “Financial Statements as restated” beginning on page 186 the financial statements included in this Draft Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Prospectus. Accordingly, the degree to which the financial information included in this Draft Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

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

Under the Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the 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. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

In Finance Bill 2017, Section 10(38) was amended to provide that exemption under this Section for income arising on transfer of equity share acquired on or after 1st day of October 2004 shall be available only if the acquisition of share is chargeable to STT under Chapter VII of the Finance (No 2) Act, 2004. In this case, this provision becomes effective, sale shares acquired on or after 1st day of October 2004 on which STT was not charged will attract tax under provisions of Long Term Capital Gains.

As per Finance Bill 2018, exemption under Section 10(38) for income arising from long term gains on transfer of equity share shall not be available on or after 1st day of April 2018 if the long term capital gains exceeds Rs. 1,00,000/- p.a. Such income arising from long term gains on transfer of equity share on or after 1st day of April 2018 in excess of Rs. 1,00,000/- per annum shall be chargeable at the rate of 10%.

Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

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

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

- custom duties on imports of raw materials and components;
- excise duty on certain raw materials and components;



- central and state sales tax, value added tax and other levies; and
- Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

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

72. *Financial instability in Indian financial markets could adversely affect our Company's results of operations and financial condition.*

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, 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. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

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

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

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

Under current Indian tax laws, unless specifically exempted, 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 listed equity shares on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if Securities Transaction Tax ("STT") is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares, except in the case of such acquisitions where STT could not have been paid, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017.

However, Finance Bill, 2018, proposes to tax such long term capital gains exceeding ₹ 100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the 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. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares."



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

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

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

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

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

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

78. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

79. *Investors may not be able to enforce a judgment of a foreign court against our Company.*

Our Company is incorporated under the laws of India. Our Company's assets are primarily located in India and all our Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

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



Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares unless the pre-emptive rights have been waived by the adoption of a special resolution by shareholders of such company. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in our Company may be reduced.

PROMINENT NOTES

1. Public Issue of 25,96,000 Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. [●] per Equity Share (“Issue Price”) aggregating to Rs. [●] Lakhs, of which 1,32,000 Equity Shares of face value of Rs. 10 each will be reserved for subscription by Market Maker to the Issue (“Market Maker Reservation Portion”). The Issue less the Market Maker Reservation Portion i.e. Net Issue of 24,64,000 Equity Shares of face value of Rs. 10 each is hereinafter referred to as the “Net Issue”. The Issue and the Net Issue will constitute 28.22% and 26.79%, respectively of the post Issue paid up equity share capital of the Company.
2. Investors may contact the Lead Manager or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled “*General Information*” beginning on page 72 of this Draft Prospectus.
3. The pre-issue net worth of our Company as of March 31, 2018 and as of March 31, 2017 was Rs. 1616.89 lakhs and Rs. 1309.34 lakhs respectively as per our Restated Financial Statements. The book value per Equity Share as of March 31, 2018 and as of March 31, 2017 was Rs. 24.49 and Rs. 19.83 respectively our Restated Financial Statements. For more information, please refer to Section titled “*Financial Statements*” beginning on page 186 of this Draft Prospectus.
4. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of the Promoter	No. of Equity Shares held	Average cost of Acquisition (in Rs.)
Hiralal Parekh	27,78,400	7.32

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled “*Capital Structure*” beginning on page 80 of this Draft Prospectus.

5. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer “*Related Party Transaction*” under chapter titled “*Financial Statements as restated*” beginning on page 186 of this Draft Prospectus.
6. Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “*Issue Structure*” beginning on page 235 of this Draft Prospectus.
7. Except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoter and Promoter Group*”, “*Our Management*” and “*Related Party Transaction*” beginning on pages 80, 178, 164 and 184 respectively, of this Draft Prospectus, none of our Promoters, Directors or Key Management Personnel has any interest in our Company.
8. Except as stated in the chapter titled “*Our Group Companies*”, beginning on page 182 and chapter titled “*Related Party Transactions*” beginning on page 184 of this Draft Prospectus, our Group Companies have no business interest or other interest in our Company
9. Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 80 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than cash.
10. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
11. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page 105 of the Draft Prospectus.



12. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Draft Prospectus with the Stock exchange.
13. Our Company was originally constituted as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated May 29, 1992 bearing Registration Number 04-17742 of 1992-93 issued by the Registrar of Companies Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on February 21, 2017 and the name of our Company was changed to Vinny Overseas Limited and a fresh certificate of incorporation consequent upon Conversion of Private Company to Public Limited dated March 02, 2017 was issued by the Registrar of Companies Ahmedabad. The Corporate Identification Number of our Company is U51909GJ1992PLC017742.



SECTION III – INTRODUCTION

SUMMARY OF OUR INDUSTRY

The information in this Section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Prospectus, including the information contained in the Sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 21 and 186 respectively of this Draft Prospectus before deciding to invest in our Equity Shares.

INTRODUCTION TO TEXTILES INDUSTRY:

The Indian textile industry is one of the largest in the world with a large raw material base and manufacturing strength across the value chain. The textile industry contributes to 7% of industry output in value terms, 2% of India's GDP and to 15% of the country's export earnings. With over 45 million people employed directly, the textile industry is one of the largest sources of employment generation in the country. The textile and apparel industry can be broadly divided into two segments - yarn and fibre, and processed fabrics and apparel. India accounts for 14 per cent of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fibre). India has the highest loom capacity (including hand looms) with 63 per cent of the world's market share.

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

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

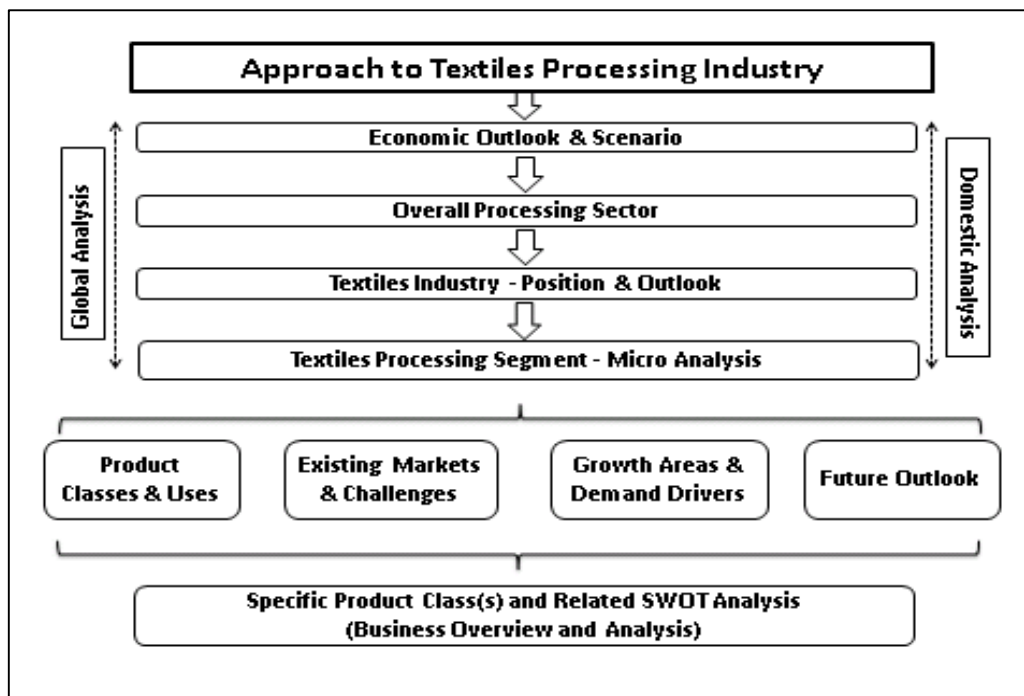
(Source: Indian Textiles and Apparel Industry Analysis, India Brand Equity Foundation, www.ibef.org)

APPROACH TO TEXTILES INDUSTRY ANALYSIS:

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

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

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



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

GLOBAL ECONOMIC OVERVIEW

According to the International Monetary Fund (IMF), the global economy is experiencing a near-synchronous recovery, the most broad-based since 2010. In 2017, roughly three-quarters of countries experienced improvements in their growth rates, the highest share since 2010. The latest World Economic Outlook (WEO) of the IMF shows global GDP growth accelerated to around 3.6 percent in 2017 from 3.2 percent in 2016, and the forecast for 2018 has been upgraded by 0.2 percentage points to 3.9 percent. Although rebounding, global growth is still well below levels reached in the 2000s.

One reason why the recovery has spread around the globe is that world trade in goods and services has finally emerged from its torpor, registering 4.7 percent real volume growth in 2017 compared with 2.5 percent in 2016. Another reason is that commodity producers such as Russia, Brazil, and Saudi Arabia, which for the past few years been suffering from depressed prices, have benefitted from the upswing in demand. Commodity prices increased smartly in 2017, led by petroleum, whose price rose by 16 percent to reach \$61 per barrel by the end of the year.

Even as global growth and commodity prices have surged, inflation has remained remarkably quiescent, remaining below 2 percent in the main advanced regions. Consequently, monetary policies in the US, Eurozone and Japan have remained highly accommodative despite a strong recovery. These unusual settings—rapid growth, ultra-low interest rates—at a late stage in the economic cycle have produced the rarest of combinations: record-high high bond prices and stock market valuations, both at the same time. The consensus forecast calls for these conditions to be sustained in 2018, as companies respond to buoyant demand conditions by stepping up investment, some governments (such as the US) embark on expansionary fiscal policies, while advanced country monetary policies remain stimulative and world trade continues to grow briskly.

What are the risks? Of course, there are the usual geo-political and geo-economic risks: war in the Korean peninsula; political upheaval in the Middle East; aggressive output cuts by Saudi Arabia (and Russia) in advance of the planned listing of the Saudi Arabian oil company, Aramco, which could force oil prices even higher; a final reckoning from China's unprecedented credit surge in the form of capital controls, slowdown in growth, and a sharply depreciating currency with consequences for the global economy (Economic Survey, 2016-17, Chapter 1); and trade tensions that could lead to skirmishes, and then spiral out of control. But perhaps the main risks lie on the macro-finance front in advanced economies. These stem from three, inter-related, sources:



- Asset valuations (price-equity ratios) tend to revert to their mean. And the faster and higher they climb, especially so late in the economic cycle, the greater the risk of sharp corrections.
- Simultaneously high valuations of both bonds and equities tend to be briefly lived because they suffer from an acute tension: if future earnings and economic growth are so bright, justifying high equity prices, interest rates cannot be forever so low.
- And if interest rates rise—or if markets even sense that central banks will need to shift their stance—both bond and equity prices could correct sharply. A plausible scenario would be the following. The IMF is now forecasting that advanced country output gaps will close in 2018 for the first time since the Global Financial Crisis. As this occurs, wages would start rising, eating into profits (which would prick equity valuations); and as inflation rises in tandem, policy makers would be forced into raising rates, deflating bond valuations and further undermining share prices.

What would happen to growth if asset prices correct? Surely, the impact would be far smaller than it was in 2007-09, because advanced countries are far less vulnerable than they were a decade ago. In particular, the leverage tied to these assets is much lower, which would minimize contagious propagation; while banks are much better buffered, with higher levels of capital and core deposits, and lower levels of risky assets.

Even so, there would be some consequences. For one, a large decline in wealth would force advanced country consumers to cut back on their spending, which in turn would lead firms to curtail their investments. And if this happens, monetary and fiscal policies would have much less room for expansionary manoeuvre since interest rates are already low while government debts are high. And the political implications of yet another decline in asset prices, the second in a decade, could also be significant, with effects that are difficult to imagine.

In sum, assessing future risks hinges on two calls: interest rate policy and asset valuations. On policy, extraordinarily low rates have, to paraphrase Paul Krugman, become “an obsession in search of a justification.” Initially justified by the dislocations caused by the Global Financial Crisis, then by large output gaps, they are now defended on the grounds that inflation remains weak, even as the slack in product and labor markets is disappearing rapidly. Will the gathering new evidence on closing output gaps and rising employment dispel that obsession?

On valuations, the prognosticator must navigate a narrow strait: steering clear of the “Cry of Wolf” trap (bond prices will finally, finally correct, having defied the prediction of correction in each of the last several years), without succumbing to the siren call of “This Time is Different” (stock valuations are sustainable this time because interest rates will remain at historic lows).

(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

OVERVIEW OF INDIA'S ECONOMIC PERFORMANCE IN 2017-18

Economic activity

The key question going forward is whether the economy has troughed, and if so at what pace it will recover toward its medium term trend. High frequency indicators do suggest that a robust recovery is taking hold as reflected in a variety of indicators, including overall GVA, manufacturing GVA, the IIP, gross capital formation (Figure 17) and exports.

Similarly, real non-food credit growth has rebounded to 4 percent in November 2017 on a year-on-year basis, while the squeeze on real credit to industry is abating (Figure 18). Moreover, the flow of nonbank resources to the corporate sector, such as bond market borrowing and lending by NBFCs, has increased by 43 percent (April-December 2017 compared to the same period a year ago), substituting in part for weak bank credit. Rural demand, proxied by motor cycle sales, and auto sales, while not yet back to its pre-demonetization trend, are recovering (Figures 19 and 20).



Figure 19. Sale of Motorcycles
(Seasonally adjusted, in thousands)

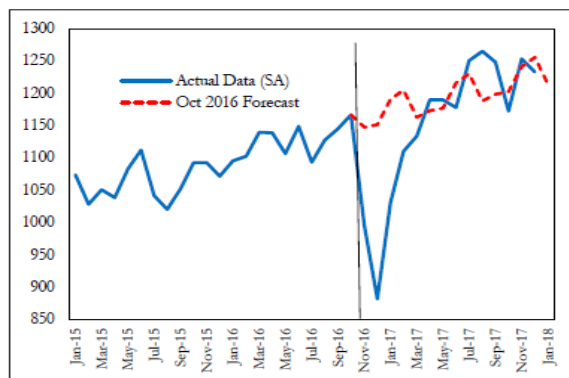
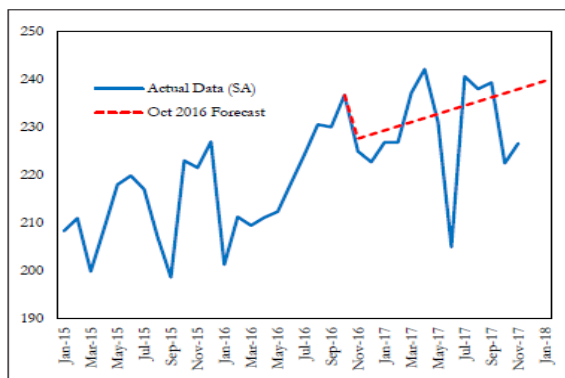


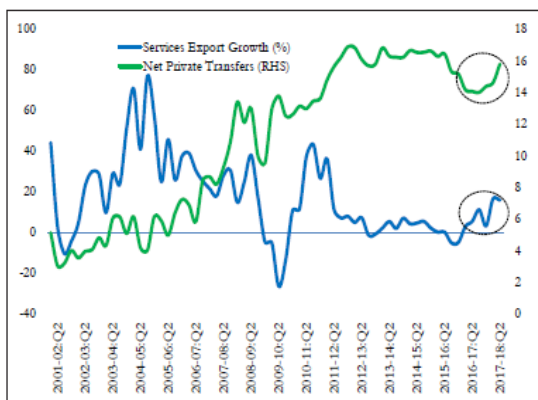
Figure 20. Sale of Passenger Cars
(Seasonally adjusted, in thousands)



Source: Society for Indian Automobile Manufacturers, Survey calculations.

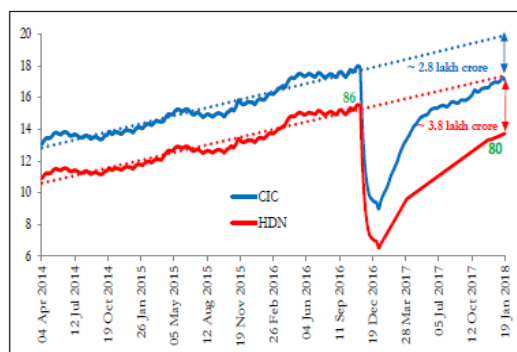
Perhaps most significantly, the behaviour of manufacturing exports and imports in the second and third quarters of this fiscal year has started to reverse. The re-acceleration of export growth to 13.6 percent in the third quarter of FY2018 and deceleration of import growth to 13.1 percent, in line with global trends, suggest that the demonetization and GST effects are receding. Services export and private remittances are also rebounding (Figure 21).

Figure 21. Services Export Growth (percent) and Net Private Remittances (in US\$ billion)



Source: RBI, Survey calculations.

Figure 22. Currency in Circulation (CIC) and High Denomination Notes (HDN)
(In Rs. lakh crore)



Source: RBI, Survey calculations; Numbers in green denote HDN as share of CIC.

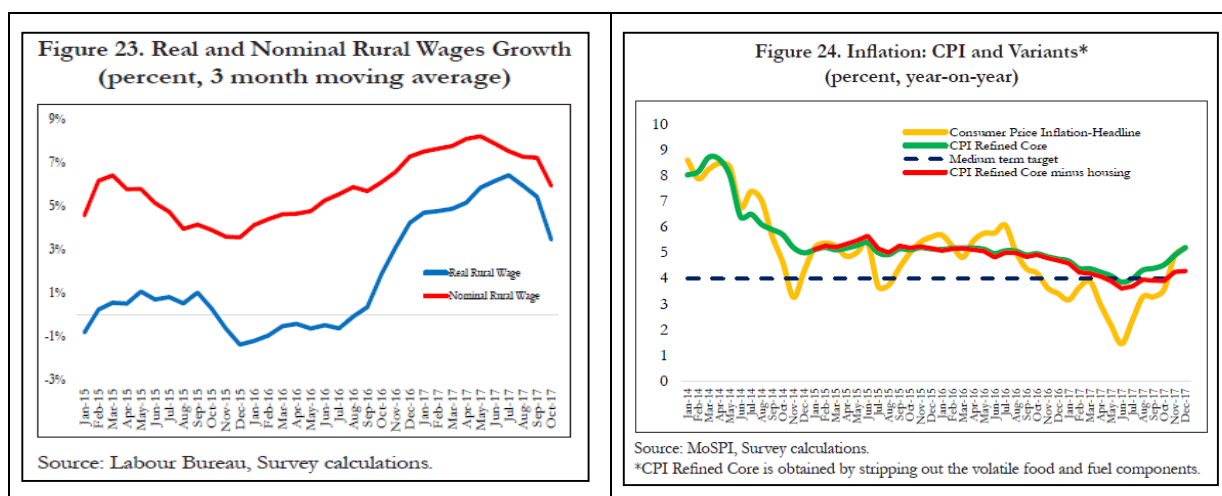
On demonetization specifically, the cash-to-GDP ratio has stabilized, suggesting a return to equilibrium. The evidence is that since about June 2017 the trend in currency is identical to that pre-demonetization (Figure 22). The stabilization also permits estimation of the impact of demonetization: about Rs. 2.8 lakh Crores less cash (1.8 percent of GDP) and about Rs. 3.8 lakh Crores less high denomination notes (2.5 percent of GDP).

A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth by the central and state governments remains strong at 11.7 percent (April to November). Cyclical conditions may also lead to lower tax and non-tax revenues, which act as an automatic stabilizer.

All this said, while the direction of the indicators is positive, their level remains below potential. IIP growth (April-November 2017 over same period in the previous year) is 3.2 percent, real credit growth to industry is still in negative territory, and the growth in world trade remains less than half its level of a decade ago. Moreover, even though the cost of equity has fallen to low levels, corporates have not raised commensurate amounts of capital, suggesting that their investment plans remain modest (Box 6). In other words, the twin engines that propelled the economy's take-off in the mid-2000s – exports and investment – are continuing to run below take-off speed.

Meanwhile, developments in the agriculture sector bear monitoring. The trend acceleration in rural wages (agriculture and non-agriculture), which had occurred through much of 2016 because of increased activity on the back of a strong monsoon, seems to have decelerated beginning just before the kharif season of 2017-18 (Figure 23) but it is still greater than much of the last three years. Three crop-specific developments are evident. Sowing has been lower in both kharif and Rabi, reducing the demand for labor. The acreage for kharif and Rabi for 2017-18 is estimated to have declined by 6.1 percent and 0.5 percent, respectively. Pulses and oilseeds have seen an increase in sowing, but this has translated into unusually low farmgate prices (below their minimum support price, MSP), again affecting farm revenues. The so-called TOP perishables (tomatoes, onions, and potatoes) have meanwhile fluctuated between high and low prices, engendering income uncertainty for farmers.

The CSO has forecast real GDP growth for 2017-18 at 6.5 percent. However, this estimate has not fully factored in the latest developments in the third quarter, especially the greater-than-CSO-forecast exports and government contributions to demand. Accordingly, real GDP growth for 2017-18 as a whole is expected to be close to 6 3/4 percent. Given real GDP growth of 6 percent in the first half, this implies that growth in the second half would rebound to 7.5 percent, aided by favourable base effects, especially in the fourth quarter.



Average CPI inflation for the first nine months has averaged 3.2 percent and is projected to reach 3.7 percent for the year as a whole. This implies average CPI inflation in the last quarter of 5 percent, in line with the RBI's forecast. Therefore, the GDP deflator is expected to grow by 3.6 percent for 2017-18, somewhat higher than the CSO's forecast of 2.8 percent. Consequentially, nominal GDP growth is estimated at 10.5 percent, compared with the CSO's 9.5 percent estimate.

Macroeconomic indicators

After 13 months of continuously under-shooting the inflation target by an average of 130 basis points, headline inflation for the first time crossed the RBI's 4 percent target in November, posting a rate of 5.2 percent in December 2017 (Figure 24). The recent upswing in inflation stems from rising global oil prices (not all of which has been passed on to consumers), unseasonal increases in the prices of fruits and vegetables, and the 7th Pay Commission housing rent allowances, which mechanically increase inflation. Stripped of all these factors, underlying inflation has been increasing at a more modest pace, reaching 4.3 percent at end-December—in part because firms are passing the incidence of GST on to final consumers only gradually.

The current account deficit has also widened in 2017-18 and is expected to average about 1.5-2 percent of GDP for the year as a whole. The current account deficit can be split into a manufacturing trade deficit, an oil and gold deficit, a services deficit, and a remittances deficit (Figure 25). In the first half of 2017-18, the oil and gold balance has improved (smaller deficit of \$47 billion) but this has been offset by a higher trade deficit (\$18 billion) and a reduced services surplus (\$37 billion), the latter two reflecting a deterioration in the economy's competitiveness.

Despite these developments, the overall external position remains solid. The current account deficit is well below the 3 percent of GDP threshold beyond which vulnerability emerges. Meanwhile, foreign exchange reserves have reached a record level of about \$432 billion (spot and forward) at end-December 2017, well above prudent norms.



(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

OUTLOOK FOR 2018-19

The outlook for 2018-19 will be determined by economic policy in the run-up to the next national election. If macro-economic stability is kept under control, the ongoing reforms are stabilized, and the world economy remains buoyant as today, growth could start recovering towards its medium term economic potential of at least 8 percent.

Consider the components of demand that will influence the growth outlook. The acceleration of global growth should in principle provide a solid boost to export demand. Certainly, it has done so in the past, particularly in the mid-2000s when the booming global economy allowed India to increase its exports by more than 26 percent per annum. This time, the export response to world growth has been in line with the long-term average, but below the response in the mid-2000s. Perhaps it is only a matter of time until exports start to grow at a healthy rate. Remittances are already perking up, and may revive further due to higher oil prices.

Private investment seems poised to rebound, as many of the factors exerting a drag on growth over the past year finally ease off. Translating this potential into an actual investment rebound will depend on the resolution and recapitalization process. If this process moves ahead expeditiously, stressed firms will be put in the hands of stronger ownership, allowing them to resume spending. But if resolution is delayed, so too will the return of the private capex cycle. And if this occurs public investment will not be able to step into the breach, since it will be constrained by the need to maintain a modicum of fiscal consolidation to head off market anxieties.

Consumption demand, meanwhile, will encounter different tugs. On the positive side, it will be helped by the likely reduction in real interest rates in 2018-19 compared to the 2017-18 average. At the same time, average oil prices are forecast by the IMF to be about 12 percent higher in 2018-19, which will crimp real incomes and spending—assuming the increase is passed on into higher prices, rather than absorbed by the budget through excise tax reductions or by the oil marketing companies. And if higher oil prices requires tighter monetary policy to meet the inflation target, real interest rates could exert a drag on consumption.

Putting all these factors together, a pick-up in growth to between 7 and 7.5 percent in 2018-19 can be forecasted, re-instating India as the world's fastest growing major economy. This forecast is subject to upside potential and downside risks. The biggest source of upside potential will be exports. If the relationship between India's exports and world growth returns to that in the boom phase, and if world growth in 2018 is as projected by the IMF, then that could add another ½ percentage point to growth.

Another key determinant of growth will be the implementation of the IBC process. Here timeliness in resolution and acceptance of the IBC solutions must be a priority to kick-start private investment. The greater the delays in the early cases, the greater the risk that uncertainty will soon shroud the entire IBC process. It is also possible that expeditious resolution may require the government to provide more resources to PSBs, especially if the haircuts required are greater than previously expected, the ongoing process of asset quality recognition uncovers more stressed assets, and if new accounting standards are implemented.

Persistently high oil prices (at current levels) remain a key risk. They would affect inflation, the current account, the fiscal position and growth, and force macroeconomic policies to be tighter than otherwise. One eventuality to guard against is a classic emerging market “sudden stall” induced by sharp corrections to elevated stock prices. (Box 9 suggests that India's stock price surge is different from that in other countries but does not warrant sanguine-ness about its sustainability.) Savers, already smarting from reduced opportunities in the wake of demonetization, from depressed gold prices, and from lower nominal interest rates, would feel aggrieved, leading to calls for action. Stock price corrections could also trigger capital outflows, especially if monetary policy unwinds less hesitantly in advanced countries and if oil prices remain high. Policy might then have to respond with higher interest rates, which could choke off the nascent recovery. The classic emerging market dilemma of reconciling the trade-off between macro-stability and growth could then play itself out.

A key policy question will be the fiscal path for the coming year. Given the imperative of establishing credibility after this year, given the improved outlook for growth (and hence narrowing of the output gap), and given the resurgence of price pressures, fiscal policy should ideally have targeted a reasonable fiscal consolidation. However, setting overly ambitious targets for consolidation—especially in a pre-election year—based on optimistic forecasts that carry a high risk of not being realized will not garner credibility either. Pragmatically

steering between these extremes would suggest the following: a modest consolidation that credibly signals a return to the path of gradual but steady fiscal deficit reductions.

Against this overall economic and political background, economic management will be challenging in the coming year. If the obvious pitfalls (such as fiscal expansion) are avoided and the looming risks are averted that would be no mean achievement.

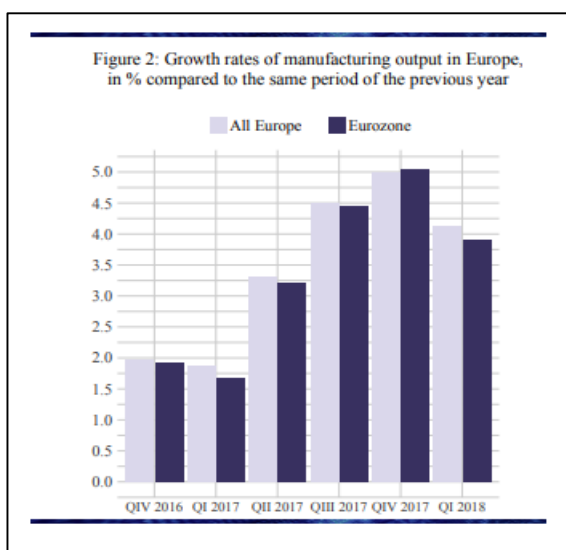
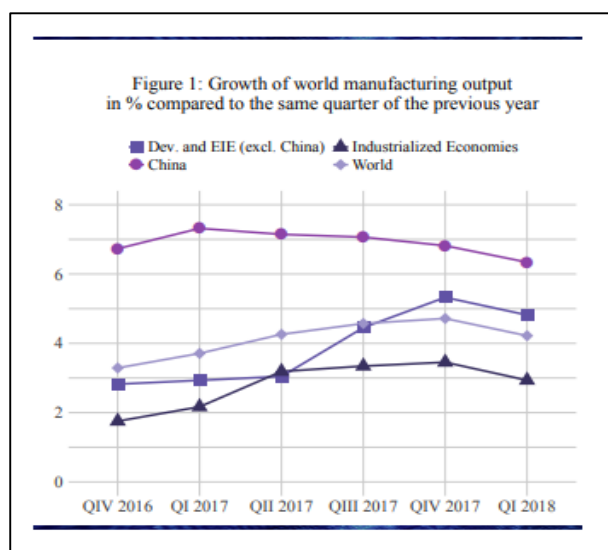
(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

GLOBAL MANUFACTURING SECTOR

World Manufacturing Growth

Following the improved growth rate of global manufacturing in 2017 both in industrialized as well as in developing and emerging industrial economies, the year 2018 set off with major downturn risks caused by a new wave of protectionism. This development has not yet had an impact on the dynamics of manufacturing growth. New tariffs and economic sanctions announced by the United States as well as uncertainties related to Brexit are considered impending threats of another slowdown of global industrial growth. The improved growth conditions in industrialized economies in 2016-2017 continue to have a positive impact on global manufacturing. As a result, world manufacturing output maintained an impressive growth rate of 4.2 per cent in the first quarter of 2018.

Industrialized economies, accounting for more than half of world industrial output, played a major role in this development. New fiscal stimuli — above all, in the United States, but in Germany as well — are expected to further boost short-term growth. This and other factors according to the OECD will continue to drive and strengthen world manufacturing output.⁶ As already mentioned above, increased trade tensions may, however, have detrimental effects on production growth and jobs. Data for the first quarter of 2018 generally indicate that year-over-year manufacturing growth has only decreased marginally (Figure 1). Data for China is to the extent possible presented separately from the country groups due to the size of the country's economy.



Industrialized economies continued to maintain the higher growth rates attained at the end of 2017. In the first quarter of 2018, this country group's manufacturing output rose by 2.9 per cent compared to the same period in 2017. This growth was attributable to the dynamic recovery of Europe's manufacturing sector, which increased by 4.1 per cent in the first quarter of 2018. At the same time, North America's manufacturing output rose by 2.6 per cent. The growth rate of East Asia's industrialized economies remained below 2.0 per cent due to the poor performance of the Republic of Korea, where manufacturing output dropped by 3.1 per cent in the first quarter of 2018.

China, the world's largest manufacturer, maintained a robust year-over-year growth rate of about 6.3 per cent despite the import restrictions announced by the United States against Chinese products. The manufacturing output of developing and emerging industrial economies (excluding China) registered the most dynamic growth rate in recent quarters and achieved an overall growth rate of 4.8 per cent compared to the same quarter of 2017.



Developing economies in Asia and Pacific recorded a high growth rate of 5.5 per cent in the first quarter of 2018, supported in particular by India with an impressive growth rate of 7.0 per cent. An even higher increase of 7.7 per cent was observed in the group of developing economies in the Eastern Europe region.

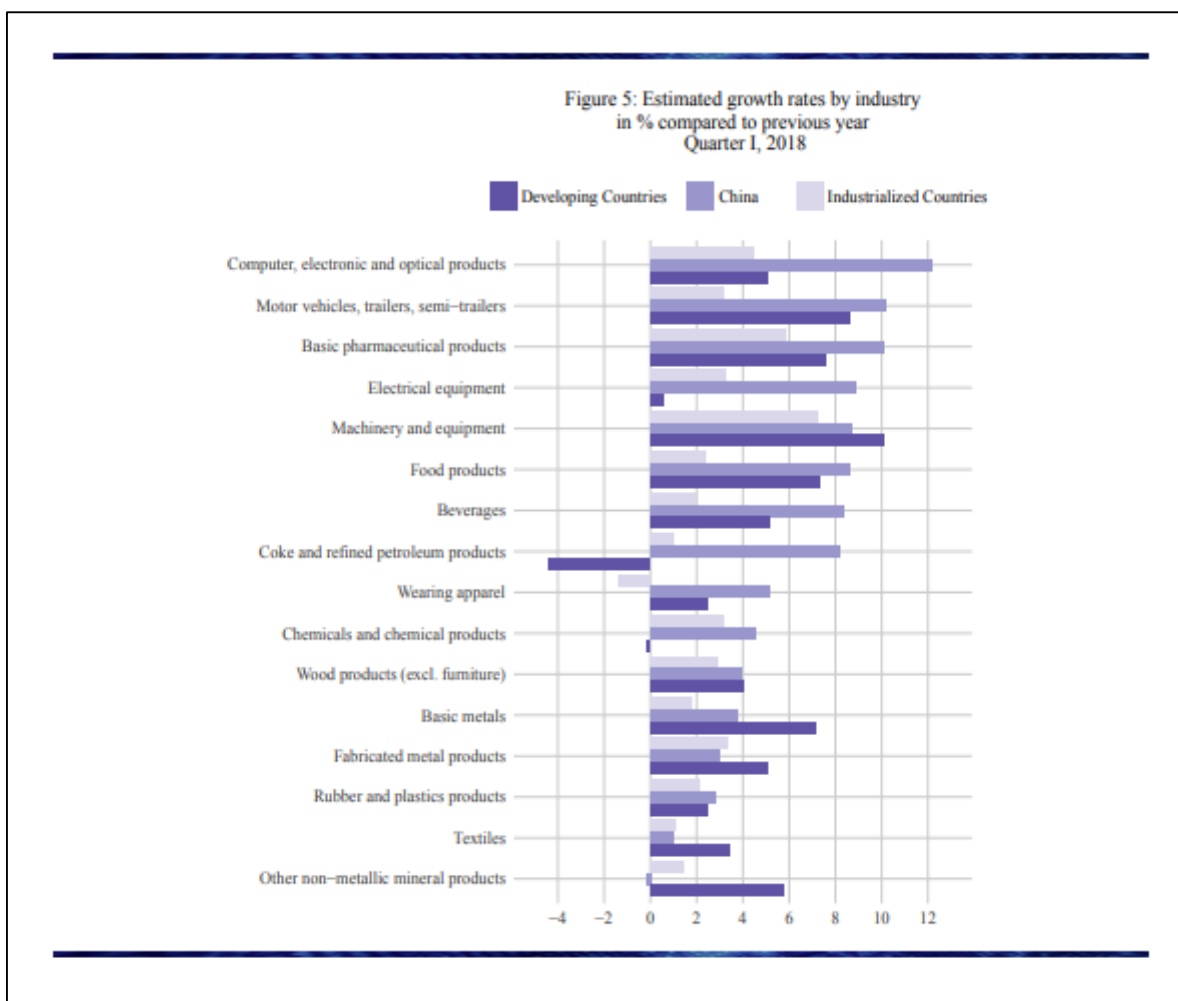
Latin America continued its recovery and expanded its manufacturing output by 2.7 per cent compared to the first quarter of 2017. The year-over-year growth rate of Brazil's economy of 4.4 per cent has had a considerable impact on Latin America's strong performance. Growth estimates based on limited data also showed a positive growth rate of nearly 2 per cent for Africa's manufacturing output. In short, manufacturing production expanded across all industrialized and developing regions in the first quarter of 2018 compared to the same period of the previous year, which confirms manufacturing's sustained recovery at the global level.

(Source: World Manufacturing Production- Statistics for Quarter I, 2018; United Nations Industrial Development Organisation - www.unido.org)

Findings by Industry Groups

Industries grouped according to technological intensity have seen fairly similar growth patterns in recent periods. Growth in manufacturing output has decelerated in all industry groups since the beginning of 2018, with differences in the level of growth. While the growth rate of medium-high- and high-technology manufacturing industries at the global level was above 5.0 per cent, medium- and low-technology industries consistently performed lower. Despite some remarkable developments, the data underscores that investment in high-technology industries is a key component in the generation of innovation, leading to significant economic growth. Overall, medium-high- and high technology manufacturing industries reached a year-over-year growth rate of 5.7 per cent in the first quarter of 2018. This was largely driven by strong growth of about 9.0 per cent in China. India and Brazil's contributions are noteworthy as well, with a growth rate of 10.8 per cent and 8.1 per cent, respectively. Europe and Japan reported again more than solid rates, reaching 5.3 respectively 5.1 per cent. North America could not quite keep the pace with a year-over-year growth of 3.4 per cent. As potential tariffs were also pronounced for high tech products, it will of course be interesting to observe the respective development in the following quarters.

A decomposition of medium high- and high-technology industries reveals that the global production of machinery and equipment witnessed the highest growth rate at 7.9 per cent, followed by computers, electronics and optical products, which maintained a consistent year-over-year growth rate of over 7.2 per cent since the first quarter of 2017. The production of basic pharmaceutical products ranked third, achieving a growth rate of 7.1 per cent compared to the same quarter of the previous year. The global production of basic metals increased by 3.6 per cent, followed by rubber and plastic products at 2.3 per cent and non-metallic mineral products at 1.8 per cent. Food products rose by 4.8 per cent, making an essential contribution to global food supply. With a population growth of 1.2 per cent, an increased rate of growth in food products implies an improvement in per capita food consumption worldwide. Among other consumer goods, wearing apparel rose by 3.0 per cent and leather products by 3.7 per cent. Consumer goods generally increased at a much higher pace in developing and emerging industrial economies than in industrialized economies. Figure 5 illustrates the growth rates for various industries in detail. While most of the growth rates are positive, wearing apparel has declined in industrialized countries whereas coke and refined petroleum products decreased in developing countries (excluding China). Additional data on growth rates in the first quarter of 2018 are available in the Statistical Tables.



(Source: World Manufacturing Production- Statistics for Quarter I, 2018; United Nations Industrial Development Organisation - www.unido.org)

MANUFACTURING SECTOR IN INDIA

Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*.

Market Size

The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 4.34 per cent during FY12 and FY18 as per the second advance estimates of annual national income published by the Government of India. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

Investments

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



As per Labour Bureau's Quarterly Report on Employment Scenario, manufacturing sector added an estimated 89,000 jobs in the second quarter of 2017-18. Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US\$ 73.70 billion during April 2000-December 2017. India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- As of May 2018, The Chatterjee Group (TCG) is planning to set up a Continuous Polymerisation (CP) unit and a spinning unit, which will act as forward integrated units for its petrochemicals subsidiary MCPI.
- As of April 2018, Rallis India, a subsidiary of Tata Chemicals, is planning to undertake backward integration as its inputs have become costlier and the move will help the company to ease pressure on its profit margins.
- For its Commercial Vehicles, Ashok Leyland is utilising machine learning algorithms and its newly created telematics unit to improve the performance of the vehicle, driver and so on.

Government Initiatives

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country.

Road Ahead

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors.

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

Exchange Rate Used: INR 1 = US\$ 0.015 as on March 30, 2018

Notes: * - According to the Global Manufacturing Competitiveness Index published by Deloitte

(Source: Indian Manufacturing Industry Analysis - India Brand Equity Foundation - www.ibef.org)

TEXTILE INDUSTRY & MARKET GROWTH IN INDIA

Introduction

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 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 105 million people directly and indirectly. India's overall textile exports during FY 2017-18 stood at US\$ 37.74 billion.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries



of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

Market Size

The Indian textiles industry, currently estimated at around US\$ 150 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).

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.
- In May 2018, textiles sector recorded investments worth Rs 27,000 crore (US\$ 4.19 billion) since June 2017.

Government Initiatives

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

Road Ahead

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, [the retail sector has experienced a rapid growth](#) in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

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*.

Exchange Rate Used: INR 1 = US\$ 0.016 as of FY2018.

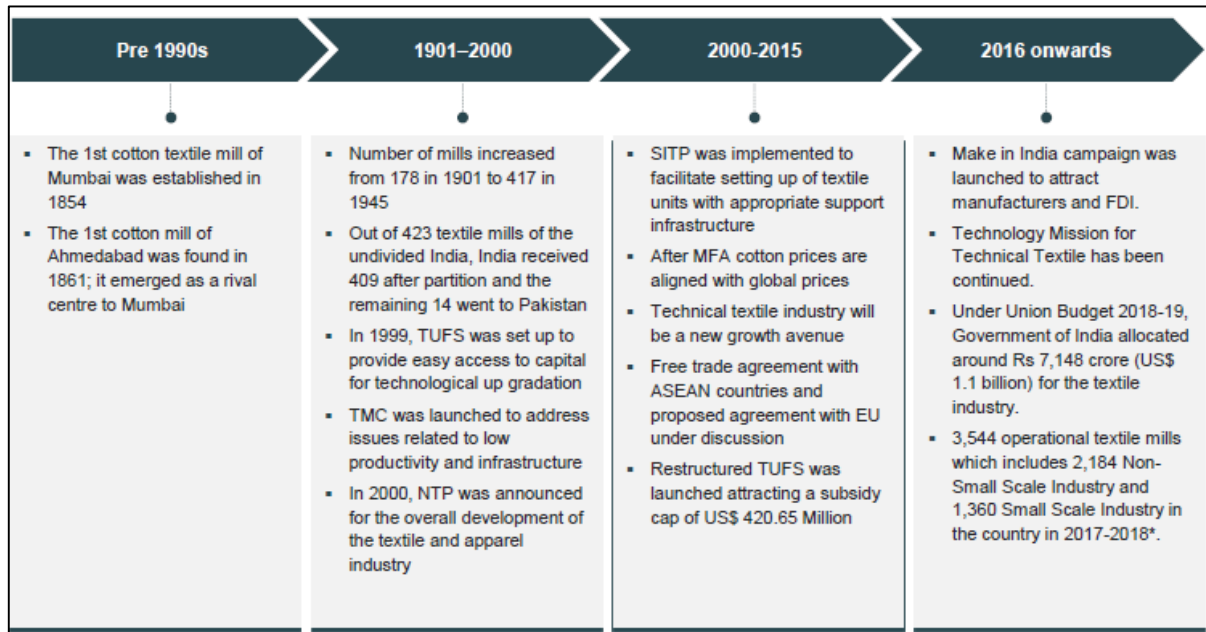
References: Ministry of Textiles, Indian Textile Journal, Department of Industrial Policy and Promotion, Press Information Bureau, Union Budget 2017-18



Note: # - according to Damco, * - according to India Ratings and Research

(Source: Textile Industry & Market Growth in India; India Brand Equity Foundation www.ibef.org)

EVOLUTION OF TEXTILES INDUSTRY IN INDIA



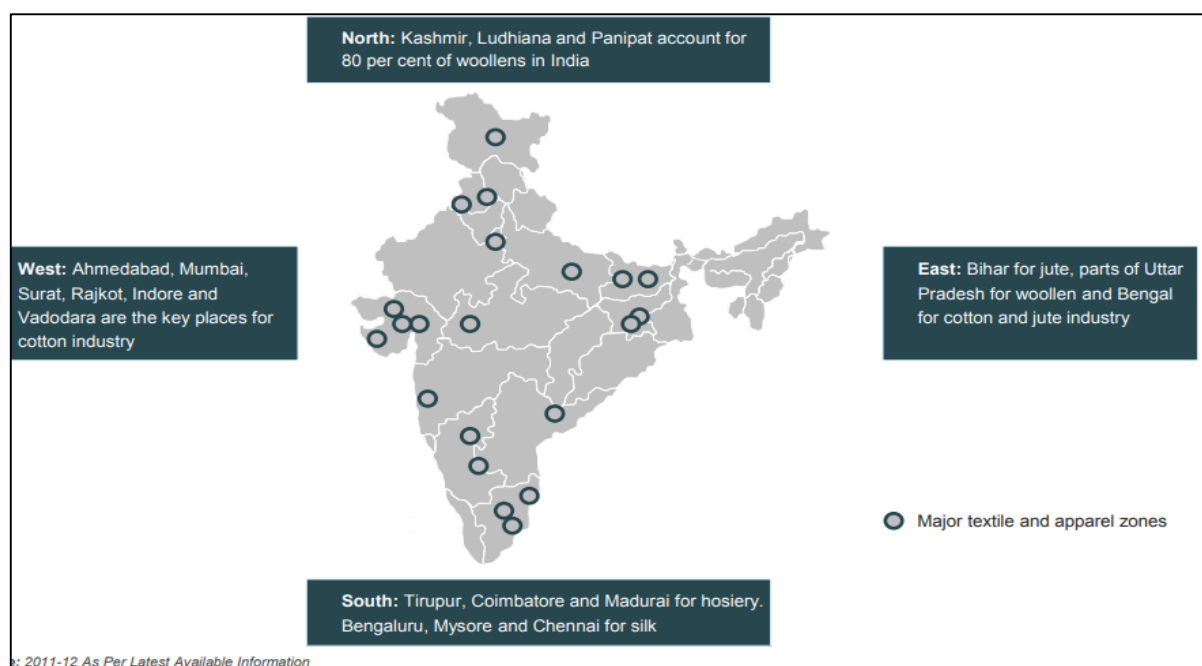
(Source: Textile and Apparel Report July 2018 - India Brand Equity Foundation www.ibef.org)

KEY FACTS: TEXTILES INDUSTRY

- The fundamental strength of the textile industry in India is its strong production base of wide range of fibre / yarns from natural fibres like cotton, jute, silk and wool to synthetic / man-made fibres like polyester, viscose, nylon and acrylic
- India's textiles industry contributes 7 per cent of the industry output (in value terms) of India.
- It contributes 2 per cent to the GDP of India and employs more than 45 million people.
- The sector contributes 15 per cent to the export earnings of India. Natural fibres like cotton, jute, silk & wool to synthetic / man-made fibres like polyester, viscose, nylon & acrylic
- Textile plays a major role in the Indian economy. It contributes 14 per cent to industrial production and 4 per cent to GDP
- With over 45 million people, the industry is one of the largest source of employment generation in the country
- The size of India's textile market as of July 2017 was around US\$ 150 billion, which is expected to touch US\$ 250 billion market by 2019, growing at a CAGR of 13.58 per cent between 2009-2019.
- The new textile policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs.

(Source: Textile and Apparel Report July 2018 - India Brand Equity Foundation www.ibef.org)

KEY TEXTILES AND APPAREL ZONES IN INDIA



(Source: Textiles and Apparel Report, July 2018 - India Brand Equity Foundation, www.ibef.org)

NOTABLE TRENDS IN INDIA'S TEXTILES SECTOR

- **Textile Parks**

As of September 2017, the Government of Maharashtra is planning to set up nine textile parks in the northern cotton producing parts of the state, in an attempt to supplement farmers' income via value-added products.

As of October 2017, the foundation stone for Kakatiya Mega Textile Park, India's largest textile park, was laid in Warangal district of Telangana. The park will be spread across 2,000 acres and is expected to generate 22,000 direct and 44,000 indirect jobs. 14 companies have already planned to set up units in the textile park worth total investments of Rs 3,000 crore (US\$ 463.39 million).

- **Multi-Fibre Arrangement (MFA)**

With the expiry of MFA in January 2005, cotton prices in India are now fully integrated with international rates.

- **Public-Private Partnership (PPP)**

The Ministry of Textiles commenced an initiative to establish institutes under the Public-Private Partnership (PPP) model to encourage private sector participation in the development of the industry

- **Technical textiles**

Technical textiles industry, which has a market size of Rs 116,000 crore (US\$ 18 billion) in 2017-18 is projected to grow at the rate of 20 per cent year-on-year supported by various flagship schemes by the government to promote full potential.

- **Promotion of Khadi**

The Government of India plans to connect around 50 million women in Indian villages to charkha (spinning wheel) in the next five years with the aim of providing employment and promoting the khadi brand. US\$ 70.83 million has been allocated to promote the use of geotechnical textiles in the North East states.

(Source: Textile and Apparel Report July 2018 - India Brand Equity Foundation www.ibef.org)

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

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



Investment was made to promote modernisation and up-gradation of the textile industry by providing credit at reduced rates. A subsidy of Rs 1,400 crore (US\$ 216.25 million) was released under this scheme in 2017. Under the Union Budget 2018-19, Rs 2,300 (US\$ 355.27 million) crore have been allocated for this scheme

- **National Textile Policy -2000**

Key areas of focus include technological upgrades, enhancement of productivity, product diversification and financing arrangements. New draft for this policy ensures to employ 35 million by attracting foreign investments. It also focuses on establishing a modern apparel garment manufacturing centre in every North Eastern state for which Government has invested an amount of US\$ 3.27 million

- **Foreign Direct Investment**

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

- **SAATHI Scheme**

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 power loom sector of India.

- **Merchandise Exports from India Scheme**

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.

- **Scheme for Capacity Building in Textiles Sector (SCBTS)**

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. The scheme is aimed at providing a demand driven and placement oriented skilling programme to create jobs in the organised textile sector and to promote skilling and skill up-gradation in the traditional sectors.

- **Textile Incentives**

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

- **Khadi App Store**

The National Board of Khadi and Village Industries Commission (KVIC) launched a mobile phone application for locating 4,000 khadi stores in India.

(Source: Textile and Apparel Report July 2018 - India Brand Equity Foundation www.ibef.org)

OPPORTUNITIES IN TEXTILES INDUSTRY

- **Immense growth potential**

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The sector is expected to be reached to USD226 billion by FY2023. Population is expected to reach to 1.34 billion by FY2019. Urbanisation is expected to support higher growth due to change in fashion and trends

- **Private sector participation in silk Production**

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

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



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

- **Retail sector offers growth Potential**

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

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

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

- **Foreign investments**

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

(Source: Textile and Apparel Report July 2018 - India Brand Equity Foundation www.ibef.org)

TEXTILE INDUSTRY: ADVANTAGE INDIA

- **Robust demand**

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

- **Increasing investments**

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

- **Competitive advantage**

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

- **Policy Support**

100 per cent FDI (automatic route) is allowed in the Indian textile sector. Under Union Budget 2018-19, government has allocated USD 4.63 million for integrated parks in India. Free trade with ASEAN countries and proposed agreement with European Union will boost exports.

(Source: Textile and Apparel Report July 18 - India Brand Equity Foundation www.ibef.org)



SUMMARY OF OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward Looking Statements” beginning on page 20 of this Draft Prospectus, for a discussion of the risks and uncertainties related to those statements and also the Section “*Risk Factors*” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this Section, unless otherwise stated, is derived from our Financial Information, prepared in accordance with Indian GAAP and Companies Act and restated in accordance with the SEBI Regulations. 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 the Sections titled “*Risk Factors*” and “*Financial Statements*” as restated beginning on pages 21 and 186 respectively.

Unless otherwise stated, references in this Section to “Vinny”, “the Company” or “our Company” are to Vinny Overseas Limited, and references to “we”, “our” or “us” are to the Company.

OVERVIEW OF THE BUSINESS

Our Company was originally constituted as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated May 29, 1992 bearing Registration Number 04-17742 of 1992-93 issued by the Registrar of Companies Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on February 21, 2017 and the name of our Company was changed to Vinny Overseas Limited and a fresh Certificate of Incorporation consequent upon Conversion of Private Company to Public Limited dated March 02, 2017 was issued by the Registrar of Companies Ahmedabad. The Corporate Identification Number of our Company is U51909GJ1992PLC017742.

We are engaged in the processing of fabrics for shirting, suiting and dress materials through manufacturing process of weaving, dyeing, printing and finishing. Our Company procures Grey Fabric from the domestic market and further dyes the same as per the client’s requirements on the basis of quality of the fabric, sizing requirements etc. Our Company is also engaged in Job-Work for wholesale cloth merchants and also trade in grey cloth as per the order received from the customer.

Our products offering can be largely classified into Shirting Fabrics, Shooting Fabrics, Polyester Fabrics, Dress Materials and Cotton Fabrics. Our operations and facilities enable us to provide a number of textile products / processes for our customers.

Established in 1992, with over two decades of experience in the textile industry, we cater both domestic and international clients. Our Company has also been recognized by Director General of Foreign Trade, Ministry of Commerce and Industry as a “One Star Export House” and holds a valid certificate upto 2020. Also, We hold the Registration cum Membership certificate as Manufacturer-Exporter from The Synthetic & Rayon Textiles Export Promotion Council upto March 31, 2021. Our Company majorly focuses in quality of fabrics by utilizing plant and machineries with requisite technology, delivering quality textiles at competitive prices and maintaining long term association with our clients.

Our processing unit is located at Isanpur Road, Narol, Ahmedabad in the state of Gujarat, on approximately 27000 square yard of land which comprises of dyeing, printing and finishing processing with a capacity of processing of approx. 4,00,00,000 meter per annum. For the financial year 2017-18, our Company has processed 3,82,87,548 meters of fabrics. The unit has the capacity to print, dye and process wide range of fabrics i.e. cotton, polyester, viscose and man-made & blended fabrics suitable for men’s wear, women’s wear, home furnishing and many other applications. Our Company based on its experience and its standards, conforms to major specifications and customer requirements. We firmly believe in benchmark product quality, customer centric approach, people focus, ethical business practices and good corporate citizenship.



OUR COMPETITIVE STRENGTHS

Our Experienced Management

Our operations commenced under the guidance of our founding Promoter Hiralal Parekh who has successfully managed various phases of expansion and growth of our business and operations. We have an experienced management team with our promoter having more than three decades of experience in the textile industry. It is through the constant efforts and experience of our management team that we have been able to build a sustainable business model. Our Company is managed by a team of experienced personnel. The team comprises of personnel having operational and business development experience. We believe that our management team's experience and their understanding of the textile industry will enable us to continue to take advantage of both current and future market opportunities.

Timely Execution of orders and Cost effective production

Our Company has taken various steps in order to ensure adherence to timely fulfillment and also to achieve cost efficiency as timely fulfillment of the orders is a prerequisite in our industry. These steps include identifying quality raw materials, 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 has enjoyed good relations with our suppliers and as a consequence have the benefit of timely supplies of the raw materials which has been one of the major reasons to achieve timely fulfillment of orders of our customers. Our Company constantly endeavors 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.

Locational Advantage

Our Processing facility is located in Narol Road, Ahmedabad which is strategically located and is well connected by rail, roads and air with the rest of the country.

- The Unit is located within the limits of Ahmedabad Municipal Corporation and is 17 km from Ahmedabad International Airport.
- The plant of the Company is located near to the National Highway No. 8 connecting Northern & Western India.
- The major raw materials i.e. Grey Fabric and Colours & Chemicals are easily available from the manufacturers located in Gujarat and Maharashtra. Thus, procurement of these raw materials is less time consuming and comparatively cheaper due to savings on freight.
- Ahmedabad has been the hub of Textile Industry in Gujarat. Skilled and semi-skilled workers are easily available in Gujarat in view of the wide spread Textile industry located in the Western Region for over a Century.

Thus, the location of the site is advantageous to the company in procurement of Raw materials as well as the Finished Products.

Scalable Business Model

Our business model is order driven and focus on maximum capacity utilization, developing linkages with quality raw material suppliers and achieving consequent economies of scale. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the development of new markets both international and domestic, by adopting aggressive marketing of the products, innovation in the product range and by maintaining the consistent quality of the product

Diversified Range of Products

Our Company deals in a range of products like Shirting Fabrics, Shooting Fabrics, Polyester Fabrics, Dress Materials and Cotton Fabrics. This wide range of products has given us immense opportunity to expand and explore new markets. Our Company has presence in domestic as well as overseas markets. Our overseas supplies are primarily distributed among United Arab Emirates (U.A.E.), Sri Lanka, Iraq, Bahrain and Panama City markets.



Diversified Domestic and International Customer base

We have over two decades of experience in the textile industry and have developed long standing relations with our overseas and domestic customers. For the year ended March 31, 2018, our total clientele consisted of more than 300 customers. We enjoy the confidence of customers because of our ability to offer in-house designs and samples, timely responsiveness, and capacity to cater to various order sizes.

In-house Product designing

Designing is an important element in the production of fabrics. The ability to produce innovative designs is one of our major strengths and improves our competitiveness in the market. Our in-house designing team focuses on providing value-added products design by understanding the current fashion trends thus helping us in procuring new as well as repeat orders. The design and sampling team continuously interacts with the clients to understand their requirements and provides the designs based on their requirements.

OUR BUSINESS STRATEGY

Leveraging Market skills and Relationship

Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction.

Focus on consistently meeting quality standards

Our Company strives to consistently meet quality standards to the customer satisfaction. This is necessary so as to make sure that we get repeat business from our existing customers. This will also aid us in enhancing our brand value.

Operational improvisation

We continue to invest in improvement of operational performance throughout the organization. We are addressing these through continuous process improvement, customer service and technology development. Alignment of our people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is widespread among all the employees.

Enhance customer base by entering new geographies to establish long-term relationships:-

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. Our Company operates from Narol, Ahmedabad with having dealers spread across various places in India. We propose to increase our marketing and sales team which can focus in different regions and also maintain cordial relationship with our customer. Enhancing our presence in additional region will enable us to reach out to a larger population. Further our Company believes in maintain long term relationship with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovations, quality assurance and timely delivery of our products.

Brand Image

We would continue to associate ourselves with good quality customers and execute projects to their utmost satisfaction. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers.

OUR PRODUCTS

We are engaged in the business of processing of Grey Fabric using various bleaching, dying and printing processes. Our Company is also 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 and design of the fabric, sizing requirements etc. Our Company is also engaged in trading of grey fabrics as per the customers requirement. The Product portfolio are as follows:

Sr. No.	Products	Description	
1	Shirting fabrics		72x68 Cotton White Pigment Print 58"
			132x72 Sartin Pigment Print 58"
2.	Suiting Fabrics		Sartin Slub Dying 58"
			Metty Dying 58"
			30x30 Twill Dying 58"
3.	Polyster fabric		Chirag Pigment Print 44"
4.	Dress materials		Reyon Prossion Print 44"
			Cambrics Prossion Print 44"
			30x150 Twill Pigment Print 58"
5.	Cotton fabric		20x20 Cotton Prossion Print 58"



			92x80 Cotton Dyed Pigment Print 44"
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SUMMARY OF FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

ANNEXURE-I

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Equity and Liabilities					
Shareholders' funds					
Share capital	660.26	660.26	330.13	330.13	306.13
Reserves and surplus	956.63	649.08	808.83	697.39	568.91
Non-current liabilities					
Long-term borrowings	1,060.77	881.38	730.57	670.42	858.84
Deferred tax liabilities (Net)	285.76	286.75	244.96	184.45	134.61
Long-term provisions	39.89	32.43	29.21	24.05	16.04
Other long-term liabilities					
Current liabilities					
Short-term borrowings	813.36	495.75	673.95	648.49	469.43
Trade payables	2,128.46	1,561.16	1,201.91	1,117.28	1,353.04
Other current liabilities	364.55	282.38	379.80	337.99	237.46
Short-term provisions	110.69	55.73	35.06	30.15	19.18
Total	6,420.39	4,904.91	4,434.41	4,040.35	3,963.63
Assets					
Non-current assets					
Fixed assets					
Tangible assets	3,099.48	3,064.64	2,529.17	2,383.37	2,525.88
Less: Accumulated depreciation	1,281.30	1,141.68	1,050.04	1,064.77	1,142.92
Intangible assets	1.07	0.70	-	-	-
Less: Accumulated amortisation	0.29	0.21	-	-	-
Intangible Assets under development	-	-	-	-	-
Capital Work in Progress	0.40	4.18	-	-	-
Net Block	1,819.36	1,927.63	1,479.13	1,318.60	1,382.96
Non-Current investments	-	-	3.33	2.50	2.50
Long-term loans and advances	228.41	191.27	310.77	114.70	83.10
Other Non-Current assets	-	-	-	-	-
Current assets					
Current investments	-	-	-	-	-
Inventories	1,365.26	625.79	999.24	1,150.78	1,143.62
Trade receivables	2,485.04	1,847.75	1,439.83	1,283.62	1,214.46
Cash and Bank balances	13.70	4.55	2.07	13.29	12.36
Short-term loans and advances	56.42	36.53	36.58	1.73	2.96
Other Current assets	452.20	271.40	163.46	155.13	121.67
Total	6,420.39	4,904.91	4,434.41	4,040.35	3,963.63



STATEMENT OF PROFIT AND LOSS AS RESTATED

ANNEXURE-II

(Rs. in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Revenue					
Revenue from operations	13,025.45	9,801.88	9,812.38	8,714.51	8,029.82
Other income	28.70	31.64	18.04	20.71	29.27
Total Revenue	13,054.15	9,833.52	9,830.42	8,735.22	8,059.09
Expenses					
Cost of materials consumed	8,079.68	5,808.97	6,605.75	5,723.50	5,237.93
Purchase of stock in trade	2,344.38	1,821.41	1,040.51	1,171.70	1,738.03
Changes in inventories of Finished & Semi- Finished goods and Stock in Trade	(187.22)	140.34	81.05	106.11	(451.50)
Employee benefit expenses	303.02	221.31	191.38	189.79	178.14
Finance costs	213.69	118.38	140.48	162.20	97.97
Depreciation and amortization expenses	206.53	171.10	102.20	98.94	211.98
Other expenses	1,697.45	1,281.14	1,497.11	1,134.85	948.02
Total expenses	12,657.54	9,562.65	9,658.48	8,587.09	7,960.57
Profit before tax	396.61	270.87	171.94	148.13	98.52
Exceptional Items	-	-	-	-	-
Extraordinary Items	-	-	-	-	-
Tax expense:					
(1) Current tax	110.69	55.73	35.06	30.15	19.18
(2) Deferred tax	(0.98)	41.79	60.50	49.84	30.61
(3) MAT credit entitlement	(20.66)	2.97	(35.06)	(29.64)	(18.77)
Profit (Loss) for the period	307.56	170.38	111.44	97.77	67.51
Basic & Diluted Earnings per equity share	4.66	2.58	1.69	1.48	1.02



STATEMENT OF CASH FLOW AS RESTATED

ANNEXURE-III

(Rs. in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
A. Cash Flow From Operating Activities					
Net Profit Before Tax & Extra-Ordinary Items	396.61	270.87	171.94	148.13	98.52
Adjustments for :-					
Depreciation	206.53	171.10	102.20	98.94	211.98
Finance Costs	213.69	118.38	140.48	162.20	97.97
(Profit)/ loss on Shares	-	0.16	-	-	-
Profit on Fixed Asset	(1.08)	(2.36)	(9.95)	(6.20)	(0.24)
Gratuity Provision	7.46	3.23	5.16	8.01	3.74
Loss on Sale of Asset/Investment	19.28	4.15	3.67	2.32	0.51
Capital Gain	-	-	-	-	-
Provision for diminution in value of investment	-	2.50	-	-	-
Extra Ordinary Item	-	-	-	-	-
Dividend	-	(0.03)	-	-	-
Changes in Working Capital					
Trade Payables	567.30	359.25	84.63	(235.76)	557.51
Other Current Liabilities	82.17	(97.42)	41.81	100.53	29.61
Short term Provision	-	-	35.06	30.15	19.17
Inventories	(739.48)	373.46	151.54	(7.17)	(619.89)
Trade Receivables	(637.29)	(407.92)	(156.21)	(69.15)	(323.08)
Other Current Asset	(180.80)	(107.94)	(8.33)	(33.46)	(5.88)
Short Term Loans & Advances	(19.89)	0.05	(34.85)	1.23	61.80
Total Changes in Working Capital	(927.98)	119.47	113.65	(213.63)	(280.76)
Taxes Paid	(55.73)	(35.06)	(30.15)	(19.69)	(18.40)
Net cash flow generated from/ (utilised in) operating activities (A)	(141.22)	652.41	497.00	180.08	113.32
B. Cash Flow From Investing Activities					
Purchase of Tangible Assets	(160.23)	(683.74)	(275.00)	(63.40)	(356.27)
investment	-	0.67	(0.83)	-	-
Dividend income	-	0.03	-	-	-
Change in capital WIP	-	-	-	-	-
Long Term Loans & Advances	(16.48)	116.53	(196.07)	(31.60)	(29.18)
Sale of Tangible Assets	43.77	62.35	18.55	15.41	1.41
Net cash flow generated from/ (utilised in) investing activities (B)	(132.95)	(504.16)	(453.35)	(79.58)	(384.04)
C. Cash Flow From Financing Activities					
Issue of Shares	-	-	-	24.00	-
security prem.	-	-	-	48.00	-
Long Term Borrowings	179.39	150.81	60.15	(188.42)	83.25
Short Term Borrowings	317.62	(178.20)	25.46	179.06	278.42
Finance Costs	(213.69)	(118.38)	(140.48)	(162.20)	(97.96)
Net cash flow generated from/ (utilised in) financing activities (C)	283.31	(145.77)	(54.87)	(99.56)	263.71
Net Increase (Decrease) In Cash & Cash Equivalents. (A+B+C)	9.15	2.48	(11.22)	0.93	(7.01)
Cash & Cash Equivalents As At 1st April (Opening Balance)	4.55	2.07	13.29	12.36	19.38
Cash & Cash Equivalents As At 31st March (Closing Balance)	13.70	4.55	2.07	13.29	12.36

Notes:

(a) Previous year's figures have been regrouped wherever necessary, to confirm to this year's classification.

(b) The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 'Cash Flow Statement' prescribed under Companies (Accounting Standard) Rules, 2006.



THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares by our Company	25,96,000 Equity Shares of face value of Rs.10/- each fully paid of the Company for cash at price of [●]/- per Equity Share aggregating Rs. [●] lakhs
Of which:	
Market Maker Reservation Portion	1,32,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of [●]/- per Equity Share aggregating Rs. [●] lakhs
Net Issue to the Public*	24,64,000 Equity Shares of face value of Rs. [●]/- each fully paid of the Company for cash at price of [●]/- per Equity Share aggregating Rs. [●] lakhs
	Of which:
	12,32,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. [●]/- per Equity Share aggregating Rs. [●] lakhs will be available for allocation to investors up to Rs. 2.00 Lakhs
	12,32,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of [●]/- per Equity Share aggregating Rs. [●] lakhs will be available for allocation to investors above Rs. 2.00 Lakhs
Pre and Post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	66,02,600 Equity Shares
Equity Shares outstanding after the Issue	91,98,600 Equity Shares
Use of Proceeds	For further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 98 of this Draft Prospectus for information on use of Issue Proceeds

Notes:-

Market Maker Reservation Portion will be 5% of Issue proceeds divided by floor price, subject to adjustments of lot size. Further the Market Maker Reservation Portion shall be not less than 5% of shares issued under the IPO as required as per regulation 106V, sub regulation (4) of SEBI (ICDR) Regulations.

The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on August 07, 2018 and by the shareholders of our Company *vide* a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting held on August 14, 2018.

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

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

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
 - i. Individual applicants other than retail individual investors; and
 - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;



c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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



GENERAL INFORMATION

OVERVIEW OF OUR COMPANY

Our Company was originally incorporated as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated May 29, 1992 bearing Registration Number 04-17742 of 1992-93 issued by the Registrar of Companies Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on February 21, 2017 and the name of our Company was changed to Vinny Overseas Limited and a fresh certificate of incorporation consequent upon Conversion of Private Company to Public Limited dated March 02, 2017 was issued by the Registrar of Companies Ahmedabad. The Corporate Identification Number of our Company is U51909GJ1992PLC017742. For details, see “*Our History and Certain Corporate Matters*” on page 160 of this Draft Prospectus.

For details of the business of our Company see “*Our Business*” beginning on page 130 of this Draft Prospectus.

REGISTERED OFFICE AND PROCESSING UNIT OF OUR COMPANY

Vinny Overseas Limited

Behind International Hotel,
Narol-Isanpur Road, Narol
Ahmedabad, Gujarat-382405, India
Tel: +91 79 2573 1900

Fax: Not Available

Email: cs@vinnyoverseas.in

Website: www.vinnyoverseas.in

CIN: U51909GJ1992PLC017742

REGISTRAR OF COMPANIES

Registrar of Companies, Gujarat, Ahmedabad

ROC Bhavan, Opp Rupal Park Society,
Behind Ankur Bus Stop, Naranpura,
Ahmedabad-380013, Gujarat.

Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE

National Stock Exchange of India

Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400051, Maharashtra, India

BOARD OF DIRECTORS OF OUR COMPANY

The following table sets out details regarding our Board as on the date of this Draft Prospectus:

Sr. No.	Name	Designation	Age (years)	DIN	Address
1.	Hiralal Parekh	Managing Director	53	00257758	Vaibhav, Near Gangajamna Flat, Camp Road, Shahibaug, Ahmedabad – 380004, Gujarat, India



2.	Latadevi Parekh	Whole-time Director	53	02973048	7, Saundrya Villa, Ambli Village, Ahmedabad-380058, Gujarat, India
3.	Vandani Chowdhary	Non-Executive Director	31	03048990	3/B Mahaveer Society, Mahalaxmi Cross Road, Paldi Ahmedabad-380007, Gujarat, India.
4.	Nishita Shah	Whole-time Director	28	07197925	290/1, Sundar Niwas, Netaji Marg, Mithakhali Six Road, Navrangpura, Ahmedabad-380009, Gujarat, India
5.	Jyotindra M. Adeshra	Independent Director	64	07894849	18/216 Rameshwar Apartment, Sola Road, Naranpura, Ahmedabad City, Sola HBC, Ahmedabad-380063 Gujarat
6.	Tarunkumar K. Mankad	Independent Director	61	07905172	A-2 Ground Floor, Malabar Country-2, Behind Nirma University, off S.G. Highway Tragad, Ahmedabad-382481, Gujarat, India

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 164 of this Draft Prospectus.

CHIEF FINANCIAL OFFICER

Mularam N. Prajapati

Behind International Hotel,
Narol-Isanpur Road,
Ahmedabad,
Gujarat-382405, India

Tel: +91 79 2573 1900

Fax: Not Available

Email: cfo@vinnyoverseas.in

Website: www.vinnyoverseas.in

COMPANY SECRETARY & COMPLIANCE OFFICER

Pushpendra Singh

Behind International Hotel,
Narol-Isanpur Road,
Ahmedabad,
Gujarat-382405, India

Tel: +91 79 2573 1900

Fax: Not Available

Email: cs@vinnyoverseas.in

Website: www.vinnyoverseas.in

Investors can contact the Company Secretary and Compliance Officer, the LM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non receipt of letters of Allotment,



non credit of Allotted Equity Shares in the respective beneficiary account, non receipt of refund orders and non receipt of funds by electronic mode.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Applicant.

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

LEAD MANAGER

Pantomath Capital Advisors Private Limited

406-408, Keshava Premises, Behind Family Court

Bandra Kurla Complex, Bandra (East)

Mumbai 400 051, Maharashtra, India

Tel: +91 22 61946700

Fax: + 91 22 26598690

Email: ipo@pantomathgroup.com

Website: www.pantomathgroup.com

Contact Person: Hardik Bhuta

SEBI Registration No: INM000012110

REGISTRAR TO THE ISSUE

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,

Opposite Vasant Oasis, Makwana Road,

Marol, Andheri (East), Mumbai-400059, Maharashtra.

Tel: +91 22 62638200

Fax: +91 22 62638299

Email: ipo@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Jibu John

SEBI Registration Number: INR000001385

CIN: U99999MH1994PTC076534

LEGAL ADVISOR TO THE ISSUE

M V Kini, Law Firm

Kini House, 1st Floor, 261/263,

Near Citi Bank, D.N. Road,

Fort, Mumbai - 400001,

Maharashtra, India

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

Fax: +91 22-2261 2530

E-mail: vidisha@mvkini.com

Contact Person: Vidisha Krishan

Website: www.mvkini.com



STATUTORY AUDITOR OF OUR COMPANY

Kishan M Mehta & Co.

6, Premchand House Annexe,
Old High Court Way, Ashram Road, Ahmedabad-380009

Tel: +91 9909288850

Fax: Not Available

E-mail: kishanmmehtaco@gmail.com

Contact Person: Kishan M. Mehta

Firm Registration No: 105229W

Membership No: 13707

PEER REVIEWED AUDITOR

KPSJ & ASSOCIATES LLP

501/ 504, Sahajanand Shopping Centre,
Shahibaug, Ahmedabad, Gujarat-380004, India

Tel No.: +91 79-2562 1950

Email: info@kpsjca.com

Website: www.kpsjca.com

Contact Person: Prakash Chandra Parakh

Firm Registration No.: 124845W/ W100209

Membership No.: 039946

KPSJ & ASSOCIATES LLP, Chartered Accountant holds a peer reviewed certificate dated February 09, 2016 issued by the Institute of Chartered Accountants of India

BANKER TO THE COMPANY

HDFC Bank Limited

Ground Floor, Krishna Complex,
Near Modern Cinema, Gandhi Road,
Ahmedabad – 380001, Gujarat, India

Tel: +91 79 22162219

Fax: Not Applicable

E-mail: samir.bisora@hdfcbank.com

Contact Person: Samir Bisora

Website: www.hdfcbank.com

CIN: L65920MH1994PLC080618

PUBLIC ISSUE BANK/ BANKER TO THE ISSUE/REFUND BANKER

ICICI Bank Limited

Capital Market Division,
1st Floor, 122, Mistry Bhavan,
Dinshaw Vachha Road, Backbay Reclamation,
Churchgate, Mumbai-400020

Tel: +91 22 66818924/923/932

Fax: +91 22 22611138

E-mail: shweta.Surana@icicibank.com



Contact Person: Shweta Surana

Website: www.icicibank.com

SEBI Registration Number: INBI00000004

CIN: L65190GJ1994PLC021012

DESIGNATED INTERMEDIARIES

Self Certified Syndicate Banks

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

Registered Brokers

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 <https://www.nseindia.com>, respectively, as updated from time to time.

RTAs

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 <https://www.nseindia.com>, 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 <https://www.nseindia.com>, as updated from time to time.

CREDIT RATING

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

IPO GRADING

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

MONITORING AGENCY

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs. Since the Issue size is only of Rs. [•] lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

APPRAISING ENTITY

No appraising entity has been appointed in respect of any Objects of this Issue

INTER-SE ALLOCATION OF RESPONSIBILITIES

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

EXPERT OPINION

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on restated financials for the fiscal ended March 2018, 2017, 2016, 2015 and 2014 included in this Draft Prospectus, our Company has not obtained any other expert opinion.

DEBENTURE TRUSTEE

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



UNDERWRITER

Our Company and the Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The Underwriting Agreement is dated August 14, 2018 and pursuant to the terms of the Underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriters have indicated their intention to underwrite following number of specified securities being offered through this Issue.

Name and Address of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rupees in Lakhs)	% of the Total Issue size Underwritten
Pantomath Capital Advisors Private Limited 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East Mumbai 400051, Maharashtra, India Tel: +91 22 6194 6700 Fax: + 91 22 2659 8690 Email: ipo@pantomathgroup.com Contact Person: Hardik Bhuta SEBI Registration No.: INM000012110	25,96,000	[•]	100%
Total	25,96,000	[•]	100%

**Includes 1,32,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended.*

DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the Lead Manager have entered into an agreement dated August 14, 2018 with the following Market Maker, duly registered with NSE to fulfil the obligations of Market Making.

Pantomath Stock Brokers Private Limited

108, Madhava Premises, Behind Family Court,
 Bandra Kurla Complex, Bandra East
 Mumbai 400051, Maharashtra, India

Tel: +91 22 4257 7000

Fax: +91 22 2659 8692

Email: broking@pantomathgroup.com

Contact Person: Mahavir Toshniwal

SEBI Registration Number: INZ000068338

Website: www.pantomathbroking.com

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

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

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



1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the stock exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to Issue their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of [•]/- the minimum lot size is [•] Equity Shares thus minimum depth of the quote shall be Rs. [•]/- until the same, would be revised by NSE.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the [•] Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, National Stock Exchange of India Limited may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Pantomath Stock Brokers Private Limited is acting as the sole Market Maker.
7. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:
 - (i) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - (ii) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
 - (iii) Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading.
8. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on EMERGE Platform of National Stock Exchange of India Limited and market maker will remain present as per the guidelines mentioned under National Stock Exchange of India Limited and SEBI circulars.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market-for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.



10. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).
11. 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(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
12. NSE EMERGE Exchange 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.
13. NSE EMERGE Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker 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.
14. 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.
15. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Makers during market making process has been made applicable, based on the issue size and as follows:

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

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



CAPITAL STRUCTURE

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

(Rs.in lakhs except share data)

Particulars		Aggregate Value at Face Value	Aggregate Value at Issue Price
A.	AUTHORISED SHARE CAPITAL		
	1,25,00,000 Equity Shares of face value of Rs. 10/- each	1,250.00	[●]
B.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
	66,02,600 Equity Shares of face value of Rs. 10/- each	660.26	[●]
C.	PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS		
	Issue of 25,96,000 Equity Shares of Rs.10 each at a price of Rs. [●] per Equity Share	259.60	[●]
	Consisting of:		
	Reservation for Market Maker- 1,32,000 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. [●] per Equity Share	13.20	[●]
	Net Issue to Public- 24,64,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [●] per Equity Share	246.40	[●]
	Of the Net Issue to the Public		
	Retail Portion - Allocation to Retail Individual Investors of 12,32,000 Equity Shares	123.20	[●]
	Other than Retail Portion - Allocation to Other than Retails Individual Investors of 12,32,000 Equity Shares	123.20	[●]
D.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE		
	91,98,600 Equity Shares of 10/- each	919.86	-
E.	SECURITIES PREMIUM ACCOUNT		
	Before the Issue		-
	After the Issue		[●]

The Issue has been authorized by the Board of Directors of our Company vide a resolution passed at its meeting held on August 07, 2018 and by the shareholders of our Company vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting held on August 14, 2018.

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



NOTES TO THE CAPITAL STRUCTURE

1. Details of changes in authorized Share Capital:

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

Particulars of Change		Date of Shareholders' Meeting	AGM / EGM
Increased From	Increased To		
The Authorised Capital of Rs. 15,00,000 consisting of 12,000 Equity Shares of Rs. 100/- each and 3,000 15% Redeemable Preference Shares of Rs. 100/- each		On Incorporation	-
Rs. 15,00,000 consisting of 12,000 Equity Shares of Rs. 100/- each and 3,000 15% Redeemable Preference Shares of Rs. 100/- each.	Rs. 30,00,000 consisting of 25,000 Equity Shares of Rs. 100/- each and 5,000 15% Redeemable Preference Shares of Rs. 100/- each.	August 10, 1993	EGM
Rs. 30,00,000 consisting of 25,000 Equity Shares of Rs. 100/- each and 5,000 15% Redeemable Preference Shares of Rs. 100/- each	Rs. 90,00,000 consisting of 85,000 Equity Shares of Rs. 100/- each and 5,000 15% Redeemable Preference Shares of Rs. 100/- each	March 02, 1998	EGM
Rs. 90,00,000 consisting of 85,000 Equity Shares of Rs. 100/- each and 5,000 15% Redeemable Preference Shares of Rs. 100/- each	Rs. 1,90,00,000 consisting of 1,85,000 Equity Shares of Rs. 100/- each and 5,000 15% Redeemable Preference Shares of Rs. 100/- each.	November 23, 2009	EGM
Rs. 1,90,00,000 consisting of 1,85,000 Equity Shares of Rs. 100/- each and 5,000 15% Redeemable Preference Shares of Rs. 100/- each	Rs. 4,44,33,000 consisting of 4,39,330 Equity Shares of Rs. 100/- each and 5,000 15% Redeemable Preference Shares of Rs. 100/- each	January 27, 2010	EGM
Rs. 4,44,33,000 consisting of 4,39,330 Equity Shares of Rs. 100/- each and 5,000 15% Redeemable Preference Shares of Rs. 100/- each	Rs. 4,50,00,000 consisting of 4,45,000 Equity Shares of Rs. 100/- each and 5,000 15% Redeemable Preference Shares of Rs. 100/- each	December 31, 2010	EGM
Rs. 4,50,00,000 consisting of 4,45,000 Equity Shares of Rs. 100/- each and 5,000 15% Redeemable Preference Shares of Rs. 100/- each	Rs. 4,50,00,000 consisting of 4,50,000 Equity Shares of Rs. 100/- each	March 25, 2017	EGM
<i>Pursuant to Special Resolution passed at EGM the face value was sub divided from Rs.100 to Rs.10 each and accordingly the Authorized share capital was changed to Rs. 4,50,00,000 consisting of 45,00,000 equity shares of Rs. 10/- each.</i>		March 25, 2017	EGM
The Authorised Capital of Rs. 4,50,00,000 consisting of 45,00,000 Equity Shares of Rs. 10/- each	The Authorised Capital of Rs. 12,50,00,000 consisting of 1,25,00,000 Equity Shares of Rs. 10/- each	March 25, 2017	EGM



2. History of Equity Share Capital of our Company

Date of Allotment	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative no. of Equity Shares	Cumulative Paid-up Capital (Rs.)
May 29, 1992	20	100	100	Cash	Subscription to MOA ⁽ⁱ⁾	20	2,000
December 25, 1992	11,980	100	100	Cash	Further Issue ⁽ⁱⁱ⁾	12,000	12,00,000
October 20, 1993	9,500	100	100	Cash	Further Issue ⁽ⁱⁱⁱ⁾	21,500	21,50,000
March 31, 1998	18,020	100	100	Cash	Further Issue ^(iv)	39,520	39,52,000
December 15, 1998	10	100	100	Cash	Further Issue ^(v)	39,530	39,53,000
October 11, 1999	5,000	100	100	Cash	Further Issue ^(vi)	44,530	44,53,000
September 02, 2005	16,600	100	300	Cash	Further Issue ^(vii)	61,130	61,13,000
December 24, 2009	50,000	100	100	Cash	Further Issue ^(viii)	1,11,130	1,11,13,000
September 15, 2010	55,000	100	100	Cash	Further Issue ^(ix)	1,66,130	1,66,13,000
March 22, 2011	1,00,000	100	100	Cash	Further Issue ^(x)	2,66,130	2,66,13,000
March 26, 2013	40,000	100	260	Cash	Further Issue ^(xi)	3,06,130	3,06,13,000
March 18, 2015	24,000	100	100	Cash	Further Issue ^(xii)	3,30,130	3,30,13,000
<i>Pursuant to Special Resolution passed at EGM dated March 25, 2017 the face value was sub divided from Rs.100 to Rs.10 each and accordingly total number of shares changed to 33,01,300</i>							
March 31, 2017	33,01,300	10	10	-	Bonus Issue ^(xiii)	66,02,600	6,60,26,000

Notes:

- (i) Initial Subscribers to Memorandum of Association subscribed 20 Equity Shares of face value of Rs. 100/- each fully paid at par on May 29, 1992 as per the details given below:

Sr. No	Name of Allottes	No. of Shares Allotted
1	Hiralal Parekh	10
2	Mohanlal Parekh	10
	Total	20



- (ii) Further issue of 11,980 Equity Shares of face value of Rs. 100/- each fully paid at par on December 25, 1992 as per the details given below:

Sr. No	Name of Allottes#	No. of Shares Allotted
1	Mohanlal Parekh	690
2	Sharmila Parekh	700
3	Vaibhav Parekh through father & natural guardian Rajkumar Parekh	1,450
4	Varun Rajkumar Parekh through father & natural guardian Rajkumar Parekh	1,450
5	Kovika Kamalkumar through father & natural guardian Kamalkumar	500
6	Vandini Parekh through father and natural guardian Hiralal Parekh	1,200
7	Nishita Parekh through father & natural guardian Hiralal Parekh	1,200
8	Meena Jawaharlal through father & Natural guardian Jawaharlal	500
9	Deepak Jawaharlal through father & natural guardian Jawaharlal	500
10	Heena Jawaharlal through father & natural guardian Jawaharlal	500
11	Mamta Jawaharlal through father & natural guardian Jawaharlal	500
12	Latadevi Parekh	700
13	Shantidevi Parekh	700
14	Rajkumar Parekh	700
15	Hiralal Parekh	690
	Total	11,980

Form 2 filed with the RoC in this regards is not traceable by us. Information in relation to such allotment have been extracted from the statutory registers, share certificates, Minutes of our Company.

- (iii) Further issue of 9,500 Equity Shares of face value of Rs. 100/- each fully paid at par on October 20, 1993 as per the details given below:

Sr. No	Name of Allottes	No. of Shares Allotted
1	Mohanlal Parekh	6,500
2	Shantadevi Parekh	1,000
3	Rajkumar Parekh	1,000
4	Hiralal Parekh	1,000
	Total	9,500

- (iv) Further issue of 18,020 Equity Shares of face value of Rs. 100/- each fully paid at par on March 31, 1998 as per the details given below:

Sr. No	Name of Allottes	No. of Shares Allotted
1	Mohanlal Parekh	1,000
2	Sharmila devi Parekh	3,000
3	Shantadevi Mohanlal Parekh	2,000



Sr. No	Name of Allottes	No. of Shares Allotted
4	Rajkumar Mohanlal Parekh	5,000
5	Hiralal Jagdishchand Parekh	5,000
6	Mohanlal Jagdishchand (HUF)*	1,000
7	Hiralal Jagdishchand (HUF)*	1,000
8	Pukhraj Kankariya	10
9	Maheshkumar Kankariya	10
	Total	18,020

**In the List of Allottees attached in the Form no. 2 filed with RoC, Company has inadvertently mentioned the name of HUF members as joint shareholders instead of the name of HUF. The error has been rectified by Members of Board in their meeting held on August 8, 2018 and fresh Share Certificate has been issued to the shareholders.*

- (v) Further issue of 10 Equity Shares of face value of Rs. 100/- each fully paid at par on December 15, 1998 as per the details given below:

Sr. No	Name of Allottes	No. of Shares Allotted
1	Kashmiraben Shah	10
	Total	10

- (vi) Further issue of 5,000 Equity Shares of face value of Rs. 100/- each fully paid at par on October 11, 1999 as per the details given below:

Sr. No	Name of Allottes	No. of Shares Allotted
1	Mohanlal Jagdishchand (HUF)*	5,000
	Total	5,000

**In the List of Allottees attached in the Form no. 2 filed with RoC, Company has inadvertently mentioned the name of HUF members as joint shareholders instead of the name of HUF. The error has been rectified by Members of Board in their meeting held on August 8, 2018 and fresh Share Certificate has been issued to the shareholders.*

- (vii) Further issue of 16,600 Equity Shares of face value of Rs. 100/- each fully paid at premium of Rs. 200 per share as on September 02, 2005 as per the details given below:

Sr. No	Name of Allottes	No. of Shares Allotted
1	Mohanlal Parekh	2,600
2	Latadevi Parekh	500
3	Shantadevi Parekh	500
4	Rajkumar Parekh	3,000
5	Hiralal Parekh	6,000
6	Mohanlal Jagdishchand (HUF)*	100



Sr. No	Name of Allottes	No. of Shares Allotted
7	Hiralal Jagdishchand (HUF)*	1,000
8	Mohanlal Bhoorchand Parekh jointly with Hiralal Parekh	700
9	Rajkumar Mohanlal Parekh Jointly with Sharmiladevi Rajkumar Parekh	2,200
	Total	16,600

**In the List of Allottees attached in the Form no. 2 filed with RoC, Company has inadvertently mentioned the name of HUF members as joint shareholders instead of the name of HUF. The error has been rectified by Members of Board in their meeting held on August 8, 2018 and fresh Share Certificate has been issued to the shareholders.*

(viii) Further issue of 50,000 Equity Shares of face value of Rs. 100/- each fully paid at par as on December 24, 2009 as per the details given below:

Sr. No	Name of Allottes	No. of Shares Allotted
1	Mohanlal Parekh	7,000
2	Vandini Parekh	3,000
3	Latadevi Parekh	5,000
4	Shantadevi Parekh	5,000
5	Rajkumar Parekh	5,000
6	Hiralal Parekh	5,000
7	Hiralal Jagdishchand (HUF)*	12,000
8	Mohanlal Bhoorchand Parekh jointly with Hiralal Jagdishchand Parekh	8,000
	Total	50,000

**In the List of Allottees attached in the Form no. 2 filed with RoC, Company has inadvertently mentioned the name of HUF members as joint shareholders instead of the name of HUF. The error has been rectified by Members of Board in their meeting held on August 8, 2018 and fresh Share Certificate has been issued to the shareholders.*

(ix) Further issue of 55,000 Equity Shares of face value of Rs. 100/- each fully paid at par as on September 15, 2010 as per the details given below:

Sr. No	Name of Allottes	No. of Shares Allotted
1	Vandini Parekh	10,000
2	Latadevi Parekh	10,000
3	Hiralal Parekh	10,000
4	Ankitkumar Lalwani	5,000
5	Pradeep Kumar Lalwani	6,250
6	Lalit Kumar Lalwani*	8,250
7	Praveen Lalwani	5,500
	Total	55,000



** In the List of Allottees attached in the Form no. 2 filed with RoC in this regards, Company has inadvertently mentioned 2,250 shares to be allotted to Lalitkumar Champalal Lalwani Jointly with Ponidevi Lalitkumar as joint shareholders instead of Lalit Kumar Lalwani. The error has been rectified by Members of Board in their meeting held on August 08, 2018 and fresh Share Certificate has been issued to the shareholders.*

Further issue of 1,00,000 Equity Shares of face value of Rs. 100/- each fully paid at par as on March 22, 2011 as per the details given below:

Sr. No	Name of Allottes	No. of Shares Allotted
1	Vandani Parekh	15,000
2	Latadevi Parekh	24,000
3	Hiralal Parekh	39,300
4	Hiralal Jagdishchand (HUF)*	21,700
	Total	1,00,000

**In the List of Allottees attached in the Form no. 2 filed with RoC, Company has inadvertently mentioned the name of HUF members as joint shareholders instead of the name of HUF. The error has been rectified by Members of Board in their meeting held on August 8, 2018 and fresh Share Certificate has been issued to the shareholders.*

(x) Further issue of 40,000 Equity Shares of face value of Rs. 100/- each fully paid at premium of Rs. 160 each per share as on March 26, 2013 as per the details given below:

Sr. No	Name of Allottes#	No. of Shares Allotted
1	Nishita Parekh	3,000
2	Latadevi Parekh	7,000
3	Hiralal Parekh	24,000
4	Hiralal Jagdishchand (HUF)*	6,000
	Total	40,000

**In the List of Allottees attached in the Form no. 2 filed with RoC, Company has inadvertently mentioned the name of HUF members as joint shareholders instead of the name of HUF. The error has been rectified by Members of Board in their meeting held on August 8, 2018 and fresh Share Certificate has been issued to the shareholders.*

Our Company has inadvertently attached list of Allottees of the allotment dated December 24, 2009 in the Form no. 2 filed with RoC wr.t. this allotment, we have obtained the correct details w.r.t. this allotment from the Minutes and statutory registers of the Company.

(xi) Further issue of 24,000 Equity Shares of face value of Rs. 100/- each fully paid at par as on March 18, 2015 as per the details given below:

Sr. No	Name of Allottes	No. of Shares Allotted
1	Vandini Parekh	1,500
2	Nishita Parekh	22,500
	Total	24,000

(xii) Bonus issue of 33,01,300 Equity Shares of face value of Rs. 10/- each as on March 31, 2017 as per the details given below:



Sr. No	Name of Allottees	No. of Shares Allotted
1	Vandani Chowdhary	3,07,000
2	Nishita Shah	2,67,000
3	Latadevi Parekh	5,01,000
4	Hiralal Parekh	13,89,200
5	Mohanlal Jagdishchand (HUF)*	10,900
6	Hiralal Jagdishchand (HUF)*	4,39,000
7	Mohanlal Bhoorchand Parekh jointly with Hiralal Jagdishchand Parekh	1,37,000
8	Ankitkumar Lalwani	50,000
9	Pradeep Kumar Lalwani	62,500
10	Lalit Kumar Lalwani #	82,500
11	Praveen Mohanlal Lalwani	55,000
12	Kashmiraben Shah	100
13	Mohanlal Mahvirchand Impex Pvt. Ltd.	100
	Total	33,01,300

* In the List of Allottees attached in the Form no. 2 filed with RoC, Company has inadvertently mentioned the name of HUF members as joint shareholders instead of the name of HUF. The error has been rectified by Members of Board in their meeting held on August 8, 2018 and fresh Share Certificate has been issued to the shareholders.

In the List of Allottees attached in the Form no. 2 filed with RoC in this regards, Company has inadvertently mentioned 2,250 shares to be allotted to Lalit Kumar Champalal Lalwani Jointly with Ponidevi Lalitkumar as joint shareholders instead of Lalit Kumar Lalwani. The error has been rectified by Members of Board in their meeting held on August 08, 2018 and fresh Share Certificate has been issued to the shareholders.

3. History of Preference Share Capital of our Company

Date of Allotment	No. of Preference Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Allotment/Redemption	Cumulative no. of Preference Shares	Cumulative Paid-up Capital (Rs.)
December 25, 1992	3,000	100	100	Cash	Allotment ⁽ⁱ⁾	3,000	3,00,000
December 24, 2009	(3,000)	100	-	Cash	Redemption	-	-

(i) Issue of 3,000 Preference Shares of face value of Rs. 100/- each fully paid at par as on December 25, 1992 as per the details given below:

Sr. No	Name of Allottee#	No. of Shares Allotted
1	Mohanlal Parekh	300
2	Sharmila Parekh	300
3	Vaibhav Parekh through father & natural Guardian Rajkumar Parekh	300



Sr. No	Name of Allottee#	No. of Shares Allotted
4	Varun Rajkumar Parekh through father and natural guardian Rajkumar Parekh	300
5	Vandini Hiralal through father and natural guardian Hiralal Parekh	300
6	Nishita Hiralal through father & natural guardian Hiralal Parekh	300
7	Latadevi Parekh	300
8	Shantadevi Mohanlal Parekh	300
9	Rajkumar Mohanlal Parekh	300
10	Hiralal Parekh	300
	Total	30,000

#Form 2 filed with the RoC in this regards, is not traceable in the records of the company. Information in relation to such allotment has been extracted from the statutory registers, share certificates, Minutes of our Company.

4. Details of Allotment made in the last two years preceding the date of the Draft Prospectus:

Except as mentioned in point no. 2 above, we have not issued any Equity Share in the last two years preceding the date of this Draft Prospectus.

5. We have not issued any shares at price below Issue Price within last one year from the date of this Draft Prospectus.

6. Details of Equity Shares issued for consideration other than cash:

Except as set out below, we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value(Rs.)	Nature of Allotment	Benefits Accrued to our Company
March 31, 2017	33,01,300	10	Bonus Issue in the ration 1:1	Capitalization of Reserves & Surplus

For details of Allottees, please refer point no. 2(xiii) above.

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

i. Build Up of Promoters' shareholdings

As on the date of this Draft Prospectus, our Promoter, Hiralal Parekh holds 27,78,400 Equity Shares of our Company. None of the Equity shares held by our Promoter are subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoter in our Company since incorporation:-

Date of Allotment / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %
Incorporation	10	100	100	Subscription to MoA	Negligible	Negligible
December 25, 1992	690	100	100	Allotment	0.10	0.08
October 20, 1993	1000	100	100	Allotment	0.15	0.11



Date of Allotment / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %
June 04, 1993	(100)	100	100	Transfer	(0.02)	(0.01)
September 12, 1996	500	100	100	Transfer	0.08	0.05
March 31, 1998	5,000	100	100	Allotment	0.76	0.54
September 02, 2005	6,000	100	300	Allotment	0.91	0.65
December 24, 2009	5,000	100	100	Allotment	0.76	0.54
April 22, 2010	13,100	100	100	Transfer	1.98	1.42
September 15, 2010	10,000	100	100	Allotment	1.51	1.09
March 22, 2011	39,300	100	100	Allotment	5.95	4.27
December 03, 2012	19,400	100	100	Transfer	2.94	2.11
March 26, 2013	24,000	100	260	Allotment	3.63%	2.61%
July 10, 2014	15,020	100	-	Transfer by way of Gift	2.27%	1.63%
Total	1,38,920					
March 31, 2017	13,89,200	Shareholding after sub-division of the face value of the Equity Shares from Rs.100 each to Rs.10 each			21.04	15.10
March 31, 2017	13,89,200	10	-	Bonus Issue	21.04	15.10
Total	27,78,400	10	-	-	42.08	30.20

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

Pursuant to Regulation 32 and 36 of SEBI ICDR Regulations, in case of a public offer, either to the extent of twenty per cent of the proposed issue size or to the extent of twenty per cent of the post-issue capital ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoter, Hiralal Parekh, have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting 20.45% of the post issue share capital and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment	Nature of Allotment/ Transfer	No. of Equity Shares Locked in	Face Value	Issue/ Acquisition Price	Percentage of post- Issue paid-up capital	Source of Promoter's Contribution	Lock in Period
September 15, 2010	Further Allotment	10,000	100	100	1.09	Savings and Borrowings*	3 Years



March 22, 2011	Further Allotment	39,300	100	100	4.27	Savings and Borrowings [#]	3 Years
	Total	49,300					
March 31, 2017	Shareholding after sub-division of the face value of the Equity Shares from Rs.100 each to Rs.10 each	4,93,000	10	-	5.36%	-	-
March 31, 2017	Bonus Issue	13,89,200	10	-	15.09	-	3 Years
	Total	18,82,200			20.46		

* Comprises of Rs. 2,00,000/-, savings of the Promoter and Rs. 8,00,000/-, Borrowings from Mannat Overseas

Comprises of Rs. 14,30,000/-, savings of the Promoter and Rs. 25,00,000/-, Borrowings from Saloni Enterprise

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

- The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the three years preceding the date of the Draft Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- The minimum Promoters' contribution does not include Equity Shares acquired during the one year preceding the date of the Draft Prospectus at a price lower than the Issue Price;
- Our Company has been formed by the conversion of a partnership firm into a company and thus, Equity Shares have been issued to our Promoters upon conversion of a partnership firm;
- The Equity Shares held by the Promoters and offered for minimum Promoters' contribution are not subject to any pledge;
- All the Equity Shares of our Company held by the Promoter are in the process of dematerialization ; and
- The Equity Shares offered for Promoter's contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoter's contribution subject to lock-in.

g) Details of Share Capital locked in for one year

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

h) Other requirements in respect of lock-in:

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoter, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or



public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

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

We further confirm that our Promoters' Contribution of 20.46% of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.



8. Our Shareholding Pattern

The table below presents the shareholding pattern of our Company as on the date of this draft prospectus:-

Summary of Shareholding Pattern as on March 31, 2018 is as follows:-

Category	Category of Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII = IV + V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
A	Promoter and Promoter Group	11	66,02,600	-	-	66,02,600	100	66,02,600	100	-	100	-	-	-	-	100
B	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	11	66,02,600	-	-	66,02,600	-	-	100	-	100	-	-	-	-	100

*As on the date of this Draft Prospectus 1 Equity Shares holds 1 vote.

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

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

In terms of SEBI circular bearing no. Cir/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/Cir/ISD/05/2011, dated September 30, 2011, our Company shall ensure that the Equity Shares held by the Promoter / members of the Promoter Group shall be dematerialised prior to filing the Prospectus with the RoC.

9. The details of the holding of securities of persons belonging to the category Promoter and Promoter Group are as under:

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	Promoter				
1.	Hiralal Parekh	27,78,400	42.08	27,78,400	30.20
	Sub Total (A)	27,78,400	42.08	27,78,400	30.20
	Promoter Group				
2.	Latadevi Parekh	10,02,400	15.18	10,02,400	10.90
3.	Hiralal Jagdishchand (HUF)	8,78,000	13.3	8,78,000	9.54
4.	Vandani Chowdhury	6,14,000	9.30	6,14,000	6.67
5.	Nishita Shah	5,34,000	8.09	5,34,000	5.81
6.	Mohanlal Jagdishchand (HUF)	2,74,000	4.15	2,74,000	2.98
7.	Lalit Kumar Lalwani	1,65,000	2.50	1,65,000	1.79
8.	Pradeep Kumar Shah	1,25,000	1.89	1,25,000	1.36
9.	Praveen Lalwani	1,10,000	1.67	1,10,000	1.20
10.	Ankit Kumar Lalwani	1,00,000	1.51	1,00,000	1.09
11.	Shanti Devi Parekh	21,800	0.33	21,800	0.24
	Sub Total (B)	38,24,200	57.92	38,24,200	41.57
	Total (A+B)	66,02,600	100.00	66,02,600	71.77

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

Sr. No.	Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)*
1.	Hiralal Parekh	27,78,400	7.32

** As certified by our Statutory Auditor vide their certificate dated August 21, 2018*

12. None of the persons belonging to the category “Public” holds securities of more than 1% of the total number of shares.



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

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

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Pre-Issue Capital
1.	Hiralal Parekh	27,78,400	42.08
2.	Latadevi Parekh	10,02,400	15.18
3.	Hiralal Jagdishchand (HUF)	8,78,000	13.30
4.	Vandani Chowdhary	6,14,000	9.30
5.	Nishita Shah	5,34,000	8.09
6.	Mohanlal Jagdishchand (HUF)	2,74,000	4.15
7.	Lalit Kumar Lalwani	1,65,000	2.50
8.	Pradeep Kumar Shah	1,25,000	1.89
9.	Parveen Lalwani	1,10,000	1.67
10.	Ankit Kumar Lalwani	1,00,000	1.51
	Total	65,80,800	99.67

b) Particulars of the top ten shareholders ten days prior to the date of filing of this Draft Prospectus

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Pre-Issue Capital
1.	Hiralal Parekh	27,78,400	42.08
2.	Latadevi Parekh	10,02,400	15.18
3.	Hiralal Jagdishchand (HUF)	8,78,000	13.30
4.	Vandani Chowdhary	6,14,000	9.30
5.	Nishita Shah	5,34,000	8.09
6.	Mohanlal Jagdishchand (HUF)	2,74,000	4.15
7.	Lalit Kumar Lalwani	1,65,000	2.50
8.	Pradeep Kumar Shah	1,25,000	1.89
9.	Parveen Lalwani	1,10,000	1.67
10.	Ankit Kumar Lalwani	1,00,000	1.51
	Total	65,80,800	99.67

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

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1.	Hiralal Parekh	1,38,920	42.08
2.	Latadevi Hiralal Parekh	50,100	15.18

3.	Hiralal Jagdishchand (HUF)	43,900	13.30
4.	Vandani Hiralal Parekh	30,700	9.30
5.	Nishita Hiralal Parekh	26,700	8.09
6.	Mohanlal Bhoorchand Parekh	13,700	4.15
7.	Lalit Kumar Lalwani	8,250	2.50
8.	Pradeep Kumar Shah	6,250	1.89
9.	Praveen Lalwani	5,500	1.67
10.	Ankitkumar Lalwani	5,000	1.51
	Total	3,29,020	99.67

14. Details of the Equity Shares held by our Directors is set out below:

Sr. No.	Name	Pre-Issue		Post-Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
1.	Hiralal Parekh	27,78,400	42.08	27,78,400	30.20
2.	Latadevi Parekh	10,02,400	15.18	10,02,400	10.90
3.	Vandani Chowdhury	6,14,000	9.30	6,14,000	6.67
4.	Nishita Parekh	5,34,000	8.09	5,34,000	5.81
	Total	49,28,800	74.64	49,28,800	53.58

15. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall



comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.

16. Neither the Lead Manager viz. Pantomath Capital Advisors Private Limited, nor their associates hold any Equity Shares of our Company as on the date of this Draft Prospectus.
17. Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Designated Stock Exchange.
18. As on the date of this Draft Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 230-240 of the Companies Act, 2013.
19. None of the members of the Promoter Group, the Promoter, our Directors and their immediate relatives have purchased or sold any Equity Shares during the period of six months immediately preceding the date of filing of the Draft Prospectus with the Stock Exchange.
20. There are no Equity Shares against which depository receipts have been issued.
21. Other than the Equity Shares, there are is no other class of securities issued by our Company.
22. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares have been listed. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split / consolidation of the denomination of Equity Shares. However our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
23. None of the persons / entities comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity / individual or otherwise during the period of six months immediately preceding the date of filing of this Draft Prospectus.
24. Our Company, our Promoters, our Directors and the Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
25. There are no safety net arrangements for this public issue.
26. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock-

in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.

27. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43(4) of SEBI (ICDR) Regulations, as amended from time to time.
28. As on date of this Draft Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
29. Our Company has not revalue its assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
30. All the Equity Shares of our Company are fully paid up as on the date of the Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
31. As per RBI regulations, OCBs are not allowed to participate in this Issue.
32. Our Company has not raised any bridge loans against the proceeds of the Issue.
33. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
34. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
35. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
36. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
37. We have 11 shareholders as on the date of filing of this Draft Prospectus.
38. Our Promoters and the members of our Promoter Group will not participate in this Issue.
39. Our Company has not made any public issue since its incorporation.
40. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
41. For the details of transactions by our Company with our Promoter Group for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 please refer to paragraph titled '*Related Parties Transactions as Restated*' in the chapter titled "*Financial Statements as Restated*" on page 186 of the Draft Prospectus.
42. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated above in this chapter and also in the chapter titled "*Our Management*" beginning on page 164 of the Draft Prospectus.



OBJECTS OF THE ISSUE

Requirement of Funds

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be Rs. [●] lakhs (the “**Net Proceeds**”).

We intend to utilize the Net Proceeds from Issue towards the following objects:

1. Funding the working capital requirements of our Company; and
2. General corporate purposes.

(Collectively, herein referred to as the “**Objects**”)

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

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

ISSUE PROCEEDS

The details of the proceeds of the Issue are set out in the following table:

(Rs in lakhs)

Particulars	Estimated Amount
Gross Proceeds of the Issue	[●]
Less- Issue related expenses	[●]
Net Proceeds	[●]

UTILISATION OF NET PROCEEDS

The Net Proceeds are proposed to be utilised in the manner set out in the following table:

(Rs in lakhs)

Sr. No.	Particulars	Amount to be financed from Net Proceeds (Rs. in lakhs)	Percentage of Gross Proceeds	Percentage of Net Proceeds
1.	Funding the working capital requirements of our Company	800.00	[●]	[●]
2.	General Corporate Purposes*	[●]	[●]	[●]

**To be finalized on determination of Issue Price and updated in the Prospectus prior to filing with the ROC.*

SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Draft Prospectus, our Company had not deployed any funds towards the objects of the Issue.

(Rs. In lakhs)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds (Financial Year 2019)
1.	Funding the working capital requirements of our Company	800.00	800.00
2.	General Corporate Purposes*	[●]	[●]

**To be finalized on determination of Issue Price and updated in the Prospectus prior to filing with the ROC*

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

MEANS OF FINANCE

The working capital requirements under our Objects will be met through the Net Proceeds to the extent of Rs. 800.00 lakhs and balance through internal accruals/ net worth/secured & unsecured Loans and short term bank finance. Further details of funding of objects is given below:

(Rs in lakhs)

Objects of the Issue	Amount Required	IPO Proceeds	Internal Accruals/ Net worth/ Secured Loans/ Unsecured Loans	Short Term Cash Credit Facility
Funding the working capital requirements of our Company	3,176.17	800.00	1,416.17	960.00
General Corporate Purposes*	[●]	[●]	-	-

**To be finalized on determination of Issue Price and updated in the Prospectus prior to filing with the ROC*

Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified by the Lead Manager or appraised by any bank, financial institution or any other external agency. The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

Details of the Objects

1. Funding the working capital requirements of our Company



We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth, secured and unsecured loans from bank and various related parties. As on March 31, 2017 and March 31, 2018, the amount outstanding on our Company's fund based working capital facility was Rs 398.85 lakhs and Rs 679.93 lakhs respectively as per restated financial statements. As on March 31, 2018, our sanctioned working capital facilities comprised of fund based limit of Rs. 960.00 lakhs. For further details, please refer to the chapter titled "*Financial Indebtedness*" beginning on page 202 of this Draft Prospectus.

Our Company's existing working capital requirement and funding on the basis of Restated Financial Information as of March 31, 2017 and March 31, 2018 is as follows:

(Rs. in lakhs)		
Particulars	March 31, 2017	March 31, 2018
Current Assets		
Inventories		
-Raw material	455.87	1,008.13
-Work In Progress	151.27	200.03
-Finished goods	18.65	157.10
Trade Receivables	1,847.75	2,485.04
Cash and Bank Balance	4.55	13.70
Short term loans & advances & Other current asset	307.93	508.62
Total (A)	2,786.02	4,372.62
Current Liabilities.		
Trade Payables	1,561.16	2,128.46
Other Current Liabilities & Short Term Provision	338.11	475.24
Total (B)	1,899.27	2,603.70
Total Working Capital (A)-(B)	886.75	1,768.92
Existing Funding Pattern		
Working Capital funding from Banks	398.85	679.93
Internal accruals/Net Worth/Secured Loans/ Unsecured Loans	487.90	1088.99

Basis of estimation of working capital requirement

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated August 16, 2018 has approved the business plan for the Fiscal 2019. The projected working capital requirements for Fiscal 2019 is stated below:

(Rs. in lakhs)

Particulars	March 31, 2019 (Estimated)
Current Assets	
Inventories	
-Raw material	1,777.02
-Work in Progress	226.43
-Finished goods	293.78
Trade Receivables	2,874.11
Cash and Bank Balance	14.91
Short term loans & advances & Other current asset	739.83
Total (A)	5,926.08
Current Liabilities	
Trade Payables	2337.24
Other Current Liabilities & Short Term Provision	412.67
Total (B)	2,749.91
Total Working Capital (A)-(B)	3,176.17
Existing Funding Pattern	
Working Capital loan from Banks	960.00
IPO Proceeds	800.00
Internal accruals/Net Worth/Secured Loans/Unsecured Loans	1416.17

Assumption for working capital requirements:

(In months)

Particulars	Holding Level as on March 31, 2017	Holding Level as on March 31, 2018	Holding Level for March 31, 2019 (Estimated)
Current Assets			
Raw material	1.10	1.07	0.90
Work in Progress	0.30	0.19	0.16
Finished Goods	0.05	0.10	0.10



Particulars	Holding Level as on March 31, 2017	Holding Level as on March 31, 2018	Holding Level for March 31, 2019 (Estimated)
Trade Receivables	2.26	2.29	2.19
Current Liabilities			
Trade Payables	2.46	2.45	2.27

Justification for “Holding Period” levels

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

Current Assets	
Inventories	<p>Raw Material- We have assumed raw material Inventory period of 0.90 months for the fiscal 2018-19 which is slightly lower than that for fiscal 2017-18 as we intend to increase our business operations which will result into quick clearance of raw material inventory and a lower holding period.</p> <p>Work in Progress- We have assumed Work in Progress inventory period of 0.16 months for the fiscal 2018-19 which is slightly lower than that for fiscal 2017-18 we intend to increase our business operations which will result into quick clearance of work-in-progress inventory and a lower holding period.</p> <p>Finished Goods- We have assumed finished goods inventory of 0.10 months for fiscal 2018-19 which is in line with the holding level of fiscal 2017-18 as we intend to maintain the same level of finished goods to meet the increased demand.</p>
Trade receivables	We have assumed trade receivable period of 2.19 months for fiscal 2018-19 as against 2.29 months for fiscal 2017-18 as we are expecting a higher trade receivable turnover ratio in fiscal 2018-19.
Current Liabilities	
Trade Payables	We have assumed trade payables period of 2.27 months for the fiscal 2018-19 as against actual credit period of 2.45 months for fiscal 2017-18 as we intend to decrease the credit period expected from our creditors due to fulfilment of our working capital requirements through our proposed initial public offer. This would help us in maintaining good relations with our creditors.

Our Company proposes to utilize Rs. 800.00 lakhs of the Net Proceeds in Fiscal 2019 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2019 will be arranged from existing Bank loans, unsecured loans and internal accruals/ net worth.

2. General Corporate Purposes

The Net Proceeds will be first utilized towards the Objects as mentioned as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- (i) strategic initiatives
- (ii) brand building and strengthening of marketing activities; and
- (iii) On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

ISSUE RELATED EXPENSES

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

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

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

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

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

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

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

BRIDGE FINANCING

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

APPRAISAL BY APPRAISING AGENCY

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

INTERIM USE OF FUNDS

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

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



MONITORING UTILIZATION OF FUNDS

As the size of the Issue does not exceed Rs. 10,000 lakhs in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

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

VARIATION IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

OTHER CONFIRMATIONS

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

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Lead Manager, on the basis of an assessment of qualitative and quantitative factors as described below. The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [●] per Equity Share and is [●] times the face value.

Investors should also refer Sections titled “*Risk Factors*”, “*Financial Statements*” and chapter titled “*Our Business*” beginning on pages 21, 186, and 130 respectively of this Draft Prospectus, to have an informed view before making an investment decision. The trading price of the Equity Shares of our Company could decline due to risk factors and you may lose all or part of your investments.

QUALITATIVE FACTORS

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

- Experienced promoters and management team;
- Timely Execution of orders and Cost effective production;
- Quality of Products and Services;
- Locational Advantage;
- Scalable Business Model; and
- In-house Product designing.

For further details, refer to heading “*Our Competitive Strengths*” under chapter titled “*Our Business*” beginning on page 130 of this Draft Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2018, 2017 and 2016 prepared in accordance with Indian GAAP, The Companies Act and Restated in accordance with SEBI ICDR Regulations. Some of the quantitative factors, which form the basis or computing the price, are as follows:

1. Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20 as adjusted for changes in capital

Year Ended	Basic & Diluted EPS (Rs.)	Weight
March 31, 2018	4.66	3
March 31, 2017	2.58	2
March 31, 2016	1.69	1
Weighted Average	3.47	

Notes:

- The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the period / year. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is Rs. 10/-.
 - Basic EPS is Net profit attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the year / period.
2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. [●] per Equity Share of Rs. 10 each fully paid up



Particulars	P/E Ratio
P/E ratio based on Basic & Diluted EPS for FY 2017-18	[●]
P/E ratio based on Weighted Average Basic & Diluted EPS	[●]
*Industry P/E	
Highest	144.70
Lowest	13.36
Average	58.32

**Industry Composite comprises of Vishal Fabrics Limited, Dhanlaxmi fabrics Limited and Aarvee Denims & Exports Limited.*

3. Return on Net worth (RoNW)

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

Year Ended	RoNW (%)	Weight
March 31, 2018	19.02	3
March 31, 2017	13.01	2
March 31, 2016	9.78	1
Weighted average	15.48	

Note: The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding revaluation reserves, if any) of our Company.

4. Minimum Return on Total Net Worth post Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2018 is [●]

5. Net Asset Value (NAV)

NAV per Equity Share	Amount (in Rs.)
Net Asset Value per Equity Share as of March 31, 2018	24.49
Net Asset Value per Equity Share after the Issue	[●]
Issue Price per equity share	[●]

Notes: Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year/period. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding revaluation reserves, if any) of our Company.

On March 31, 2017 our Company issued 33,01,300 equity shares to the existing shareholders as fully paid Bonus Shares in the ratio of 1:1. For calculating the NAV above, these bonus shares have been taken into account for calculating the number of equity shares at the end of the year/period. For further details, see the Section “Capital Structure” on page 80 of this Draft Prospectus

6. Comparison with other listed companies

Companies	CMP	EPS (Basic and Diluted) (Rs. per share)	PE Ratio	RONW %	NAV (Rs. per Share)	Face Value (Rs. per share)	Total Income (Rs. in Lakhs)
Vinny Overseas Limited	[●]	4.66	[●]	19.02	24.49	10	13054.15
Peer Groups*							
Vishal Fabrics Limited	515.00	3.56	144.70	7.87	45.23	5.00	89,198.09
Dhanlaxmi Fabrics Limited	30.70	1.82	16.88	3.58	50.78	10.00	7,297.74
Aarvee Denims & Exports Limited	31.95	2.39	13.36	2.06	115.81	10.00	82,959.72

*Source: www.bseindia.com

Notes:

- Considering the size of business of the Company the peers are not strictly comparable. However same have been included for broad comparison.
- The figures for Vinny Overseas Limited are based on the restated results for the year ended March 31, 2018.
- The figures for the peers group are based on standalone audited financial results for the year ended March 31, 2018.
- NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.
- P/E Ratio has been computed based on the closing market price of equity shares on August 16, 2018 divided by the Basic EPS.
- Current Market Price (CMP) is the closing prices of respective scripts as on August 16, 2018.
- The Issue Price of Rs. [●]/- per Equity Share will be determined by the Company in consultation with the LM and is justified based on the above accounting ratios.
- RoNW is computed as net profit after tax divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves).
- The Issue Price of Vinny Overseas Limited is Rs. [●]/- per Equity Share.

For further details see Section titled “*Risk Factors*” beginning on page 21 and the financials of the Company including profitability and return ratios, as set out in the Section titled “*Financial Statements*” beginning on page 186 of this Draft Prospectus for a more informed view.



STATEMENT OF POSSIBLE TAX BENEFITS

Particulars	Page No
Statement of Possible Tax Benefits	S-1 to S-2

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors,
Vinny Overseas Limited
Behind International Hotel, Narol-Isanpur Road,
Ahmedabad- 382405, Gujarat, India.

Dear Sirs,

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

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (“Act”) as amended by the Finance Act, 2018 (i.e. applicable to Financial Year 2018-19 relevant to Assessment Year 2019-20), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfil.

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

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

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

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

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

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

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

For **KPSJ & Associates LLP**
Chartered Accountants
Firm's Registration No: 124845W/W-100209

Kedar Laddha
Designated Partner
Membership No.: 101886
August 13, 2018
Ahmedabad

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

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2018-19

A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE "ACT")

The company is not entitled to any special tax benefits under the Act except as stated below:-

Our Company has set up a wind power project of 1.650 MW capacity at village Vandhiya, Taluka-Bhachau, District Kutch using wind turbine generators in Gujarat and is entitled to claim a deduction, subject to compliance of conditions laid down u/s 80-IA(4)(iv) of the Income Tax Act, 1961 ("the Said Section"), to the extent of 100 percentage of the profits derived from generation or generation and distribution of power, for ten consecutive years out of first fifteen years from the beginning of the operations i.e. 30/03/2010 under the normal provisions of the Act. The company has started taking benefit under the Said Section, commencing from the financial year 2016-17. Also, the Company will be eligible to claim depreciation on assets used for generation or generation and distribution of power.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE "ACT")

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

SECTION IV – ABOUT THE COMPANY

OUR INDUSTRY

The information in this Section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Prospectus, including the information contained in the Sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 21 and 186 respectively of this Draft Prospectus before deciding to invest in our Equity Shares.

INTRODUCTION TO TEXTILES INDUSTRY:

The Indian textile industry is one of the largest in the world with a large raw material base and manufacturing strength across the value chain. The textile industry contributes to 7% of industry output in value terms, 2% of India's GDP and to 15% of the country's export earnings. With over 45 million people employed directly, the textile industry is one of the largest sources of employment generation in the country. The textile and apparel industry can be broadly divided into two segments - yarn and fibre, and processed fabrics and apparel. India accounts for 14 per cent of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fibre). India has the highest loom capacity (including hand looms) with 63 per cent of the world's market share.

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

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

(Source: Indian Textiles and Apparel Industry Analysis, India Brand Equity Foundation, www.ibef.org)

STATISTICAL OVERVIEW OF TEXTILES INDUSTRY:





Textile plays a major role in the Indian economy. It contributes 14 per cent to industrial production and 2 per cent to GDP. With over 45 million people, the industry is one of the largest sources of employment generation in the country. The industry accounts for nearly 15 per cent of total exports. The size of India's textile market as of July 2017 was around US\$ 150 billion, which is expected to touch US\$ 250 billion market by 2019, growing at a CAGR of 13.58 per cent between 2009-2019.

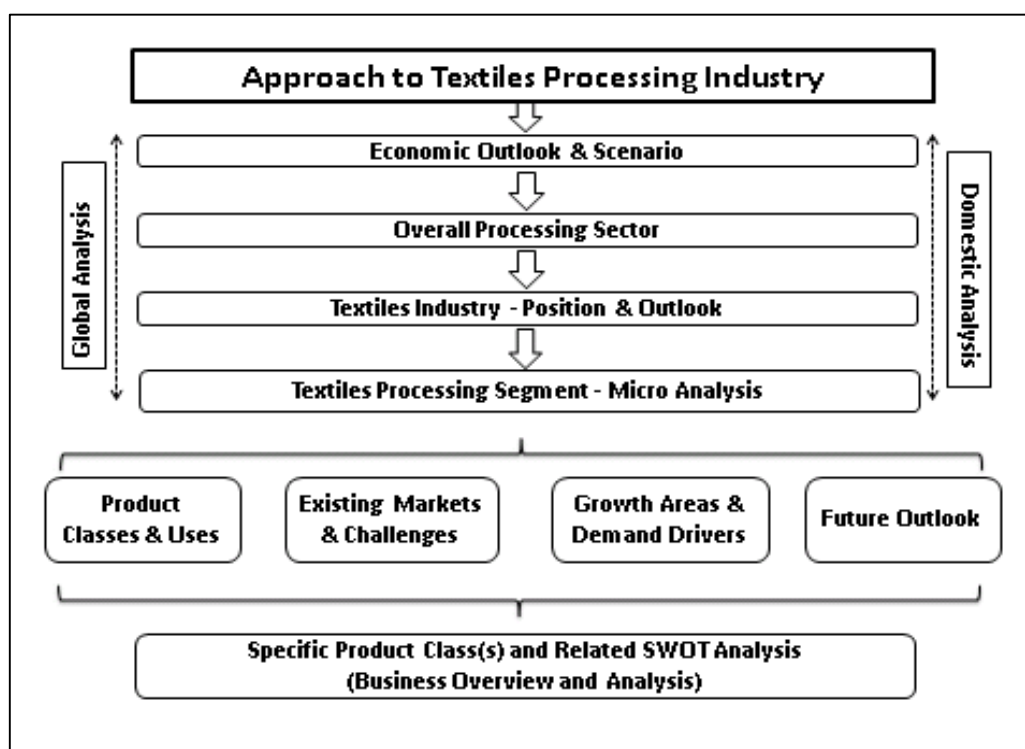
(Source: Textile and Apparel Report July 2018 - India Brand Equity Foundation www.ibef.org)

APPROACH TO TEXTILES INDUSTRY ANALYSIS:

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

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

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



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

GLOBAL ECONOMIC OVERVIEW

According to the International Monetary Fund (IMF), the global economy is experiencing a near-synchronous recovery, the most broad-based since 2010. In 2017, roughly three-quarters of countries experienced improvements in their growth rates, the highest share since 2010. The latest World Economic Outlook (WEO) of the IMF shows global GDP growth accelerated to around 3.6 percent in 2017 from 3.2 percent in 2016, and the forecast for 2018 has been upgraded by 0.2 percentage points to 3.9 percent. Although rebounding, global growth is still well below levels reached in the 2000s.

One reason why the recovery has spread around the globe is that world trade in goods and services has finally emerged from its torpor, registering 4.7 percent real volume growth in 2017 compared with 2.5 percent in 2016. Another reason is that commodity producers such as Russia, Brazil, and Saudi Arabia, which for the past few years been suffering from depressed prices, have benefitted from the upswing in demand. Commodity prices increased smartly in 2017, led by petroleum, whose price rose by 16 percent to reach \$61 per barrel by the end of the year.

Even as global growth and commodity prices have surged, inflation has remained remarkably quiescent, remaining below 2 percent in the main advanced regions. Consequently, monetary policies in the US, Eurozone and Japan have remained highly accommodative despite a strong recovery. These unusual settings—rapid growth, ultra-low interest rates—at a late stage in the economic cycle have produced the rarest of combinations: record-high high bond prices and stock market valuations, both at the same time. The consensus forecast calls for these conditions to be sustained in 2018, as companies respond to buoyant demand conditions by stepping up investment, some governments (such as the US) embark on expansionary fiscal policies, while advanced country monetary policies remain stimulative and world trade continues to grow briskly.

What are the risks? Of course, there are the usual geo-political and geo-economic risks: war in the Korean peninsula; political upheaval in the Middle East; aggressive output cuts by Saudi Arabia (and Russia) in advance of the planned listing of the Saudi Arabian oil company, Aramco, which could force oil prices even higher; a final reckoning from China's unprecedented credit surge in the form of capital controls, slowdown in growth, and a sharply depreciating currency with consequences for the global economy (Economic Survey, 2016-17, Chapter 1); and trade tensions that could lead to skirmishes, and then spiral out of control. But perhaps the main risks lie on the macro-finance front in advanced economies. These stem from three, inter-related, sources:

- Asset valuations (price-equity ratios) tend to revert to their mean. And the faster and higher they climb, especially so late in the economic cycle, the greater the risk of sharp corrections.
- Simultaneously high valuations of both bonds and equities tend to be briefly lived because they suffer from an acute tension: if future earnings and economic growth are so bright, justifying high equity prices, interest rates cannot be forever so low.
- And if interest rates rise—or if markets even sense that central banks will need to shift their stance—both bond and equity prices could correct sharply. A plausible scenario would be the following. The IMF is now forecasting that advanced country output gaps will close in 2018 for the first time since the Global Financial Crisis. As this occurs, wages would start rising, eating into profits (which would prick equity valuations); and as inflation rises in tandem, policy makers would be forced into raising rates, deflating bond valuations and further undermining share prices.

What would happen to growth if asset prices correct? Surely, the impact would be far smaller than it was in 2007-09, because advanced countries are far less vulnerable than they were a decade ago. In particular, the leverage tied to these assets is much lower, which would minimize contagious propagation; while banks are much better buffered, with higher levels of capital and core deposits, and lower levels of risky assets.

Even so, there would be some consequences. For one, a large decline in wealth would force advanced country consumers to cut back on their spending, which in turn would lead firms to curtail their investments. And if this happens, monetary and fiscal policies would have much less room for expansionary manoeuvre since interest rates are already low while government debts are high. And the political implications of yet another decline in asset prices, the second in a decade, could also be significant, with effects that are difficult to imagine.

In sum, assessing future risks hinges on two calls: interest rate policy and asset valuations. On policy, extraordinarily low rates have, to paraphrase Paul Krugman, become “an obsession in search of a justification.” Initially justified by the dislocations caused by the Global Financial Crisis, then by large output gaps, they are now defended on the grounds that inflation remains weak, even as the slack in product and labor markets is disappearing rapidly. Will the gathering new evidence on closing output gaps and rising employment dispel that obsession?

On valuations, the prognosticator must navigate a narrow strait: steering clear of the “Cry of Wolf” trap (bond prices will finally, finally correct, having defied the prediction of correction in each of the last several years), without succumbing to the siren call of “This Time is Different” (stock valuations are sustainable this time because interest rates will remain at historic lows).



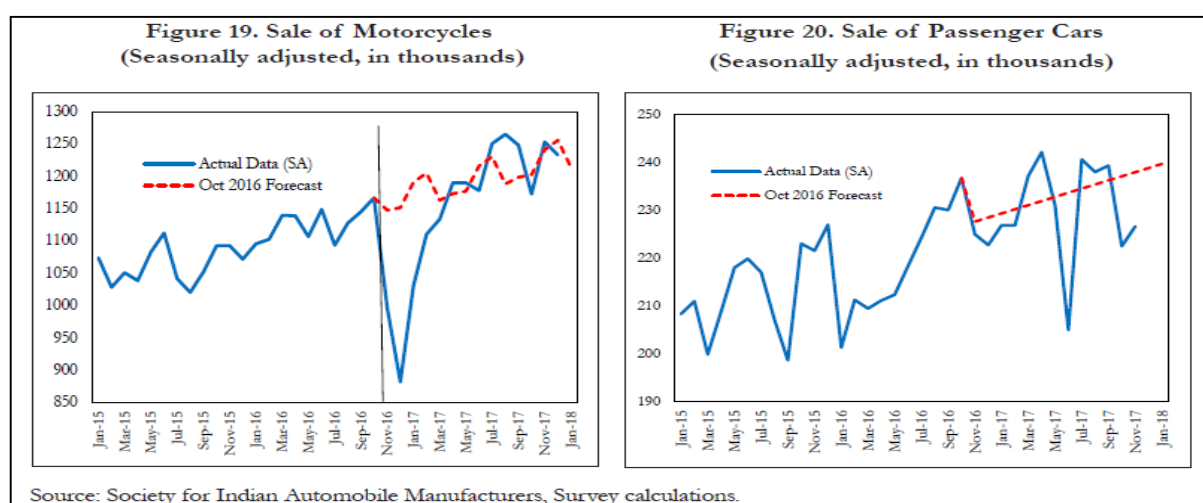
(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

OVERVIEW OF INDIA'S ECONOMIC PERFORMANCE IN 2017-18

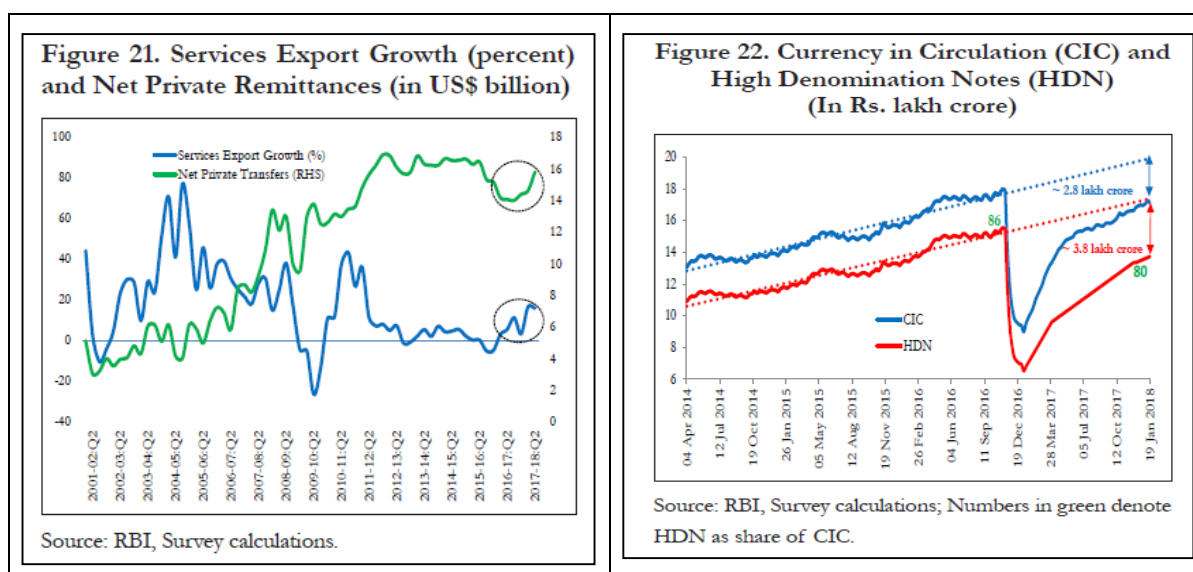
Economic activity

The key question going forward is whether the economy has troughed, and if so at what pace it will recover toward its medium term trend. High frequency indicators do suggest that a robust recovery is taking hold as reflected in a variety of indicators, including overall GVA, manufacturing GVA, the IIP, gross capital formation (Figure 17) and exports.

Similarly, real non-food credit growth has rebounded to 4 percent in November 2017 on a year-on-year basis, while the squeeze on real credit to industry is abating (Figure 18). Moreover, the flow of nonbank resources to the corporate sector, such as bond market borrowing and lending by NBFCs, has increased by 43 percent (April-December 2017 compared to the same period a year ago), substituting in part for weak bank credit. Rural demand, proxied by motor cycle sales, and auto sales, while not yet back to its pre-demonetization trend, are recovering (Figures 19 and 20).



Perhaps most significantly, the behaviour of manufacturing exports and imports in the second and third quarters of this fiscal year has started to reverse. The re-acceleration of export growth to 13.6 percent in the third quarter of FY2018 and deceleration of import growth to 13.1 percent, in line with global trends, suggest that the demonetization and GST effects are receding. Services export and private remittances are also rebounding (Figure 21).



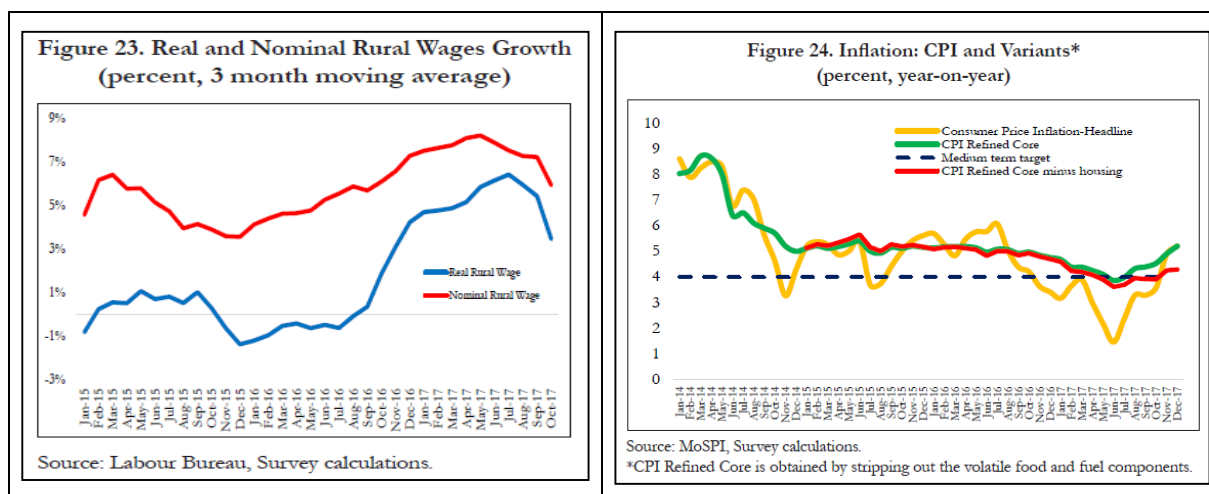
On demonetization specifically, the cash-to-GDP ratio has stabilized, suggesting a return to equilibrium. The evidence is that since about June 2017 the trend in currency is identical to that pre-demonetization (Figure 22). The stabilization also permits estimation of the impact of demonetization: about Rs. 2.8 lakh Crores less cash (1.8 percent of GDP) and about Rs. 3.8 lakh Crores less high denomination notes (2.5 percent of GDP).

A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth by the central and state governments at remains strong at 11.7 percent (April to November). Cyclical conditions may also lead to lower tax and non-tax revenues, which act as an automatic stabilizer.

All this said, while the direction of the indicators is positive, their level remains below potential. IIP growth (April-November 2017 over same period in the previous year) is 3.2 percent, real credit growth to industry is still in negative territory, and the growth in world trade remains less than half its level of a decade ago. Moreover, even though the cost of equity has fallen to low levels, corporates have not raised commensurate amounts of capital, suggesting that their investment plans remain modest (Box 6). In other words, the twin engines that propelled the economy's take-off in the mid-2000s – exports and investment – are continuing to run below take-off speed.

Meanwhile, developments in the agriculture sector bear monitoring. The trend acceleration in rural wages (agriculture and non-agriculture), which had occurred through much of 2016 because of increased activity on the back of a strong monsoon, seems to have decelerated beginning just before the kharif season of 2017-18 (Figure 23) but it is still greater than much of the last three years. Three crop-specific developments are evident. Sowing has been lower in both kharif and Rabi, reducing the demand for labor. The acreage for kharif and Rabi for 2017-18 is estimated to have declined by 6.1 percent and 0.5 percent, respectively. Pulses and oilseeds have seen an increase in sowing, but this has translated into unusually low farmgate prices (below their minimum support price, MSP), again affecting farm revenues. The so-called TOP perishables (tomatoes, onions, and potatoes) have meanwhile fluctuated between high and low prices, engendering income uncertainty for farmers.

The CSO has forecast real GDP growth for 2017-18 at 6.5 percent. However, this estimate has not fully factored in the latest developments in the third quarter, especially the greater-than-CSO-forecast exports and government contributions to demand. Accordingly, real GDP growth for 2017-18 as a whole is expected to be close to 6 3/4 percent. Given real GDP growth of 6 percent in the first half, this implies that growth in the second half would rebound to 7.5 percent, aided by favourable base effects, especially in the fourth quarter.



Average CPI inflation for the first nine months has averaged 3.2 percent and is projected to reach 3.7 percent for the year as a whole. This implies average CPI inflation in the last quarter of 5 percent, in line with the RBI's forecast. Therefore, the GDP deflator is expected to grow by 3.6 percent for 2017-18, somewhat higher than the CSO's forecast of 2.8 percent. Consequentially, nominal GDP growth is estimated at 10.5 percent, compared with the CSO's 9.5 percent estimate.

Macroeconomic indicators



After 13 months of continuously under-shooting the inflation target by an average of 130 basis points, headline inflation for the first time crossed the RBI's 4 percent target in November, posting a rate of 5.2 percent in December 2017 (Figure 24). The recent upswing in inflation stems from rising global oil prices (not all of which has been passed on to consumers), unseasonal increases in the prices of fruits and vegetables, and the 7th Pay Commission housing rent allowances, which mechanically increase inflation. Stripped of all these factors, underlying inflation has been increasing at a more modest pace, reaching 4.3 percent at end-December—in part because firms are passing the incidence of GST on to final consumers only gradually.

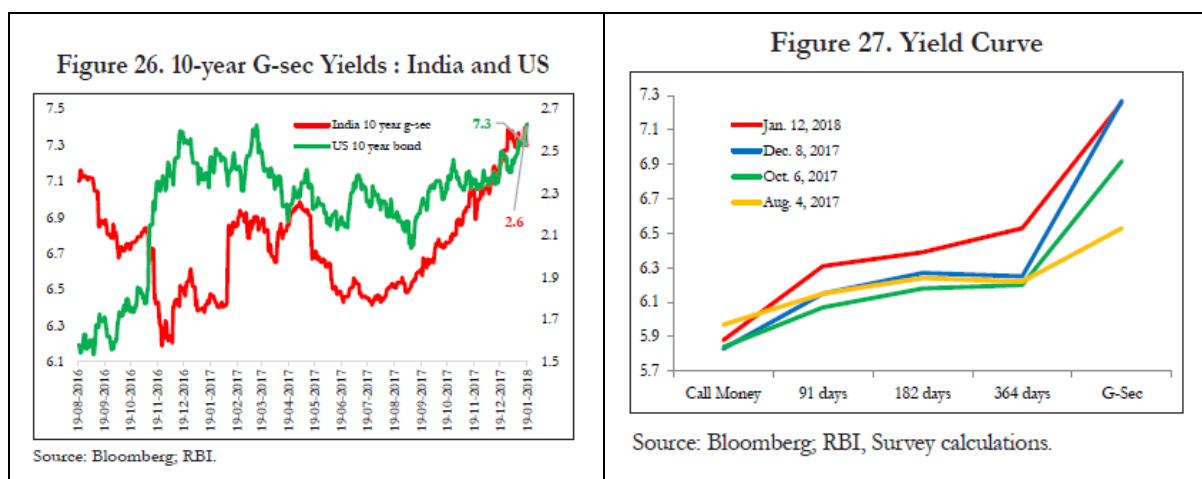
The current account deficit has also widened in 2017-18 and is expected to average about 1.5-2 percent of GDP for the year as a whole. The current account deficit can be split into a manufacturing trade deficit, an oil and gold deficit, a services deficit, and a remittances deficit (Figure 25). In the first half of 2017-18, the oil and gold balance has improved (smaller deficit of \$47 billion) but this has been offset by a higher trade deficit (\$18 billion) and a reduced services surplus (\$37 billion), the latter two reflecting a deterioration in the economy's competitiveness.

Despite these developments, the overall external position remains solid. The current account deficit is well below the 3 percent of GDP threshold beyond which vulnerability emerges. Meanwhile, foreign exchange reserves have reached a record level of about \$432 billion (spot and forward) at end-December 2017, well above prudent norms.

Fiscal developments

Bond yields have increased sharply (Figure 26) since August 2017, reflecting a variety of factors, including concerns that the fiscal deficit might be greater-than-budgeted, expectations of higher inflation, a rebound in activity that would narrow the output gap, and expectations of rate increases in the US. As a result, the yield curve has become unusually steep (Figure 27).

The fiscal deficit for the first eight months of 2017-18 reached 112 percent of the total for the year, far above the 89 percent norm (average of last 5 years), largely because of a shortfall in non-tax revenue, reflecting reduced dividends from government agencies and enterprises. Expenditure also progressed at a fast pace, reflecting the advancing of the budget cycle by a month which gave considerable leeway to the spending agencies to plan in advance and start implementation early in the financial year. Partially offsetting these trends will be disinvestment receipts which are likely to exceed budget targets.



GST revenue collections are surprisingly robust given that these are early days of such a disruptive change (See Box 7). Government measures to curb black money and encourage tax formalization, including demonetization and the GST, have increased personal income tax collections substantially (excluding the securities transactions tax). From about 2 percent of GDP between 2013-14 and 2015-16, they are likely to rise to 2.3 percent of GDP in 2017-18, a historic high. Precise estimates of the government's contribution to this improvement vary depending on the methodology used. An econometric exercise yields an estimate of Rs. 40,000 Crores over the two fiscal years of 2016-17 and 2017-18.³ Another based on comparing the difference in actual tax buoyancy in 2016-17 and 2017-18 over the previous seven-years' average buoyancy, yields an estimate of about Rs. 65,000 Crores (both exclude the 25,000 Crores collected under the Income Disclosure Scheme and Pradhan

Mantri Garib Kalyan Yojana). Thus, the sum of all government efforts increased income tax collections, thus far, between Rs. 65,000 and Rs. 90,000 Crores. These numbers imply a substantial increase in reported incomes (and hence in formalization) of about 1.5 percent to 2.3 percent of GDP.

As a result of the budget overruns, the central government's fiscal deficit until November 2017 was Rs. 6.1 lakh crore compared to the budgeted Rs. 5.5 lakh crore. In contrast, state governments seem to be hewing closely to their targeted fiscal consolidation – in part because the centre has guaranteed them a large increase in their indirect tax take, as part of the GST agreement.

Reflecting largely fiscal developments at the centre, a pause in general government fiscal consolidation relative to 2016-17 cannot be ruled out. In addition, the measured deficit for 2017-18 will include Rs. 80,000 crore (0.5 percent of GDP) in capital provided to public sector banks. But this will not affect aggregate demand, as reflected in international accounting practice which deems such operations as financing (“below-the-line”) rather than expenditure.

In the case of borrowing by the states, markets have perhaps inadequately taken into account the fact that higher market borrowings by them does not reflect higher deficits; rather about Rs. 50,000 crore or 0.3 percent of GDP of market borrowings is due to changes in the composition of financing, away from higher cost NSSF borrowings toward lower cost market borrowings. This lack of strict correspondence between the deficit and borrowings at the central and state levels (Figure 28) is discussed in greater detail in Box 8. For general government, about Rs. 40,000 Crores represents greater market borrowings that is not due to deficits—a fact which markets apparently have not internalized.

Another factor contributing to the rise in bond yields has been stepped-up Open Market Operations (OMO) by the RBI. This amounted to a net sale of about Rs. 90,000 Crores during April-December 2017-18 (compared to a net redemption of Rs. 1.1 lakh Crores during the same period in 2016-17) to sterilize the impact of foreign flows, themselves induced by high interest rates.

(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

OUTLOOK FOR 2018-19

The outlook for 2018-19 will be determined by economic policy in the run-up to the next national election. If macro-economic stability is kept under control, the ongoing reforms are stabilized, and the world economy remains buoyant as today, growth could start recovering towards its medium term economic potential of at least 8 percent.

Consider the components of demand that will influence the growth outlook. The acceleration of global growth should in principle provide a solid boost to export demand. Certainly, it has done so in the past, particularly in the mid-2000s when the booming global economy allowed India to increase its exports by more than 26 percent per annum. This time, the export response to world growth has been in line with the long-term average, but below the response in the mid-2000s. Perhaps it is only a matter of time until exports start to grow at a healthy rate. Remittances are already perking up, and may revive further due to higher oil prices.

Private investment seems poised to rebound, as many of the factors exerting a drag on growth over the past year finally ease off. Translating this potential into an actual investment rebound will depend on the resolution and recapitalization process. If this process moves ahead expeditiously, stressed firms will be put in the hands of stronger ownership, allowing them to resume spending. But if resolution is delayed, so too will the return of the private capex cycle. And if this occurs public investment will not be able to step into the breach, since it will be constrained by the need to maintain a modicum of fiscal consolidation to head off market anxieties.

Consumption demand, meanwhile, will encounter different tugs. On the positive side, it will be helped by the likely reduction in real interest rates in 2018-19 compared to the 2017-18 average. At the same time, average oil prices are forecast by the IMF to be about 12 percent higher in 2018-19, which will crimp real incomes and spending—assuming the increase is passed on into higher prices, rather than absorbed by the budget through excise tax reductions or by the oil marketing companies. And if higher oil prices requires tighter monetary policy to meet the inflation target, real interest rates could exert a drag on consumption.

Putting all these factors together, a pick-up in growth to between 7 and 7.5 percent in 2018-19 can be forecasted, re-instating India as the world's fastest growing major economy. This forecast is subject to upside potential and



downside risks. The biggest source of upside potential will be exports. If the relationship between India's exports and world growth returns to that in the boom phase, and if world growth in 2018 is as projected by the IMF, then that could add another ½ percentage point to growth.

Another key determinant of growth will be the implementation of the IBC process. Here timeliness in resolution and acceptance of the IBC solutions must be a priority to kick-start private investment. The greater the delays in the early cases, the greater the risk that uncertainty will soon shroud the entire IBC process. It is also possible that expeditious resolution may require the government to provide more resources to PSBs, especially if the haircuts required are greater than previously expected, the ongoing process of asset quality recognition uncovers more stressed assets, and if new accounting standards are implemented.

Persistently high oil prices (at current levels) remain a key risk. They would affect inflation, the current account, the fiscal position and growth, and force macroeconomic policies to be tighter than otherwise. One eventuality to guard against is a classic emerging market “sudden stall” induced by sharp corrections to elevated stock prices. (Box 9 suggests that India's stock price surge is different from that in other countries but does not warrant sanguine-ness about its sustainability.) Savers, already smarting from reduced opportunities in the wake of demonetization, from depressed gold prices, and from lower nominal interest rates, would feel aggrieved, leading to calls for action. Stock price corrections could also trigger capital outflows, especially if monetary policy unwinds less hesitantly in advanced countries and if oil prices remain high. Policy might then have to respond with higher interest rates, which could choke off the nascent recovery. The classic emerging market dilemma of reconciling the trade-off between macro-stability and growth could then play itself out.

A key policy question will be the fiscal path for the coming year. Given the imperative of establishing credibility after this year, given the improved outlook for growth (and hence narrowing of the output gap), and given the resurgence of price pressures, fiscal policy should ideally have targeted a reasonable fiscal consolidation. However, setting overly ambitious targets for consolidation—especially in a pre-election year—based on optimistic forecasts that carry a high risk of not being realized will not garner credibility either. Pragmatically steering between these extremes would suggest the following: a modest consolidation that credibly signals a return to the path of gradual but steady fiscal deficit reductions.

Against this overall economic and political background, economic management will be challenging in the coming year. If the obvious pitfalls (such as fiscal expansion) are avoided and the looming risks are averted that would be no mean achievement.

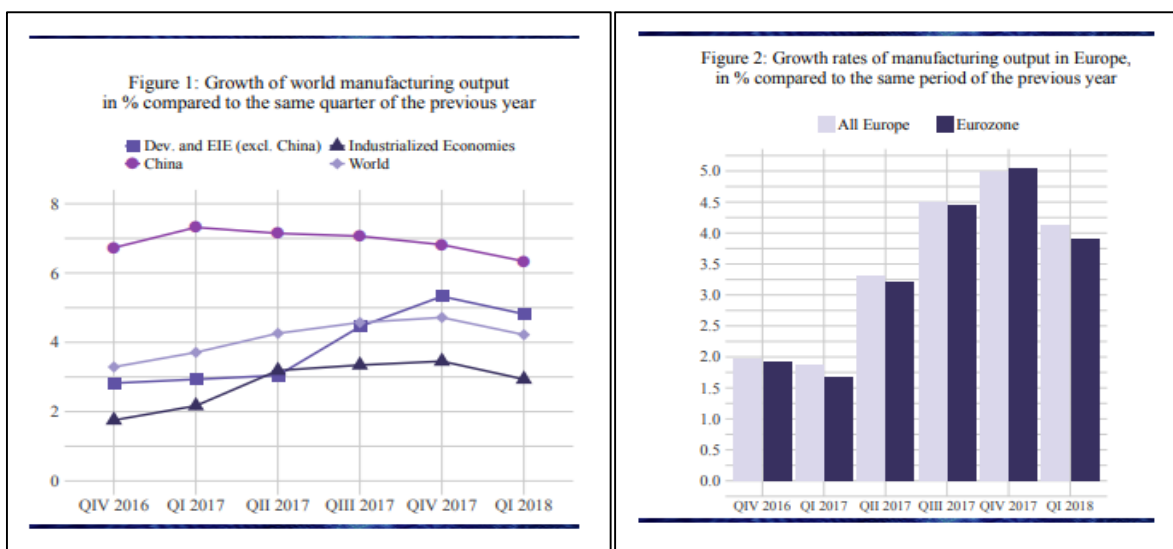
(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

GLOBAL MANUFACTURING SECTOR

World Manufacturing Growth

Following the improved growth rate of global manufacturing in 2017 both in industrialized as well as in developing and emerging industrial economies, the year 2018 set off with major downturn risks caused by a new wave of protectionism. This development has not yet had an impact on the dynamics of manufacturing growth. New tariffs and economic sanctions announced by the United States as well as uncertainties related to Brexit are considered impending threats of another slowdown of global industrial growth. The improved growth conditions in industrialized economies in 2016-2017 continue to have a positive impact on global manufacturing. As a result, world manufacturing output maintained an impressive growth rate of 4.2 per cent in the first quarter of 2018.

Industrialized economies, accounting for more than half of world industrial output, played a major role in this development. New fiscal stimuli — above all, in the United States, but in Germany as well — are expected to further boost short-term growth. This and other factors according to the OECD will continue to drive and strengthen world manufacturing output.⁶ As already mentioned above, increased trade tensions may, however, have detrimental effects on production growth and jobs. Data for the first quarter of 2018 generally indicate that year-over-year manufacturing growth has only decreased marginally (Figure 1). Data for China is to the extent possible presented separately from the country groups due to the size of the country's economy.



Industrialized economies continued to maintain the higher growth rates attained at the end of 2017. In the first quarter of 2018, this country group's manufacturing output rose by 2.9 per cent compared to the same period in 2017. This growth was attributable to the dynamic recovery of Europe's manufacturing sector, which increased by 4.1 per cent in the first quarter of 2018. At the same time, North America's manufacturing output rose by 2.6 per cent. The growth rate of East Asia's industrialized economies remained below 2.0 per cent due to the poor performance of the Republic of Korea, where manufacturing output dropped by 3.1 per cent in the first quarter of 2018.

China, the world's largest manufacturer, maintained a robust year-over-year growth rate of about 6.3 per cent despite the import restrictions announced by the United States against Chinese products. The manufacturing output of developing and emerging industrial economies (excluding China) registered the most dynamic growth rate in recent quarters and achieved an overall growth rate of 4.8 per cent compared to the same quarter of 2017. Developing economies in Asia and Pacific recorded a high growth rate of 5.5 per cent in the first quarter of 2018, supported in particular by India with an impressive growth rate of 7.0 per cent. An even higher increase of 7.7 per cent was observed in the group of developing economies in the Eastern Europe region.

Latin America continued its recovery and expanded its manufacturing output by 2.7 per cent compared to the first quarter of 2017. The year-over-year growth rate of Brazil's economy of 4.4 per cent has had a considerable impact on Latin America's strong performance. Growth estimates based on limited data also showed a positive growth rate of nearly 2 per cent for Africa's manufacturing output. In short, manufacturing production expanded across all industrialized and developing regions in the first quarter of 2018 compared to the same period of the previous year, which confirms manufacturing's sustained recovery at the global level.

(Source: World Manufacturing Production- Statistics for Quarter I, 2018; United Nations Industrial Development Organisation - www.unido.org)

Industrialized economies

All industrialized regions, namely East Asia, Europe and North America, recorded positive growth rates and the overall upward trend in industrialized economies continued in the first quarter of 2018. After the strong growth at the end of 2017, reaching 5.0 per cent in the fourth quarter, some moderation in Europe's pace of growth was observed (4.1 per cent in the first quarter of 2018) compared to the same period of the previous year. The rate of growth in the eurozone countries fell more noticeably to slightly under 4.0 per cent. Overall, however, economic growth is expected to remain solid and broad-based according to the European Central Bank, implying a strengthening of business investments building on very favourable financing conditions, rising corporate profitability and robust demand.⁷ A closer look at the leading eurozone economies reveals that year-over-year manufacturing output increased by 4.6 per cent in Italy, 4.2 per cent in Germany and 3.0 per cent in Spain. French manufacturing output, however, experienced its worst quarterly drop since 2012 (-1.8 per cent compared to the fourth quarter of 2017), but was able to maintain a positive growth rate of 2.0 per cent compared to the first quarter of the previous year. With the exception of Malta, the manufacturing production of other



eurozone economies continued to witness positive growth figures. Remarkable growth was achieved by Slovenia (9.3 per cent), Lithuania (7.0 per cent) and Austria (6.4 per cent). A fairly robust growth rate was furthermore observed in Estonia and Luxembourg (5.8 per cent each), the Netherlands (4.9 per cent) and Finland (4.1 per cent).

Beyond the eurozone, the United Kingdom and Denmark, in particular, experienced a rather moderate year-over-year growth rate (2.6 and 2.0 per cent, respectively), while Sweden (+7.0 per cent) and Czechia (+6.2 per cent) successfully extended their periods of high growth already witnessed over the last quarters. Among non-EU economies, Belarus, which in accordance with UNIDO criteria has recently been added to the group of industrialized economies, showed strong growth in the first quarter of 2018 (9.9 per cent). This high growth rate was driven by the production of machinery and equipment, petroleum refineries and the manufacturing of transport vehicles and equipment.

The growth rate of the Russian Federation turned positive again, with an estimated 0.8 per cent rise of manufacturing output. The country's performance, however, lagged far behind that of other industrialized countries. North America's overall manufacturing production grew by 2.6 per cent compared to the same period of the previous year, with an increase in output of 2.5 per cent in the United States and even 3.8 per cent in Canada. It remains to be seen whether the tax reforms in the United States and the expected stimulus for investment will result in further growth, as an increase in the reshoring of manufacturing activities is very likely. However, protectionist policies threaten to disrupt an otherwise promising economic outlook.

Japan's manufacturing output rose by 2.6 per cent, the seventh straight quarter of year over-year growth of manufacturing production. Industrial momentum remains strong in the world's third-largest manufacturer. The country's manufacturing output was boosted by the rapid growth of machinery and equipment.

By contrast, the manufacturing output of the Republic of Korea dropped by 3.1 per cent due to the weak performance of motor vehicles and machinery, which also had significant ripple effects in various materials and components industries. It is the second consecutive quarter of negative economic growth of more than 1.0 per cent. Among other East Asian economies, Singapore and Malaysia showed a strong performance with a growth rate of 9.8 per cent and 5.2 per cent, respectively.

(Source: World Manufacturing Production- Statistics for Quarter I, 2018; United Nations Industrial Development Organisation - www.unido.org)

Developing and Emerging Industrial Economies

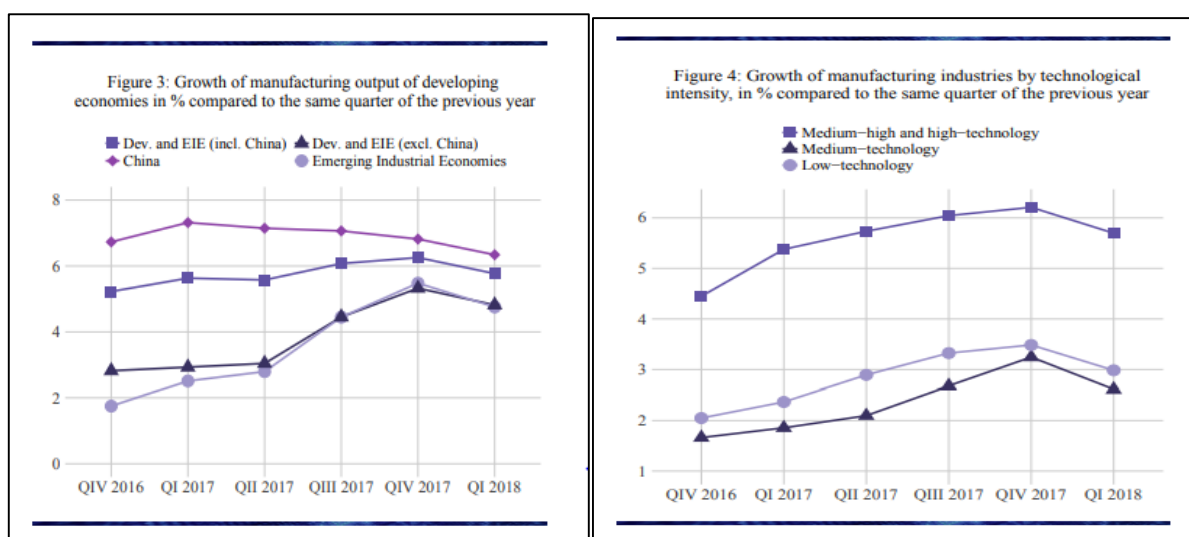
Earlier quarterly reports included China in the group of emerging industrial economies. However, due to the size and new characteristics of the economy, China is presented separately from the other country groups. Moreover, China is rapidly transforming into an industrialized economy owing to the country's extended high growth period.

China

China's manufacturing output rose by 6.3 per cent in the first quarter of 2018. The country's growth was slightly lower than in the previous quarter, when it reached 6.8 per cent. The strongest growth performance was observed in computer electronics (12.1 per cent). The production of motor vehicles and pharmaceuticals increased by about 10.0 per cent each. The combined growth of medium-high- and high technology-industries was estimated at 9.0 per cent, indicating a significant shift of Chinese manufacturing from low- to high-tech-sectors.

Developing and emerging industrial economies (excl. China)

Manufacturing output in China and in developing and emerging industrial economies (excluding China) remained strong overall, but there is clear evidence that the latter group comprising emerging industrial economies has been more dynamic since the third quarter of 2017 (Figure 3).



The growth performance of the Asia and Pacific region, in particular, increased by 5.5 per cent compared to the same period of the previous year. As regards another large Asian economy, India's manufacturing output grew by 7.0 per cent, leading to the expectation that India is on a sustained recovery path. Compared to the same quarter of the previous year, manufacturing output in Mongolia rose by 11.9 per cent and by 5.5 per cent in both Indonesia and Viet Nam. The manufacturing of electronics, computers and optical products as well as steel production strongly contributed to the growth observed in Viet Nam.

Latin America prolonged the phase of expanding the region's manufacturing output with a year-over-year growth rate of 2.7 per cent. Not only the rise in Brazil's manufacturing output by 4.4 per cent indicates continued recovery from the downturn in 2016. Argentina, Chile and Uruguay's manufacturing sectors grew around 3.0 per cent, while Mexico was slightly less dynamic with a growth rate of 1.3 per cent compared to the first quarter of 2017. The discussions surrounding the re-negotiation of the North American Free Trade Agreement might trigger uncertainty in Mexico, in particular, considering its close trade links with the U.S. economy, which is one of the main importers of Mexican manufactured products.

Growth estimates based on limited data for African countries generally indicated a moderate rise in manufacturing output. Manufacturing production in Egypt rose by 1.1 per cent, by 2.0 per cent in Nigeria, 1.5 per cent in South Africa and 2.8 per cent in Tunisia. Cote d'Ivoire reported a 9.6 per cent growth rate in manufacturing output. This was primarily attributable to a strong development of the agro-industrial sector, including the manufacturing of food and beverages.

Among the developing and emerging industrial economies of Europe, Turkey registered an impressive growth figure of 9.9 per cent compared to the first quarter of 2017. Experts mainly attribute this growth to the inflow of foreign short-term investments as well as government policies, including the rise in bank lending, tax cuts and other incentives. Higher growth rates were also observed in other countries of the region. Cyprus's manufacturing output rose by 10.1 per cent that of the Republic of Moldova by 9.1 per cent and Romania's by 7.6 per cent. Albania, FYR Macedonia, Latvia, Poland and Serbia attained growth rates of more than 5.0 per cent.

(Source: World Manufacturing Production- Statistics for Quarter I, 2018; United Nations Industrial Development Organisation - www.unido.org)

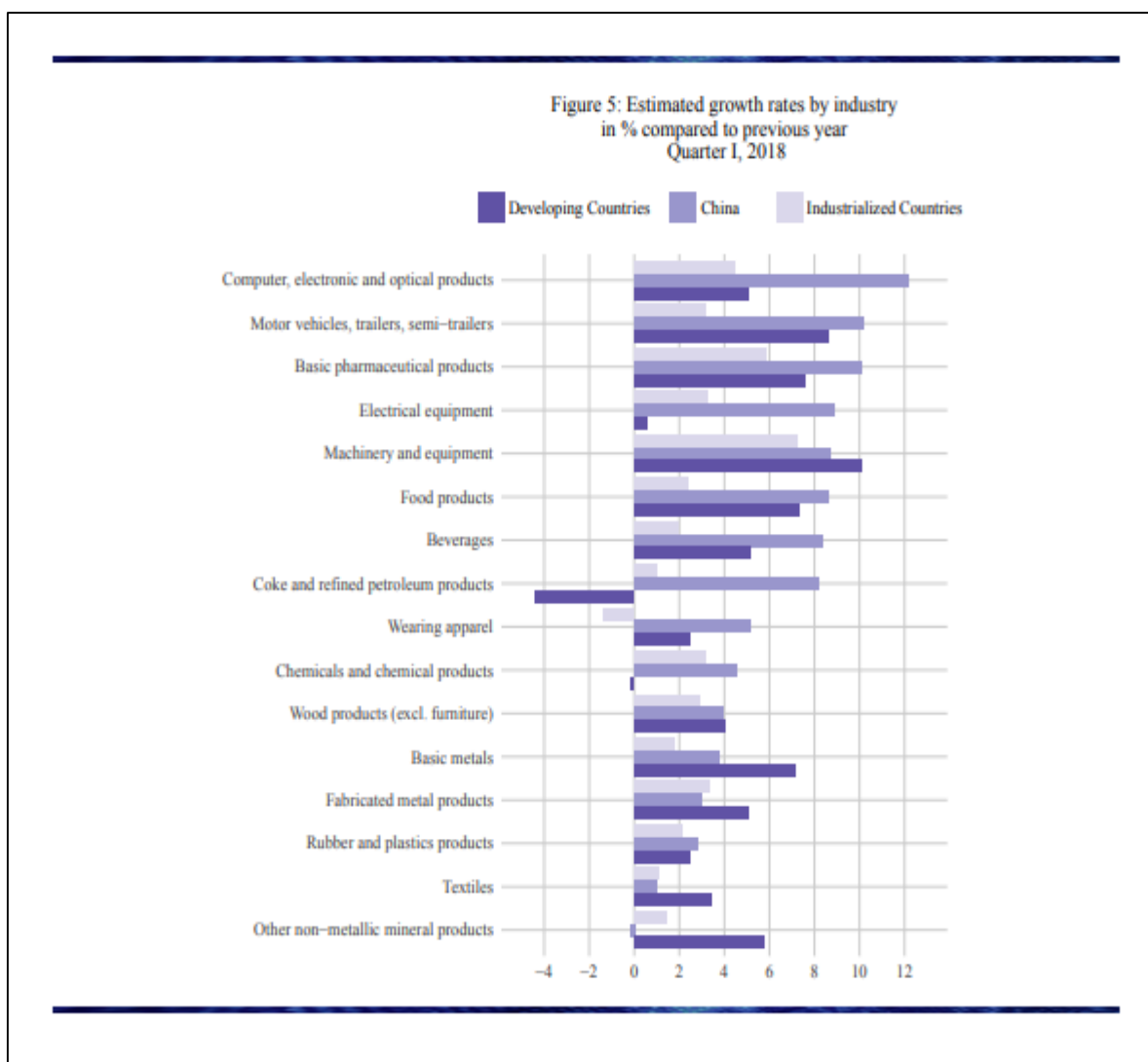
Findings by Industry Groups

Industries grouped according to technological intensity have seen fairly similar growth patterns in recent periods. Growth in manufacturing output has decelerated in all industry groups since the beginning of 2018, with differences in the level of growth. While the growth rate of medium-high- and high-technology manufacturing industries at the global level was above 5.0 per cent, medium- and low-technology industries consistently performed lower. Despite some remarkable developments, the data underscores that investment in high-technology industries is a key component in the generation of innovation, leading to significant economic growth. Overall, medium-high- and high technology manufacturing industries reached a year-over-year growth



rate of 5.7 per cent in the first quarter of 2018. This was largely driven by strong growth of about 9.0 per cent in China. India and Brazil's contributions are noteworthy as well, with a growth rate of 10.8 per cent and 8.1 per cent, respectively. Europe and Japan reported again more than solid rates, reaching 5.3 respectively 5.1 per cent. North America could not quite keep the pace with a year-over-year growth of 3.4 per cent. As potential tariffs were also pronounced for high tech products, it will of course be interesting to observe the respective development in the following quarters.

A decomposition of medium high- and high-technology industries reveals that the global production of machinery and equipment witnessed the highest growth rate at 7.9 per cent, followed by computers, electronics and optical products, which maintained a consistent year-over-year growth rate of over 7.2 per cent since the first quarter of 2017. The production of basic pharmaceutical products ranked third, achieving a growth rate of 7.1 per cent compared to the same quarter of the previous year. The global production of basic metals increased by 3.6 per cent, followed by rubber and plastic products at 2.3 per cent and non-metallic mineral products at 1.8 per cent. Food products rose by 4.8 per cent, making an essential contribution to global food supply. With a population growth of 1.2 per cent, an increased rate of growth in food products implies an improvement in per capita food consumption worldwide. Among other consumer goods, wearing apparel rose by 3.0 per cent and leather products by 3.7 per cent. Consumer goods generally increased at a much higher pace in developing and emerging industrial economies than in industrialized economies. Figure 5 illustrates the growth rates for various industries in detail. While most of the growth rates are positive, wearing apparel has declined in industrialized countries whereas coke and refined petroleum products decreased in developing countries (excluding China). Additional data on growth rates in the first quarter of 2018 are available in the Statistical Tables.



(Source: World Manufacturing Production- Statistics for Quarter I, 2018; United Nations Industrial Development Organisation - www.unido.org)

MANUFACTURING SECTOR IN INDIA

Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*.

Market Size

The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 4.34 per cent during FY12 and FY18 as per the second advance estimates of annual national income published by the Government of India. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

Investments

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

As per Labour Bureau's Quarterly Report on Employment Scenario, manufacturing sector added an estimated 89,000 jobs in the second quarter of 2017-18. Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US\$ 73.70 billion during April 2000-December 2017. India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- As of May 2018, The Chatterjee Group (TCG) is planning to set up a Continuous Polymerisation (CP) unit and a spinning unit, which will act as forward integrated units for its petrochemicals subsidiary MCPI.
- As of April 2018, Rallis India, a subsidiary of Tata Chemicals, is planning to undertake backward integration as its inputs have become costlier and the move will help the company to ease pressure on its profit margins.
- For its Commercial Vehicles, Ashok Leyland is utilising machine learning algorithms and its newly created telematics unit to improve the performance of the vehicle, driver and so on.

Government Initiatives

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- As of March 2018, Government of India is in the process of coming up with a new industrial policy which envisions development of a globally competitive Indian industry.
- In Union Budget 2018-19, the Government of India reduced the income tax rate to 25 per cent for all companies having a turnover of up to Rs 250 crore (US\$ 38.75 million).
- Under the Mid-Term Review of Foreign Trade Policy (2015-20), the Government of India increased export incentives available to labour intensive MSME sectors by 2 per cent.
- The Government of India has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.



- The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.
- The Ministry of Defence, Government of India, approved the “Strategic Partnership” model which will enable private companies to tie up with foreign players for manufacturing submarines, fighter jets, helicopters and armoured vehicles.
- The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US\$ 1.5 billion).

Road Ahead

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors.

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

Exchange Rate Used: INR 1 = US\$ 0.015 as on March 30, 2018

Notes: * - According to the Global Manufacturing Competitiveness Index published by Deloitte

(Source: Indian Manufacturing Industry Analysis - India Brand Equity Foundation - www.ibef.org)

TEXTILE INDUSTRY & MARKET GROWTH IN INDIA

Introduction

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 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 105 million people directly and indirectly. India's overall textile exports during FY 2017-18 stood at US\$ 37.74 billion.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

Market Size

The Indian textiles industry, currently estimated at around US\$ 150 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).

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.
- In May 2018, textiles sector recorded investments worth Rs 27,000 crore (US\$ 4.19 billion) since June 2017.

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 power loom 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 believed 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 readymade 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 power loom 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.
- The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), launch of India Handloom Brand and integrated scheme for development of silk industry, for the strategic enhancement of Indian textiles quality to international standards.

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*.

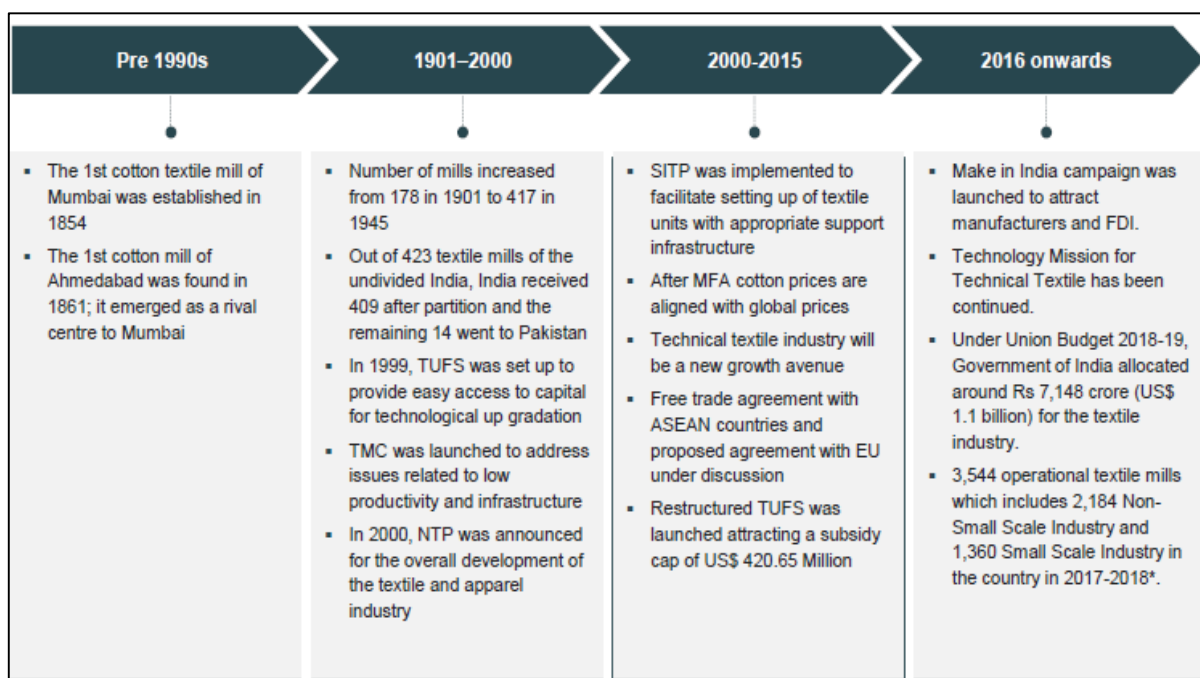
Exchange Rate Used: INR 1 = US\$ 0.016 as of FY2018.

References: Ministry of Textiles, Indian Textile Journal, Department of Industrial Policy and Promotion, Press Information Bureau, Union Budget 2017-18

Note: # - according to Damco, * - according to India Ratings and Research

(Source: Textile Industry & Market Growth in India; India Brand Equity Foundation www.ibef.org)

EVOLUTION OF TEXTILES INDUSTRY IN INDIA



(Source: Textile and Apparel Report July 2018 - India Brand Equity Foundation www.ibef.org)

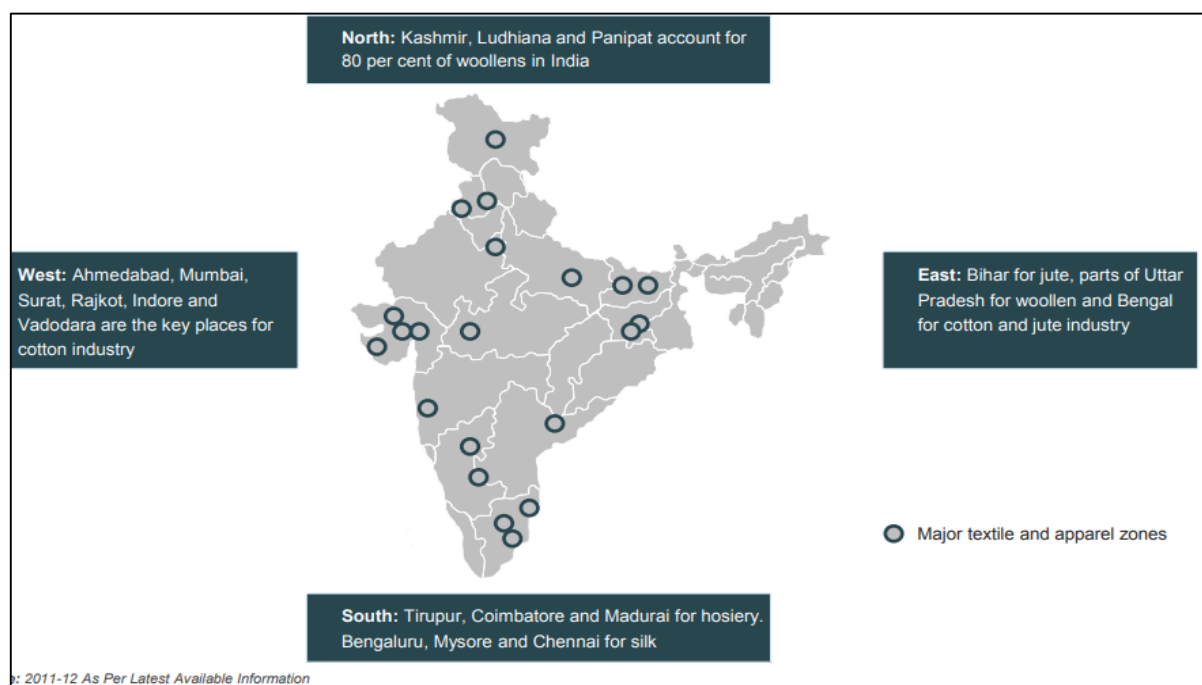
KEY FACTS: TEXTILES INDUSTRY

- The fundamental strength of the textile industry in India is its strong production base of wide range of fibre / yarns from natural fibres like cotton, jute, silk and wool to synthetic / man-made fibres like polyester, viscose, nylon and acrylic

- India's textiles industry contributes 7 per cent of the industry output (in value terms) of India.
- It contributes 2 per cent to the GDP of India and employs more than 45 million people.
- The sector contributes 15 per cent to the export earnings of India. Natural fibres like cotton, jute, silk & wool to synthetic / man-made fibres like polyester, viscose, nylon & acrylic
- Textile plays a major role in the Indian economy. It contributes 14 per cent to industrial production and 4 per cent to GDP
- With over 45 million people, the industry is one of the largest source of employment generation in the country
- The size of India's textile market as of July 2017 was around US\$ 150 billion, which is expected to touch US\$ 250 billion market by 2019, growing at a CAGR of 13.58 per cent between 2009-2019.
- The new textile policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs.

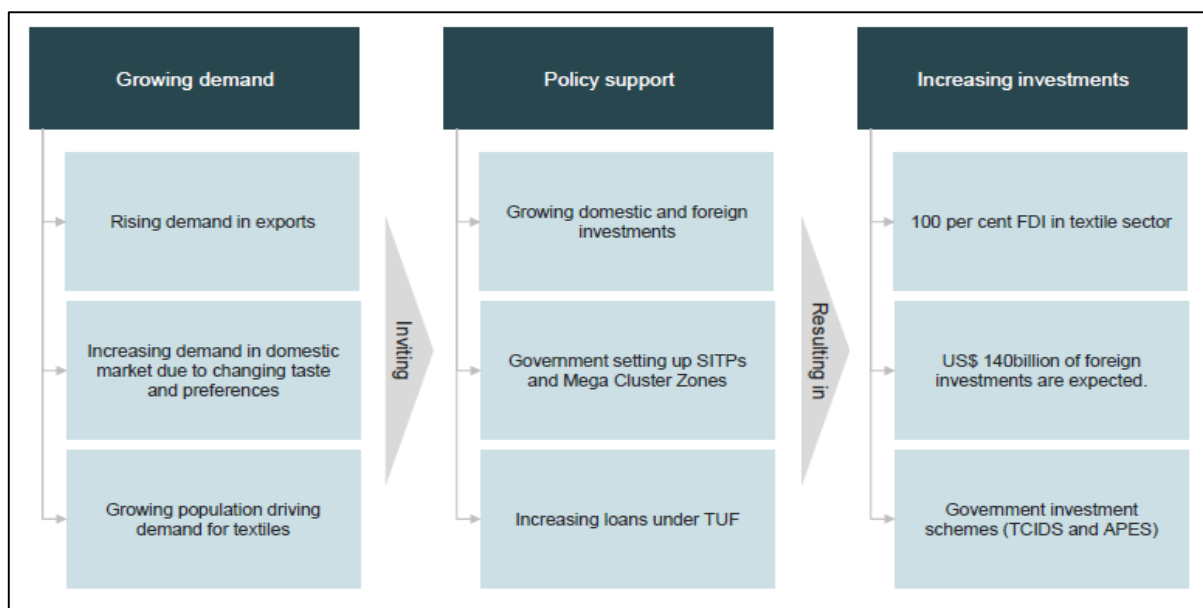
(Source: Textile and Apparel Report July 2018 - India Brand Equity Foundation www.ibef.org)

KEY TEXTILES AND APPAREL ZONES IN INDIA



(Source: Textiles and Apparel Report, July 2018 - India Brand Equity Foundation, www.ibef.org)

STRONG FUNDAMENTALS AND POLICY SUPPORT AIDING GROWTH



(Source: Textile and Apparel Report July 2018 - India Brand Equity Foundation www.ibef.org)

EXPORT AND IMPORT OF TEXTILE ITEMS

Export of textile items (in Million US\$)					
Items	2013-14	2014-15	2015-16	2016-17	2017-18
Fibre incl. waste	4521.44	2711.85	2768.31	2520.74	2792.73
Yarn	6725.73	5984.31	5403.98	5260.58	5487.86
Fabrics	4676.39	4949.65	4572.89	4316.51	4349.51
RMG	15003.87	16847.20	16984.08	17469.43	16664.84
Made Ups	4469.39	4645.26	4584.91	4720.35	4996.72
Other textiles	2174.21	2521.27	2434.20	2342.46	2328.49
Total	37571.03	37659.52	36748.38	36630.07	36620.15
% change over the previous year	13.68	0.24	(2.42)	(0.32)	(0.03)

Source: Monthly Statistics of the Foreign Trade of India, DGCIS, Kolkata

Import of textile items (in Million US\$)					
Items	2013-14	2014-15	2015-16	2016-17	2017-18
Fibre incl. waste	1264.15	1498.54	1362.61	1917.72	1944.24
Yarn	1042.18	1112.42	992.85	883.76	1069.76
Fabrics	1175.47	1270.24	1281.25	1157.43	1471.81
RMG	431.00	524.37	581.93	595.47	770.78
Made Ups	375.85	496.36	549.01	430.79	459.55
Other textiles	1009.17	1112.88	1084.49	1058.20	1298.27
Total	5297.83	6014.80	5852.14	6043.39	7014.41
% change over the previous year	(1.09)	13.53	(2.70)	3.27	16.07

Source: Monthly Statistics of the Foreign Trade of India, DGCIS, Kolkata

NOTABLE TRENDS IN INDIA'S TEXTILES SECTOR

• Textile Parks

As of September 2017, the Government of Maharashtra is planning to set up nine textile parks in the northern cotton producing parts of the state, in an attempt to supplement farmers' income via value-added products.

As of October 2017, the foundation stone for Kakatiya Mega Textile Park, India's largest textile park, was laid in Warangal district of Telangana. The park will be spread across 2,000 acres and is expected to generate

22,000 direct and 44,000 indirect jobs. 14 companies have already planned to set up units in the textile park worth total investments of Rs 3,000 crore (US\$ 463.39 million).

- **Multi-Fibre Arrangement (MFA)**

With the expiry of MFA in January 2005, cotton prices in India are now fully integrated with international rates.

- **Public-Private Partnership (PPP)**

The Ministry of Textiles commenced an initiative to establish institutes under the Public-Private Partnership (PPP) model to encourage private sector participation in the development of the industry

- **Technical textiles**

Technical textiles industry, which has a market size of Rs 116,000 crore (US\$ 18 billion) in 2017-18 is projected to grow at the rate of 20 per cent year-on-year supported by various flagship schemes by the government to promote full potential.

- **Promotion of Khadi**

The Government of India plans to connect around 50 million women in Indian villages to charkha (spinning wheel) in the next five years with the aim of providing employment and promoting the khadi brand. US\$ 70.83 million has been allocated to promote the use of geotechnical textiles in the North East states.

(Source: Textile and Apparel Report July 2018 - India Brand Equity Foundation www.ibef.org)

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

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

Investment was made to promote modernisation and up-gradation of the textile industry by providing credit at reduced rates. A subsidy of Rs 1,400 crore (US\$ 216.25 million) was released under this scheme in 2017. Under the Union Budget 2018-19, Rs 2,300 (US\$ 355.27 million) crore have been allocated for this scheme

- **National Textile Policy -2000**

Key areas of focus include technological upgrades, enhancement of productivity, product diversification and financing arrangements. New draft for this policy ensures to employ 35 million by attracting foreign investments. It also focuses on establishing a modern apparel garment manufacturing centre in every North Eastern state for which Government has invested an amount of US\$ 3.27 million

- **Foreign Direct Investment**

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

- **SAATHI Scheme**

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 power loom sector of India.

- **Merchandise Exports from India Scheme**

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.

- **Scheme for Capacity Building in Textiles Sector (SCBTS)**

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. The scheme is aimed at providing a demand



driven and placement oriented skilling programme to create jobs in the organised textile sector and to promote skilling and skill up-gradation in the traditional sectors.

- **Textile Incentives**

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

- **Khadi App Store**

The National Board of Khadi and Village Industries Commission (KVIC) launched a mobile phone application for locating 4,000 khadi stores in India.

(Source: Textile and Apparel Report July 2018 - India Brand Equity Foundation www.ibef.org)

OPPORTUNITIES IN TEXTILES INDUSTRY

- **Immense growth potential**

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The sector is expected to be reached to USD226 billion by FY2023. Population is expected to reach to 1.34 billion by FY2019. Urbanisation is expected to support higher growth due to change in fashion and trends

- **Private sector participation in silk Production**

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

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

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

- **Retail sector offers growth Potential**

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

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

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

- **Foreign investments**

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

(Source: Textile and Apparel Report July 2018 - India Brand Equity Foundation www.ibef.org)

TEXTILE INDUSTRY: ADVANTAGE INDIA

- **Robust demand**

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

- **Increasing investments**

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

- **Competitive advantage**

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

- **Policy Support**

100 per cent FDI (automatic route) is allowed in the Indian textile sector. Under Union Budget 2018-19, government has allocated USD 4.63 million for integrated parks in India. Free trade with ASEAN countries and proposed agreement with European Union will boost exports.

(Source: Textile and Apparel Report July 18 - India Brand Equity Foundation)



OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward Looking Statements” beginning on page 18 of this Draft Prospectus, for a discussion of the risks and uncertainties related to those statements and also the Section “*Risk Factors*” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this Section, unless otherwise stated, is derived from our Financial Information, prepared in accordance with Indian GAAP and Companies Act and restated in accordance with the SEBI Regulations. 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 the Sections titled “*Risk Factors*” and “*Financial Statements*” as restated beginning on pages 21 and 186 respectively.

Unless otherwise stated, references in this Section to “Vinny”, “the Company” or “our Company” are to Vinny Overseas Limited, and references to “we”, “our” or “us” are to the Company.

OVERVIEW OF THE BUSINESS

Our Company was originally constituted as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated May 29, 1992 bearing Registration Number 04-17742 of 1992-93 issued by the Registrar of Companies Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on February 21, 2017 and the name of our Company was changed to Vinny Overseas Limited and a fresh Certificate of Incorporation consequent upon Conversion of Private Company to Public Limited dated March 02, 2017 was issued by the Registrar of Companies Ahmedabad. The Corporate Identification Number of our Company is U51909GJ1992PLC017742.

We are engaged in the processing of fabrics for shirting, suiting and dress materials through manufacturing process of weaving, dyeing, printing and finishing. Our Company procures Grey Fabric from the domestic market and further dyes the same as per the client’s requirements on the basis of quality of the fabric, sizing requirements etc. Our Company is also engaged in Job-Work for wholesale cloth merchants and also trade in grey cloth as per the order received from the customer.

Our products offering can be largely classified into Shirting Fabrics, Shooting Fabrics, Polyester Fabrics, Dress Materials and Cotton Fabrics. Our operations and facilities enable us to provide a number of textile products / processes for our customers.

Established in 1992, with over two decades of experience in the textile industry, we cater both domestic and international clients. Our Company has also been recognized by Director General of Foreign Trade, Ministry of Commerce and Industry as a “One Star Export House” and holds a valid certificate upto 2020. Also, We hold the Registration cum Membership certificate as Manufacturer-Exporter from The Synthetic & Rayon Textiles Export Promotion Council upto March 31, 2021. Our Company majorly focuses in quality of fabrics by utilizing plant and machineries with requisite technology, delivering quality textiles at competitive prices and maintaining long term association with our clients.

Our processing unit is located at Isanpur Road, Narol, Ahmedabad in the state of Gujarat, on approximately 27000 square yard of land which comprises of dyeing, printing and finishing processing with a capacity of processing of approx. 4,00,00,000 meter per annum. For the financial year 2017-18, our Company has processed 3,82,87,548 meters of fabrics. The unit has the capacity to print, dye and process wide range of fabrics i.e. cotton, polyester, viscose and man-made & blended fabrics suitable for men’s wear, women’s wear, home furnishing and many other applications. Our Company based on its experience and its standards, conforms to major specifications and customer requirements. We firmly believe in benchmark product quality, customer centric approach, people focus, ethical business practices and good corporate citizenship.

We have an in-house Testing and Quality Control (“QC”) Team which undertakes testing and quality management. Our testing and QC team coupled with our testing equipments ensure the quality of raw material dispensed in the 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 promoter has more than three decades of experience in the textile industry. Our Promoter is engaged in day-to-day operations of our Company and actively participate in decision making activities overhauling overall operations which ranges from processing activity, marketing, finance and other commercial activities related to our business.

In Financial Year 2018, we exported our products to five countries viz. United Arab Emirates (UAE.), Sri Lanka, Iraq, Bahrain and Panama City. Revenue from Export Market constitutes approx. 6.20% of the total revenue.

In addition to trading and manufacturing of printed fabrics, Company also does the job work of the fabrics. Our Company has demonstrated growth during the last five financial years, details of our revenue from operations are as under:-

(Amount Rs. In Lakhs)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Manufacturing	3,389.07	4,079.47	5,342.84	4,415.44	6,929.93
Trading	1,759.95	1,219.35	1,154.56	1,907.57	2,453.72
Job Work	2,828.06	3,324.10	3,200.05	3,389.61	3,599.70
Total	7,977.08	8,622.92	9,697.45	9,712.62	12,983.35

Our Company has also set up a wind power project of 1.650 MW capacity at village Vandhiya, Taluka-Bhachau, District Kutch using wind turbine generators in Gujarat. The basic purpose of installing this power project was to meet the heating and power requirement of the process plant. Our Company has executed an agreement with Torrent Power Ltd. (“TPL”) Dated April 12, 2010 whereas TPL has agreed to wheel the electricity generated by our Company for captive use from TPL receiving point to our processing plant and TPL shall purchase the surplus energy i.e. total energy generated by our Company minus the energy consumed by our Company at the rate as approved by Gujarat Electricity Regulatory Commission

FINANCIAL SNAPSHOT

Financial Performance of Company

(Amount Rs. In Lakhs)

Particulars	FY 2015-16	FY 2016-17	FY 2017-18
Total Revenue	9,830.42	9,833.52	13,054.15
EBITDA	414.62	560.35	816.83
PAT	111.44	170.38	307.56

Geographical wise sales for FY 2017-18

Our Company generates approx. 93.80 % of its Revenue from Operation from Domestic market while approx. 6.20% of Revenue is generated by its export operations. The details of geographical break up is as under:

(Amount Rs. In Lakhs)



Country	Amount	Percentage to Total Revenue
India	12218.15	93.80
United Arab Emirates(Dubai)	405.21	3.11
Sri Lanka(Colombo)	217.56	1.67
Kuwait	53.68	0.41
Bahrain(Manama)	93.29	0.72
Panama City	37.56	0.29
Total	13024.45	100

Top 5 customers for FY 2017-18

(Amount Rs. In Lakhs)

Sr. No.	Customer Name	Export/Domestic	Amount	% to Total Revenue
1.	Aarnav Industries Pvt. Ltd.	Domestic	1263.64	9.68
2.	Gopi Synthetics Pvt. Ltd.	Domestic	959.45	7.35
3.	Himanshu Textile	Domestic	821.51	6.29
4.	Roma Textiles	Domestic	482.27	3.69
5.	Jaluram Textile Mills	Domestic	390.23	2.99
Total			3917.10	30.00

Top 5 Suppliers for FY 2017-18

(Amount Rs. In Lakhs)

Sr. No.	Suppliers Name	Amount	Percentage to Total Purchase
1.	Gopi Synthetics Pvt. Ltd.	1209.33	11.02
2.	Aarnav Industries Pvt. Ltd.	807.86	7.36
3.	Tharun Texspin Mills Pvt. Ltd.	582.88	5.31
4.	Arihant Corporation	536.36	4.89
5.	Royal Coal	370.52	3.38
Total		3506.95	31.96

OUR COMPETITIVE STRENGTHS

Our Experienced Management

Our operations commenced under the guidance of our founding Promoter Hiralal Parekh who has successfully managed various phases of expansion and growth of our business and operations. We have an experienced management team with our promoter having more than three decades of experience in the textile industry. It is through the constant efforts and experience of our management team that we have been able to build a sustainable business model. Our Company is managed by a team of experienced personnel. The team comprises of personnel having operational and business development experience. We believe that our management team's experience and their understanding of the textile industry will enable us to continue to take advantage of both current and future market opportunities.

Timely Execution of orders and Cost effective production

Our Company has taken various steps in order to ensure adherence to timely fulfillment and also to achieve cost efficiency as timely fulfillment of the orders is a prerequisite in our industry. These steps include identifying quality raw materials, 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 has enjoyed good relations with our suppliers and as a consequence have the benefit of timely supplies of the raw materials which has been one of the major reasons to achieve timely fulfillment of orders of our customers. Our Company constantly endeavors 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.

Locational Advantage

Our Processing facility is located in Narol Road, Ahmedabad which is strategically located and is well connected by rail, roads and air with the rest of the country.

- The Unit is located within the limits of Ahmedabad Municipal Corporation and is 17 km from Ahmedabad International Airport.
- The plant of the Company is located near to the National Highway No. 8 connecting Northern & Western India.
- The major raw materials i.e. Grey Fabric and Colours & Chemicals are easily available from the manufacturers located in Gujarat and Maharashtra. Thus, procurement of these raw materials is less time consuming and comparatively cheaper due to savings on freight.
- Ahmedabad has been the hub of Textile Industry in Gujarat. Skilled and semi-skilled workers are easily available in Gujarat in view of the wide spread Textile industry located in the Western Region for over a Century.

Thus, the location of the site is advantageous to the company in procurement of Raw materials as well as the Finished Products.

Scalable Business Model

Our business model is order driven and focus on maximum capacity utilization, developing linkages with quality raw material suppliers and achieving consequent economies of scale. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the development of new markets both international and domestic, by adopting aggressive marketing of the products, innovation in the product range and by maintaining the consistent quality of the product

Diversified Range of Products

Our Company deals in a range of products like Shirting Fabrics, Shooting Fabrics, Polyester Fabrics, Dress Materials and Cotton Fabrics. This wide range of products has given us immense opportunity to expand and explore new markets. Our Company has presence in domestic as well as overseas markets. Our overseas supplies are primarily distributed among United Arab Emirates (U.A.E.), Sri Lanka, Iraq, Bahrain and Panama City markets.

Diversified Domestic and International Customer base

We have over two decades of experience in the textile industry and have developed long standing relations with our overseas and domestic customers. For the year ended March 31, 2018, our total clientele consisted of more than 300 customers. We enjoy the confidence of customers because of our ability to offer in-house designs and samples, timely responsiveness, and capacity to cater to various order sizes.

In-house Product designing

Designing is an important element in the production of fabrics. The ability to produce innovative designs is one of our major strengths and improves our competitiveness in the market. Our in-house designing team focuses on providing value-added products design by understanding the current fashion trends thus helping us in procuring new as well as repeat orders. The design and sampling team continuously interacts with the clients to understand their requirements and provides the designs based on their requirements.



OUR BUSINESS STRATEGY

Leveraging Market skills and Relationship

Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction.

Focus on consistently meeting quality standards

Our Company strives to consistently meet quality standards to the customer satisfaction. This is necessary so as to make sure that we get repeat business from our existing customers. This will also aid us in enhancing our brand value.

Operational improvisation

We continue to invest in improvement of operational performance throughout the organization. We are addressing these through continuous process improvement, customer service and technology development. Alignment of our people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is widespread among all the employees.

Enhance customer base by entering new geographies to establish long-term relationships:-

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. Our Company operates from Narol, Ahmedabad with having dealers spread across various places in India. We propose to increase our marketing and sales team which can focus in different regions and also maintain cordial relationship with our customer. Enhancing our presence in additional region will enable us to reach out to a larger population. Further our Company believes in maintain long term relationship with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovations, quality assurance and timely delivery of our products.

Brand Image

We would continue to associate ourselves with good quality customers and execute projects to their utmost satisfaction. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers.

SWOT ANALYSIS

Strengths <ul style="list-style-type: none">• Integrated Manufacturing Facility• Our Experienced Management• Existing relationship with clients	Threats <ul style="list-style-type: none">• High Competition• Change in Fashion• Striking a balance between the quality and the price of products
Weakness <ul style="list-style-type: none">• Labour intensive industry• Working Capital Intensive Industry• Trend change in the Industry	Opportunities <ul style="list-style-type: none">• Growth Potential in Domestic and International Market• Enhancing operational efficiency

Locational Presence

Our Registered Office as well as the Processing Unit is located at B/H International Hotel Narol-Isanpur Road Narol Ahmedabad-382405, Gujarat, India. The land on which the Registered Office and Processing Unit are situated is rented from our promoter, Hiralal Parekh. For details of the lease-hold land, please refer to "Our Business" on page 130 of this Draft Prospectus.

OUR PRODUCTS

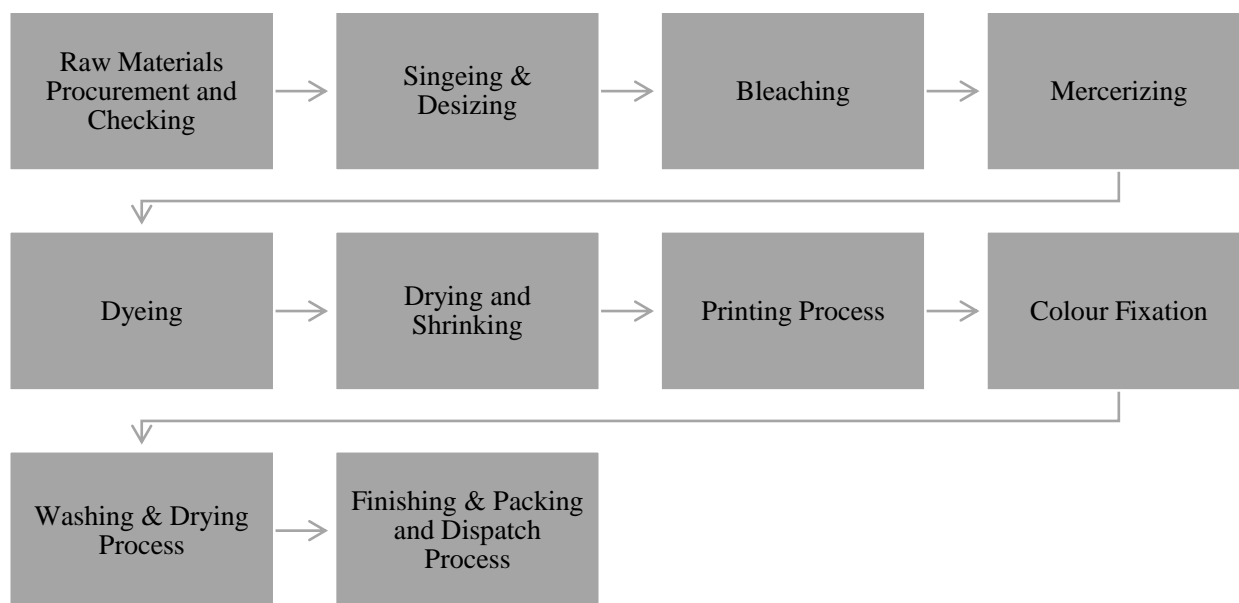
We are engaged in the business of processing of Grey Fabric using various bleaching, dying and printing processes. Our Company is also engaged in providing job work services as well as manufacturing finished goods meant for direct sale. Our Company procures Grey Fabric from the market and further dyes, prints and finishes the same as per the client's requirements on the basis of quality and design of the fabric, sizing requirements etc. Our Company is also engaged in trading of grey fabrics as per the customers requirement. The Product portfolio are as follows:

Sr. No.	Products	Description	
1	Shirting fabrics		72x68 Cotton White Pigment Print 58"
			132x72 Sartin Pigment Print 58"
2.	Suiting Fabrics		Sartin Slub Dying 58"
			Metty Dying 58"
			30x30 Twill Dying 58"
3.	Polyster fabric		Chirag Pigment Print 44"
4.	Dress materials		Reyon Prossion Print 44"
			Cambrics Prossion Print 44"
			30x150 Twill Pigment Print 58"



5.	Cotton fabric		20x20 Cotton Prossion Print 58"
			92x80 Cotton Dyed Pigment Print 44"

OUR BUSINESS PROCESS



1. Raw Materials Procurement and Checking

Our business process starts with the procurement of Raw Materials for further processing which includes procurement of Grey Cloth such as Cotton cloth, Synthetic cloth, Colors, dyes and different types of chemicals i.e Caustic Soda Flakes, Soda Ash, Soda Bi Carb, Hydrogen Peroxide etc. from the market which is ordered as per the requirements of the company depending on the type of products to manufacture. Grey Cloth are majorly procured from Maharashtra and Tamilnadu and other raw material are sourced from the local suppliers on need basis.

Materials are received in different forms i.e. either in bale packing or roll packing which are analyzed and checked for satisfying the quality and quantity of raw material.

Raw materials procurement is done also in job works which is supplied by the different customers for further processing on job work basis, so according to the requirements of job work supporting material also procured.

2. Singeing & Desizing

Singeing is a process in which all sorts of surface fibers are removed. All the grey cloth requires Singeing and Scouring before being sent for further processing

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 cloth 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.

3. Bleaching

Bleaching is chemical treatment employed for the removal of natural colouring matter from the substrate of the grey fabric. The source of natural colour is organic compounds with conjugated double bonds, by doing chemical bleaching the discoloration/oxidation takes place by the breaking the chromosphere, most likely destroying the one or more double bonds with in this conjugated system. The material appears whiter after the bleaching.

Fibres are off-white in colour due to colour bodies present in the fibre. The degree of off-whiteness varies from batch-to-batch. Bleaching therefore can be defined as the destruction of these colour bodies. White is also an important market colour so the whitest white has commercial value. Yellow is a component of derived shades. A consistent white base fabric has real value when dyeing light to medium shades because it is much easier to reproduce shade matches on a consistent white background than on one that varies in amount of yellow.

Bleaching may be the only preparatory process or it may be used in conjunction with other treatments, e.g. desizing, scouring and mercerizing. The combination of such treatments for an individual situation will depend on the rigorousness of the preparation standard and economic factors within the various options. Other chemicals will be used in addition to the bleaching agent. These serve various functions such as to activate the bleaching system, to stabilize or control the rate of activation, to give wetting and detergent action, or to sequester metallic impurities. This Section gives consideration to the selection of bleaching agents and to the role of the various chemicals used in conjunction.

The purpose of bleaching is to remove coloured impurities from the fibre and increase the whiteness level of fabric. This all process of bleaching is done by way of Jigger machine installed in the factory.



4. Mercerizing

In this process an Impregnation of the material in relaxed state, cold caustic solution of required strength and wet ability, Stretching while the material is still impregnated in the caustic solution. Washing off the caustic soda from the material while keeping the material still in the stretch state.

A treatment of cotton fabric or synthetic fabric to increase its luster and affinity for dyes. The material is immersed under tension in a cold sodium hydroxide (caustic soda) solution in warp or skein form or in the piece, and is later neutralized in acidic condition. The process causes a permanent swelling of the fiber and thus increases its luster. It is the process of treatment of cellulosic material with cold or hot caustic conditions under specific conditions to improve its appearance and physical as well as chemical properties.

The purpose of mercerizing is basically to improve the lusture, to improve the strength and to improve the dye uptake and moisture regain.



5. 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 Brightening Range, wherein the fabric is treated with the help of Whitening Agents, Whitening Chemicals and auxiliaries and further sent for finishing.



6. 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.



Dyed, printed or bleached fabric is subjected to finishing & packing process or printing as per the customers order.

7. Printing Process

Dried, dyed or bleached fabric (as per requirement) is subjected to batch formation and taken for printing on printing machines. Colour mixtures are applied via thickeners and other ingredients (for colour fixation) through printing screens engraved with desired patterns and designs. Now-a-days, table, Flat Bed & Rotary Printing machine are mostly used and digital printing / transfer printing is also used for limited production. Roller printing is also practiced in some process houses. However at Vinny we use Table printing for sample printing and bulk production is taken on Flat beds & Rotary printing machine. Various kinds of printing is done as per requirement which includes disperse printing, pigment printing, reactive printing, resist printing, vat discharge printing, khadi print, ornamental printing e.g. Zari, silver and bronze powder printing, foil printing, foam printing, etc.



8. Colour Fixation

After printing colour fixation is done on polymerizes, high temperature loop steamers or continuous steamer as per class of dye used for printing. This process involves heat and steam treatment to printed fabric through which printed patterns are permanently fixed on fabric surface.



9. Washing & Drying Process

Washing operations are carried out most frequently during a complete fabric finishing cycle. They are almost always connected to key treatments and aimed at removing from the fabric insoluble matters, matters already in solution or an emulsion of other impurities in dyeing. The washing stage is necessary to complete the dyeing process itself or to eliminate the dyestuff which has not been fixed; during the printing stage, washing performs a finishing action. When using vat dyes or disperse dyes, the washing process aims at removing insoluble pigment substances from the fibre surface by means of wetting or dissolving agents.

10. Finishing & Packing and Dispatch Process

Dyed, printed or bleached fabric is subjected to finishing. Chemical finishing imparts desired feel weight and fall to fabric and also incorporate desired properties of viz. water proofing, fire resistance, anti-bacterial properties, softness, fragrance etc. This operation also ensures dimensional restructuring and stability of fabric that is width setting. Mostly high speed setters are used for this process.

After chemical finishing, fabric is subjected to mechanical finishing, imparting dimensional stability. This is done on sanforising machine which controls shrinkage of fabric during washing of garments, calendaring is done to impart shining and smooth feel to end product.

Finished fabric is sent to checking and packing department for quality inspection and packing followed by dispatching through bale formation.





We are also engaged in trading of grey cloth in domestic market. We supply the same to garment houses and apparel manufacturers as per the order received. Our Company is also engaged in the business of dyeing and processing of fabrics on job work basis for other textile companies as per their specification and requirements.

LIST OF MAJOR PLANT & MACHINERY

The details of existing major Plant & Machinery for the Fabric Processing Unit are given below:-

Machine Name	No. of Machine
Flat Bed Screen Printing	4
Flat Bed Rotary Screen Printing	1
Rotary Screen Printing	2
Continuous Steam Ager	2
Loop Steamer	2
Hot Air Setter	4
Calender Machine	3
Zero Zero Machine	1
Batching Stenter Machine	2



Big Batching Machine	1
Flat Dryer	1
Marsrise Machine	1
Print washer	2
Drying Rang Machine	1
Jet Dyeing Machine	5
Jety 10 Machine	5
Soft Flow Dyeing Machine	1
Welding Machine	3
Drilling	1
Hexo cutting Machine	1
Jigger Dyeing	55
Pitching Machine	1
Folding Machine	6
Rolls Folding Machine	4
Steam Boiler	2
Thermic fluid heater	1
Effluent Treatment Plant	1 set
Air compressors	6
Hydraulic Lift	2
Padding Machine	3

RAW MATERIALS

Since the Company processes the fabrics, the major raw materials required by the Company are Grey Cloth, Dyes, Colours & Chemicals etc. We procure Grey Cloths from the vendors based at Maharashtra and Tamilnadu and other raw materials like Colour and Chemicals we procure from the local market of Ahmedabad. Such raw materials are procured from trusted vendors from the local markets. The procured raw materials go through 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.

CAPACITY & CAPACITY UTILIZATION

The production and utilized capacities of our Company for our products for the past three years and also the projected capacities and utilizations for the subsequent three years are set forth in the following tables:

Particulars	Existing			Proposed		
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Total Installed Capacity (Mtr)	3,80,00,000	3,80,00,000	4,00,00,000	5,00,00,000	5,50,00,000	6,50,00,000
Utilized Capacity (Mtr)	3,77,22,600	3,46,06,600	3,82,87,548	4,75,00,000	5,22,50,000	6,30,50,000
Utilized Capacity (%)	99.27 %	91.07 %	95.71%	95.00 %	95.00 %	97.00 %

COLLABORATIONS/TIE UPS/ JOINT VENTURES

As on date of this Draft Prospectus, Our Company has not entered into any collaboration / tie ups / joint ventures.

SALES & MARKETING

Marketing is an important function of our organization. Our success lies in the strength of our relationship with our customers who have been associated with our Company since a long period in time. Our promoter through their vast experience and good rapport with clients owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. We have also a sales team which handles business development and relationship management for our business.

We believe our relationship with the clients is strong and established as we receive repeated orders. To retain our customers, our team, which comprises of people with vast experience regularly interacts with them and focuses on gaining an insight into the additional needs of customers.

We intend to expand our existing customer base by reaching out to other geographical areas. Our marketing team is ready to take up challenge so as to scale new heights.

COMPETITION

We face substantial competition for our products from other manufacturers in domestic market and the international market. Our competition varies for our products and regions. We compete with other manufacturers on the basis of product range, product quality, and product price including factors, based on reputation, regional needs, and customer convenience. While these factors are key parameters in client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals. Some of our major competitors are:-

- Dhanlaxmi Fabrics Limited
- Aarvee Denims & Exports Limited
- Gopi Synthetics Private Limited
- Bmp Textile Mills Private Limited
- Vishal Fabrics Limited
- Mukesh Industries Limited

EXPORT AND EXPORT OBLIGATIONS

As per the Authorization Forwarding Letter issued by the Additional DGFT, our Company has following export obligations as on March 31, 2018:

License No.	Date of issue	Export Obligation (In US \$)	Export Obligation (Amount In Rs. Lakhs)	Duty Saved (Amount Rs. In Lakhs)	Outstanding Export Obligation (Amount Rs. In Lakhs)	Export Obligation Period
830010178	09.02.2018	238148.5	154.55	25.76	154.55	6 YRS

UTILITIES & INFRASTRUCTURE

Infrastructure Facilities

Our registered office and factory site is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

Power:



Our Company has set up a power project of 1.650 MW capacity at village Vandhiya, Taluka : Bhachau, District Kutch using wind turbine generators in Gujarat to generate electricity for use in its processing plant. Our Company has executed an agreement with Torrent Power Ltd. (“TPL”) Dated April 12, 2010 whereas TPL has agreed to wheel the electricity generated by our Company for captive use from TPL receiving point to our processing plant and TPL shall purchase the surplus energy i.e. total energy generated by our Company minus the energy consumed by our Company at the rate as approved by Gujarat Electricity Regulatory Commission.

Our Company also has stand by arrangement of one D. G. Sets of 380 KVA to run a part of production machines in absence of power facilities.

Water:

The water is required in processing process and for human consumption. Our Company having two number of bore wells to meet the water requirement. The Company has also water storage tank.

Boilers

Company is required steam at various stages of processing process. Presently the Company has two steam generating Boilers with a capacity of 8 Tonnes and 2 Tonnes, and one Oil boiler with capacity of 25 Lacs Kg which are used for the Processing facility. Coal is used as the fuel for the boilers and are procured as per the requirements.

Effluent Treatment Plant

The Company has Effluent Treatment Plant for bringing down the levels of effluents discharged during the process of manufacturing to the acceptable levels. The company has also received approval from GPCB and the Disposal waste is as per the General Standards notified from time to time.

HUMAN RESOURCE

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As on June 30, 2018, we have 76 employees on payroll and 143 contract workers.

Our manpower is a prudent mix of the experienced and youth which gives us the advantage of stability and growth. Our work progress and skilled/ semi-skilled/ unskilled resources together with our management team have enabled us to successfully implement our growth plans.

Our employees are not currently unionized, and there have been no work disruptions, strikes, lockouts or other employee unrest to date.

LAND AND PROPERTY

We have our properties located at following:

• Owned Properties:

Sr. No.	Property/Location	Usage
1.	Flat No 21, Third Floor, Yogeshwar Maninagar Co. Op. Housing Society Ltd. Situated at Kumbhnath Society Near Avkar hall, Maninagar, Ahmedabad	Staff Welfare
2.	Flat No 22, Third Floor, Yogeshwar Maninagar Co. Op. Housing Society Ltd. Situated at Kumbhnath Society near Avkar hall, Maninagar, Ahmedabad	Staff Welfare

- **Rented Property:**

Sr. No.	Property/Location	Name of Owner	Tenure	Usage
1.	309, B/h, Nisan Service Centre, Ishanpur Narol Highway Road, Narol, Ahmedabad-382405	Hiralal Parekh (Promoter)	5 Years w.e.f. April 01, 2016	Registered Office and Manufacturing Unit

INSURANCE DETAILS

Our insurance policies are subject to customary exclusions and deductibles. We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage maintained. We maintain insurance policies in respect of our operations. We maintain standard fire and special perils policy, Boiler & Pressure Plant insurance and insurance for our wind mill details of which are set forth below:-

Policy No.	Risk Covered	Sum Assured (Amount in Rs. Lakhs)	Name of Insurer	Policy Period	
				From	To
21300046182400000007	Fire and Burglary of wind mill	1122.00	The New India Assurance Co. Ltd.	April 01, 2018	March 31, 2019
300100441710000029	Boiler & Pressure Plant	205.00	National Insurance Company Ltd.	December 20, 2017	December 19, 2018
300100111710000292	Standard Fire & Special Perils for the manufacturing plant	7000.00	National Insurance Company Ltd.	December 20, 2017	December 19, 2018

INTELLECTUAL PROPERTY RIGHTS

As on date of this Draft Prospectus our Company does not have registered / applied for any intellectual property rights.



KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Draft Prospectus, the Companies Act, 1956 / the Companies Act, 2013, We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of dyeing and printing of grey fabrics industry. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page number 212 of this Draft Prospectus.

APPLICABLE LAWS AND REGULATIONS

BUSINESS/TRADE RELATED LAWS/REGULATIONS

The Micro, Small and Medium Enterprises Development Act, 2006

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as “micro enterprise”, where the investment in plant and machinery does not exceed twenty-five lakh rupees; “Small enterprise”, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five Crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five Crore but does not exceed ten Crore rupees and in the case of the enterprise engaged in the services, “Micro – enterprise”, where the investment in equipment does not exceed ten lakh rupees, “Small Enterprise” where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or “Medium Enterprise” where the investment in equipment is more than two crore rupees but does not exceed five Crore rupees.

Industrial Policy of Relevant State

Gujarat Textile Policy, 2012

With the object of continuing leadership position in textile sector, State Government of Gujarat issued Gujarat Textile Policy, 2012. The state government wants to strengthen entire value chain for overall growth of textile sector in the State of Gujarat. Eligible entities will be provided various incentives under the different schemes under the policy.

Major schemes under the policy are as follows;

- **Special Concession in Power tariff**

Power Tariff subsidy of @ Rs. 1 per unit in the billed amount of the utility for the units available for a period of five years as promotional initiative for cotton spinning and industries with or without preparatory in the State of Gujarat.

- **VAT Concession**

Eligible units will also be entitled to refund of VAT paid on purchase of raw materials and remission of VAT/CST collected on final/intermediate product within entire value chain to the extent of 100% the eligible fixed capital investments in plant and machinery within one year.

- **100% Foreign Direct Investment (FDI) in the Textile Sector**

The Indian Government has allowed foreign equity investment up to 100%, through automatic route, in the textile sector. Indian manufacturing companies are allowed 100% FDI to carry out wholesale trading on “a cash and carry basis” and also export trading through the automatic route, without seeking prior Government approval.

- **Export Promotion Capital Goods (EPCG) Scheme**

The EPCG scheme facilitates import of capital goods at 3% concessional rate of duty with appropriate export obligation.

Gujarat Industrial Policy 2015

Gujarat has witnessed strong growth in Micro, Small & Medium Enterprises (MSMEs) sector which covers the medium sector of Gujarat. MSME sector has a special importance as this is the sector which belongs to common man. Gujarat Government wishes to strengthen the sector by making it more technology-driven. This type of support will come by way of interest subsidy for manufacturing and service sector, venture capital assistance, quality certification, technology acquisition fund, patent assistance for national and international, energy and water conservation audit, market development assistance and support, MSMEs for credit rating, raising capital through MSE exchange, reimbursement of CGTSME scheme for collateral free loan, state awards under MSMEs and skill development etc. Support would also be extended for development of ancillary and auxiliary enterprises for labour intensive industries.

The Government of Gujarat will constitute separate awards for MSMEs. The awards will be for achieving excellence through growth and production profit, quality improvement measures, Environment improvement measures and Innovation and new product/process/technology development. The policy encourages adoption of new and innovative technologies by providing financial support will be provided to each cluster for every innovative technology, setting up R&D Institutions, setting new laboratories, financial support through partial reimbursement of cost for filing domestic patents and international patents.

Gujarat government shall be taking market development initiatives with the intention of giving enhanced visibility to local produce from large industries and specifically from MSMEs. Government of Gujarat stresses on “Zero Defect” to produce globally-competitive, locally manufactured goods. One of the expansive marketing practices around the globe is participation in international and domestic trade fairs to show one’s products or wares. Government of Gujarat will make market credit available to MSMEs.

Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by quality council of India) and international certification. The policy also intends to encourage use of enterprise resources planning system (ERP) for MSMEs. Government of Gujarat also provides assistance for raising capital through SME exchange on one time basis.

The Indian Boilers Act, 1923

The Indian Boilers Act, 1923 (the “Boilers Act”) states that the owner of any boiler (as defined therein), which is wholly or partly under pressure when is shut off, shall under the provisions of the Boilers Act, apply to the Inspector appointed thereunder to have the boiler registered which shall be accompanied by prescribed fee. The certificate for use of a registered boiler is issued pursuant to such application, for a period not exceeding twelve months, provided that a certificate in respect of an economiser or of an unfired boiler which forms an integral part of a processing plant in which steam is generated solely by the use of oil, asphalt or bitumen as a heating medium may be issued for a period not exceeding twenty-four months in accordance with the regulations made under Boilers Act. On the expiry of the term or due to any structural alteration, addition or renewal to the boiler, the owner of the boiler shall renew the certificate by providing the Inspector all reasonable facilities for the



examination and all such information as may reasonably be required of him to have the boiler properly prepared and ready for examination in the prescribed manner.

The Factories Act, 1948

The Factories Act, 1948 (“Factories Act”) aims at regulating labour employed in factories. A “factory” is defined as “any premises whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places. Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the “occupier”, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

National Textile Policy – 2000 (“NTxP – 2000”)

The Government of India in November 2000 announced the National Textile Policy – 2000, thereby replacing the previous Textile Policy of 1985. Though it is to be noted that a revised national textile policy is in the framework stage, however the same is yet to be notified. The main objective of the NTxP – 2000 was to enable the industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. It aimed at achieving textiles and apparel exports of upto \$ 50 billion by 2010 from the present \$ 11 billion. The NTxP – 2000 took note of the new challenges and opportunities presented by the changing global environment, particularly the initiation of the process of gradual phasing out of quantitative restrictions on imports and the lowering of tariff levels for an integration of the world textile and clothing markets by the end of 2004.

The objectives of the NTxP – 2000 are:

- Facilitate the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing, to enable the textile industry to build world class state-of-the-art manufacturing capabilities in conformity with environmental standards, and for this purpose to encourage Foreign Direct Investment as well as research and development in the sector.
- Equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market;
- Liberalise controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment enable the textile industry to build world class state-of-the-art manufacturing capabilities in conformity with environmental standards, and for this purpose to encourage both Foreign Direct Investment as well as research and development in the sector;
- Develop a strong multi-fibre base with thrust on product upgradation and diversification;
- Sustain and strengthen the traditional knowledge, skills and capabilities of our weavers and craftspeople;
- Enrich human resource skills and capabilities, with special emphasis on those working in the decentralized sectors of the textile industry; and for this purpose to revitalize the Institutional structure;

- Expand productive employment by enabling the growth of the textile industry, with particular effort directed to enhancing the benefits to the north east region;
- Make Information Technology (IT), an integral part of the entire value chain of textile
- Production and thereby facilitate the textile industry to achieve international standards in terms of quality, design and marketing and;
- Involve and ensure the active co-operation and partnership of the State Governments, Financial Institutions, Entrepreneurs, Farmers and Non-Governmental Organizations in the fulfilment of these objectives vide the NTxP – 2000 the Government has conveyed it's commitment towards providing a conducive environment to enable the Indian textile industry to realise its full potential, achieve global excellence, and fulfil its obligation to different sections of society.

The Textiles Committee Act, 1963

The Textiles Committee Act, 1963 ("TCA") was enacted in 1963. The textiles committee has been established under the TCA (hereinafter referred to as the "Textile Committee") with the primary objective of ensuring a standard quality of textiles both for domestic and export markets as well as standardization of the type of textile machinery used for production. The Textiles Committee's functions include, among others, the promotion of Indian textiles and textile exports, researching in technical and economic fields, establishing standards for Indian textiles and textile machinery, setting up of laboratories, and data collection. Additionally, the Textile Committee regulates the imposition of cess on textile and textile machinery that is manufactured in India under the Textiles Committee Act. The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 prescribes and provides for the levy and collection of an additional excise duty on certain textiles and textile articles.

Textile (Development and Regulation) Order, 2001 ("Textile Order")

The Textile Order was brought into force by the Central Government under section 3 of the Essential Commodities Act, 1955 and repealed the Textile (Development and Regulation) Order, 1993. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner.

The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade and Merchandise Marks Act, 1958, except under and limited to the extent of specific authorization by the holder of or applicant for such brand or trade name.

Export Promotion Capital Goods Scheme (EPCG Scheme)

To facilitate import of capital goods for producing quality goods and services to enhance India's export competitiveness. EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers. Also covers a service provider who is designated / certified as a Common Service Provider (CSP) by the DGFT.

The EPCG Scheme allows import of capital goods for pre-production, production and post production at 5% customs duty subject to an export obligation equivalent to 8 times of the duty saved on capital goods imported under the EPCG Scheme to be fulfilled over a period of 8 years reckoned from the date of issuance of the license. The EPCG Scheme covers manufacturer, exporters with or without supporting manufacturer(s)/ vendor(s), merchant exporters tied to supporting manufacturer(s) and service providers. Capital goods would be allowed at 0% duty for exports of agricultural products and their value-added variants. However, in respect of EPCG licences with a duty saved of Rs.100 crore or more, the same export obligation shall be required to be fulfilled over a period of 12 years.

Anti-Trust Laws

Competition Act, 2002



An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

GENERAL CORPORATE COMPLIANCE

The Companies Act 1956 and The Companies Act, 2013

The consolidation and amendment in law relating to Companies Act, 1956 made way to enactment of Companies Act, 2013. The Companies act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with Sections 196 and 197), Part I lay down conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

EMPLOYMENT AND LABOUR LAWS

The Industrial Disputes Act, 1947

The Industrial Dispute Act, 1947 and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under this Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The Act also sets out certain requirements in relation to the termination of the services of the workman. The Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20

or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the CLRA applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act") and the Employees Provident Fund Scheme, 1952

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under Section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees' Pension Scheme, 1995

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

Employees' State Insurance Act, 1948 (the "ESI Act")

It is an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government other than seasonal factories. Provided that nothing contained in this sub-Section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

Payment of Bonus Act, 1965



The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year covered to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

Payment of Gratuity Act, 1972

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948 (“MWA”) came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

Payment of Wages Act, 1936

The Payment of Wages Act, 1936 applies to the persons employed in the factories and to persons employed in industrial or other establishments, either directly or indirectly through a sub-contractor, where the monthly wages payable to such persons is less than Rs. 10,000/-. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

Equal Remuneration Act, 1979

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against Female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

Child Labour Prohibition and Regulation Act, 1986

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

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

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

Industrial Employment (Standing Orders) Act, 1946

The Industrial Employment (Standing Orders) Act, 1946 require employers in industrial establishments formally to define conditions of employment under them and applies to every industrial establishment wherein one hundred or more workmen are employed, or were employed on any day of the preceding twelve months.

TAX RELATED LEGISLATIONS

Value Added Tax (“VAT”)

VAT is a system of multi-point Levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT Liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods



and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons Liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

Gujarat Value Added Tax Act, 2003 (“GVAT”)

Gujarat Value Added Tax, 2003 (GVAT Act) is made effective in the state of Gujarat from 1st April, 2006. On its implementation following Acts are repealed.

- The Gujarat Sales Tax Act, 1969,
- The Bombay Sales of Motor Spirit Taxation Act, 1958,
- The Purchase Tax on Sugarcane Act, 1989.

However provisions relating to pending assessment, appeals, recovery etc., under the above Acts will survive. The basic requirement of charging tax under GVAT Act is that where any sale in the course of business is affected, in the State of Gujarat, VAT is payable under GVAT Act. Transactions made in the course of business only are covered under the GVAT Act.

The Gujarat (Panchayats, Municipalities, Municipal Corporations and State) Tax on Professions, Traders, Callings and Employments Act, 1976

Professional tax in Gujarat is governed by the Gujarat Panchayats, Municipalities, Municipal Corporation and State Tax on Professions, Traders, Callings and Employment Act, 1976 and rules of 1976. All registered partnership firms, all factory owners, all shops or establishment owners (if the shop has employed on an average five employees per day during the year), all businesses covered under the definition of ‘dealer’ defined in the Gujarat Value Added Tax Act, 2003 whose annual turnover is more than Rs. 2.50 lakhs, all transport permit holders, money lenders, petrol pump owners, all limited companies, all banks, all district or state level co-operative societies, estate agents, brokers, building contractors, video parlours, video libraries, members of associations registered under Forward Contract Act, members of stock exchange, other professionals, like legal consultants, solicitors, doctors, insurance agents, etc are covered under this Act. It is duty of the employers to deduct tax from the person earning any salary/wage in the organisation. For the purpose of this act, employer means in relation to an employee earning any salary or wages on regular basis under him, means the person or the officer who is responsible for disbursement of such salary or wages, and includes the head of the office or any establishment as well as the manager or agent of the employer.

Monthly Salary	Amount payable in Gujarat
Less than Rs. 5999	Nil
Rs. 6000 to Rs. 8999	Rs. 80 per month
Rs. 9000 to Rs. 11999	Rs. 150 per month
Rs. 12000 & above	Rs. 200 per month

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ‘taxable services’, as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5th / 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates.

Central Sales Tax Act, 1956 (“CST”)

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) When a sale or purchase takes place outside a State (c) When a sale or purchase takes place in the course of imports into or export from India, to provide for Levy, collection and

distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance.

The Central Excise Act, 1944

The Central Excise Act, 1944 (“Central Excise Act”) consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of Rs. 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto Rs. 75 lakhs (50 lakhs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products. The rate of tax for CGST and SGST/UTGST shall not exceed –

- 2.5% in case of restaurants etc.
- 1% of the turnover in state/UT in case of manufacturer.



- 0.5% of the turnover in state/ UT in case of other supplier.

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assessee are then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

OTHER LAWS

Shops and establishments laws in various states

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

ENVIRONMENTAL LEGISLATIONS

The Environment Protection Act, 1986 (“Environment Protection Act”)

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

Air (Prevention and Control of Pollution) Act, 1981

Air (Prevention and Control of Pollution) Act 1981 (“the Act”) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act 1974 (“the Act”) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

The Water (Prevention and Control of Pollution) Cess Act, 1977

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.

Hazardous Waste (Management and Handling) Rules, 1989

The Hazardous Waste (Management and Handling) Rules, 1989, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

The Public Liability Insurance Act, 1991

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

National Environmental Policy, 2006

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

INTELLECTUAL PROPERTY LEGISLATIONS

In general the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999

Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.



The Copyright Act, 1957

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Trade Marks Act, 1999

The Trade Marks Act, 1999 (the “Trade Marks Act”) provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

GENERAL LAWS

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

OTHER LAWS:

Foreign Trade (Development and Regulation) Act, 1992

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (DGFT) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of all the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. Director General of Foreign Trade (herein after referred to as DGFT) is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

Foreign Exchange Management Act, 1999

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999(“FEMA”) and the rules and regulations promulgated there under. The act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a

market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

FEMA Regulations

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India

THE FOREIGN DIRECT INVESTMENT

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), has issued consolidated FDI Policy Circular of 2017 ("**FDI Policy 2017**"), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India ("**RBI**") also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings and reporting to RBI.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.



OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

BRIEF HISTORY OF OUR COMPANY

Our Company was originally incorporated as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated May 29, 1992 bearing Registration Number 04-17742 of 1992-93 issued by the Registrar of Companies Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on February 21, 2017 and the name of our Company was changed to Vinny Overseas Limited and a fresh certificate of incorporation consequent upon Conversion of Private Company to Public Limited dated March 02, 2017 was issued by the Registrar of Companies, Ahmedabad.

The promoter of our Company is Hiralal J. Parekh

CORPORATE PROFILE

For information of our Company's corporate profile, including details of our business activities, products portfolio, technology, market and geographical segments, capacity built-up, marketing, growth of our business, managerial competence, major suppliers and customers, environmental issues, if any, exports etc., see "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Risk Factors*", "*Our Management*" and "*Financial Statements*" beginning on pages 130, 187, 21, 164 and 186 respectively.

CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Our Company's Registered Office is currently situated Behind International Hotel, Narol - Ishanpur Road, Ahmedabad, Gujarat-382405, India.

The details of changes in the address of our Registered Office since incorporation are set forth below:

Effective Date	From	To	Reasons
March 03, 2017	173, New Cloth Market, Ahmedabad – 380002, Gujarat, India	B/H International Hotel, Narol-Ishanpur Road, Ahmedabad-382405, Gujarat, India	Administrative convenience

Except as disclosed above, there has been no change in the Registered Office of the Company since its incorporation.

MAIN OBJECTS

The object clause of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The main objects of our Company are:

- To carry on, either on its own account or of others, the business of spinning, weaving, manufacturing, processing or dealing in cotton silk, artificial silk or wool, viscose, synthetic, linen, rayon nylon, fibre, hemp, jute, polyesters, man-made fabrics and other fibrous substances, and preparation, dyeing, colouring bleaching, finishing, mercerising, calendaring, printing and all kinds of processing, folding and packing of any of the said substances and the purchasing, selling, exporting, importing, manufacturing and dealing in yarn, cloth, textiles, made-up articles, apparels and garments of cotton or of any type of fibres, waste, mixed fibres, man-made fibres and all types of fibres manufactured on its behalf or of others.*
- To carry on the business of hading, exporting, supplying, distributing and dealing in handlooms, textiles, readymade and articles and things of general merchandise for consumer, industrial and other uses generally to work as general merchants, commission agents, departmental stores, exporters and importers.*

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Set out below are the amendments to the Memorandum of Association since the incorporation of our Company:

Date of Shareholder's Approval	Amendment
August 10, 1993	The authorized share capital of company of Rs. 15,00,000 consisting 12,000 Equity Shares of Rs. 100/- each and 3000 15% redeemable preference shares of Rs. 100/- each was increased to Rs. 30,00,000 consisting 25,000 Equity Shares of Rs. 100/- each and 5,000 15% Redeemable Preference shares Rs. 100/- each.
March 2, 1998	The authorized share capital of Rs. 30,00,000 consisting 25,000 Equity Shares of Rs. 100 each and 5,000 15% Redeemable Preference shares Rs. 100 each was increased to Rs 90,00,000 consisting of 85,000 Equity Shares of Rs. 100 each and 5,000 15% Redeemable Preference shares Rs. 100 each.
November 23, 2009	The authorized share capital of Rs. 90,00,000 consisting of 85,000 Equity Shares of Rs. 100 each and 5,000 15% Redeemable Preference Shares of Rs. 100 each was increased to Rs. 1,90,00,000 consisting of 1,85,000 Equity Shares of Rs. 100 each and 5,000 15% Redeemable Preference Shares of Rs. 100 each
December 31, 2010	The authorized share capital of Rs. 1,90,00,000 consisting of 1,85,000 Equity Shares of Rs. 100 each and 5,000 15% Redeemable Preference Shares of Rs. 100 each was increased to Rs 4,50,00,000 consisting of 4,45,000 Equity Shares of Rs. 100 each and 5,000 15% Redeemable Preference Shares of Rs. 100 each.
February 21, 2017	Clause I of the Memorandum of Association was amended to reflect the new name of our Company pursuant to the conversion of our Company from a private limited company to a public limited company, 'Vinny Overseas Limited'.
March 25, 2017	Reclassification of authorized share capital from Rs.4,50,00,000 divided into 4,45,000 equity shares of Rs. 100 each and 5,000 15% Redeemable Preference shares of Rs.100 each to Rs.4,50,00,000 divided into 45,00,000 equity shares of Rs. 10 each.
	The authorized share capital of Rs. 4,50,00,000 consisting 45,00,000 Equity Shares of Rs. 10 each was increased to Rs 12,50,00,000 consisting of 1,25,00,000 Equity Shares of Rs. 10 each.

KEY EVENTS, AWARDS, RECOGNITIONS AND MILESTONES

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Year	Particulars
1992	Incorporated as a Private Limited Company with the name 'Vinny Overseas Private Limited'
2014	Certified member of Saurashtra Enviro Projects Private Limited for a period of 5 years upto December 14, 2019.
2016	Certified as One Star Export House by the Directorate General of Foreign Trade
	Certified member of The Synthetic & Rayon textiles Export Promotion Council
2017	Conversion of the Company from Private limited to Public Limited
2018	Achieved turnover of Rs. 100 cr.

HOLDING/SUBSIDIARY COMPANY OF OUR COMPANY

Our Company has no holding and/or subsidiary company as on this date of filing of this Draft Prospectus.

CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT

For details regarding our capital raising activities through equity and debt, refer to the Section titled "*Capital*"



Structure” beginning on page 80 of this Draft Prospectus.

INJUNCTIONS OR RESTRAINING ORDERS

The Company is not operating under any injunction or restraining order.

MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY

Our Company has not merged/ amalgamated itself nor has acquired any business/undertaking, since incorporation.

SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of filing of this Draft Prospectus.

OTHER AGREEMENTS

Our Company has not entered into any agreements/arrangement except under normal course of business of the Company, as on the date of filing of this Draft Prospectus.

STRATEGIC/ FINANCIAL PARTNERS

Our Company does not have any strategic/financial partner as on the date of filing of this Draft Prospectus.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

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

CONVERSION OF LOANS INTO EQUITY SHARES

There have been no incident of conversion of loans availed from financial institutions and banks into Equity Shares as on the date of this Draft Prospectus.

CHANGE IN ACTIVITIES OF OUR COMPANY IN THE LAST FIVE YEARS

There has been no change in the activities of our Company during the last five years.

STRIKES AND LOCKOUTS

There have been no strikes or lockouts in our Company since incorporation.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares including bonus shares by capitalizing any revaluation reserves.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS

As on the date of this Draft Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

NUMBER OF SHAREHOLDERS

Our Company has 11 shareholders as on date of this Draft Prospectus.

DETAILS OF PAST PERFORMANCE

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to Section titled “*Financial Statements*” beginning on page 186 of this Draft Prospectus.

SIGNIFICANT SALE/PURCHASE BETWEEN OUR SUBSIDIARY/ASSOCIATE/HOLDING/JV AND OUR COMPANY

We do not have any Subsidiary, Holding, Joint Venture and Associate Company as on date of filing this Draft Prospectus.

DEFUNCT / STRUCK-OFF COMPANY

Neither the Company nor any of our Group Companies have become defunct or have been struck off as on the date of filing of this Draft Prospectus.



OUR MANAGEMENT

BOARD OF DIRECTORS

As per the Articles of Association, our Company is required to have not less than three (3) directors and not more than fifteen (15) directors, subject to the applicable provisions of the Companies Act. Currently, our Company has six (6) Directors.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Prospectus:

Sr. No.	Name, Fathers' Name, Designation, Address, Occupation, Nationality, DIN & Term	Age (years)	Other Directorship
1.	Name: Hiralal Parekh Father's Name: Jagdishchand Parekh Designation: Managing Director Address: Vaibhav, Near Gangajamna Flat, Camp Road, Shahibaug, Ahmedabad – 380004, Gujarat, India Occupation: Business Nationality: Indian DIN: 00257758 Term: Five (5) Years with effect from April 01, 2017	53	Public Limited Company Nil Private Limited Company Mohanlal Mahavirchand Impex Private Limited
2.	Name: Latadevi Parekh Father's Name: Champalal Lalwani Designation: Whole Time Director Address: 7, Saundrya villa, Ambli, Bopal, Ahmedabad – 380058, Gujarat, India Occupation: Business Nationality: Indian DIN: 02973048 Term: Five (5) Years with effect from April 01, 2017	53	Public Limited Company Nil Private Limited Company Mohanlal Mahavirchand Impex Private Limited
3.	Name: Vandani Chowdhary Father's Name: Hiralal Parekh Designation: Non-Executive Director Address: 3/B Mahaveer Society, Mahalaxmi Cross Road, Paldi Ahmedabad - 380007, Gujarat, India Occupation: Business Nationality: Indian DIN: 03048990 Term: Liable to retire by rotation	31	Public Limited Company Nil Private Limited Company Sanfo Foods Private Limited

Sr. No.	Name, Fathers' Name, Designation, Address, Occupation, Nationality, DIN & Term	Age (years)	Other Directorship
4.	Name: Nishita Shah Father's Name: Hiralal Parekh Age: 28 years Designation: Whole Time Director Address: 290/1, Sundar Niwas, Netaji Marg Mithakhali Six Road, Navrangpura, Ahmedabad - 380009, Gujarat, India Occupation: Business Nationality: Indian DIN: 07197925 Term: Five (5) years with effect from June 01, 2016	28	Public Limited Companies Nil Private Limited Companies Yashasvi Recyclers Private Limited
5.	Name: Jyotindra Adeshra Father's Name: Madhavlal Shantilal Adeshra Designation: Independent Director Address: 18/216 Rameshwar Apartment, Sola Road, Naranpura, Ahmedabad - 380063, Gujarat, India Occupation: Professional Nationality: Indian DIN: 07894849 Term: Five (5) years with effect from August 16, 2017	64	Public Limited Company Nil Private Limited Company Nil
6.	Name: Tarunkumar Mankad Father's Name: Kaushikray Mankad Designation: Independent Director Address: A-2 Ground Floor, Malabar Country-2, Behind Nirma University, off S.G. Highway Tragad, Ahmedabad - 382481, Gujarat, India Occupation: Professional Nationality: Indian DIN: 07905172 Term: Five (5) years with effect from August 16, 2017	61	Public Limited Company Nil Private Limited Company Nil

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Hiralal Parekh, aged 53 of years is Managing Director of our company. He holds a bachelor's degree in commerce from Gujarat University. He has been associated with our Company since incorporation and



appointed as Managing Director with effect from April 1, 2017. He has more than three decades of experience in the textile industry. He is actively associated with the company in its operations since its incorporation. He is the guiding force behind all the corporate decisions and is responsible for the entire business operations specifically manufacturing and sales operations of the company.

Latadevi Parekh, aged 53 years is Whole Time Director of our company. She holds a bachelor's degree in arts from Jain Vishva Bharati Institute. She was appointed as Director since March 04, 2010 and has been designated as Whole Time Director w.e.f. April 01, 2017. She has more than Eight years of experience in textile Industry. She is majorly responsible for Administration of Routine Business operations of the company.

Nishita Shah, aged 28 years is Whole Time Director of our company. She holds a master degree of business administration from Nirma University, Gujarat. She was appointed as Non – Executive Director since July 01, 2015 and she has been designated as Whole Time Director of the company w.e.f. June 01, 2016. She has more than 3 years of experience in the field of Finance, specifically associated with Fabric Manufacturing and Dyeing Industry. She is entrusted with the responsibilities of Quality Control and costing decisions associated with procurement operations of the company.

Vandani Chowdhury, aged 31 years is Non-Executive Director of our company. She is an associate member of Institute of Chartered Accountants of India. She was originally appointed as Non – Executive Director of the company with effect from May 12, 2010, redesignated as Non – Executive Director w.e.f. September 30, 2010; designated as Whole Time Director w.e.f. June 01, 2016 and further designated as executive director with effect from April 01, 2017 and on August 07, 2018 designated as non-executive director. She has more than experience of 10 years in the Fabric Manufacturing and Dyeing Industry and Human Resource Management.

Jyotindra Adeshra, aged 64 years is Independent Director of our company. He holds a bachelor's degree in science from R. A Science Collage, Ahmedabad, affiliated with Gujarat University. He has more than 30 years of experience in the banking sector. He has previously worked with Corporation Bank as Chief Manager. He has been on our board since August 12, 2017.

Tarun Mankad, aged 61 years is Independent Director of our company. He holds a bachelor's degree in commerce from Gujarat University. He has more than 13 years of experience in the banking sector. He has previously worked with State Bank of India as Assistant General Manager. He has been on our board since August 12, 2017.

CONFIRMATIONS:

As on the date of this Draft Prospectus:

1. Except as stated below; none of the Directors of the Company are related to each other as per Section 2(77) of the Companies Act, 2013:

Name of Director	Name of Other Director	Relation
Hiralal Parekh	Latadevi Parekh	Spouse
	Vandani Chowdhary	Father-Daughter
	Nishita Shah	Father-Daughter
Latadevi Parekh	Hiralal Parekh	Spouse
	Vandani Chowdhary	Mother-Daughter
	Nishita Shah	Mother-Daughter

2. None of our Directors are on the RBI List of wilful defaulters as on the date of this Draft Prospectus.
3. Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital markets by SEBI.
4. None of our directors are or have been directors in any of the listed companies which have been/ were delisted from the stock exchange(s).
5. None of our directors are or have been directors in any of the listed companies whose shares have been/were suspended from being traded on the stock exchange.

6. None of the Promoters, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by the SEBI.
7. There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the abovementioned Directors was selected as director or member of senior management.
8. The Directors of our Company has not entered into any service contracts with our Company which provides for benefits upon termination of employment.

REMUNERATION/COMPENSATION OF DIRECTORS

Except as mentioned below, none of the directors have received remuneration during the last financial year ended on March 31, 2018 including the perquisites under Section 17(2) of the Income Tax Act, 1961.

Name of the Directors	Amount (Rupees in Lakhs)
Hiralal Parekh	60.00
Latadevi Parekh	12.00
Nishita Shah	8.40

Terms and conditions of employment of our Managing Director:

Hiralal Parekh

Hiralal Parekh was the director of our Company since inception and designated as Managing Director w.e.f. April 01, 2017. The terms and conditions of his employment are as follows:-

Salary	Rs. 60.00 Lakhs per annum
Term	Five (5) years w.e.f. April 01, 2017
Perquisites	Reimbursement of medical and hospitalization expenses of the Managing Director and his family subject to a ceiling of one month salary in a year.
	Leave travel allowance for the Managing Director and his family once in a year in accordance with the Company policy.
	Bonus for the financial year, at the discretion of the Company, with shareholder approval.
	Reimbursement of expenses incurred by him in purchase of newspaper, magazines, books and periodicals in accordance with the Company policy.
	Reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company policy.
	Reimbursement of any other expenses properly incurred by him in accordance with the rules and policies of the Company
	Provision of chauffeur driven car for the use on Company's business, meal coupons and telephone at residence.

Terms and conditions of employment of our Whole Time Directors:

Latadevi Parekh

Latadevi Parekh was the director of our Company since March 04, 2010 and designated as Whole-time Director w.e.f. April 01, 2017. The terms and conditions of her employment are as follows:-

Basic Salary	Rs. 12.00 Lakhs per annum
Term	Five (5) years w.e.f. April 01, 2017



Nishita Shah

Nishita Shah was the director of our Company since July 01, 2015 and designated as Whole-time Director w.e.f. June 01, 2016. The terms and conditions of her employment are as follows:-

Basic Salary	Rs. 8.40 Lakhs per annum
Term	Five (5) years w.e.f. June 01, 2016

Terms and conditions of employment of our Independent Directors and Non-Executive Directors

Non-Executive and Independent Directors of our Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations.

COMPENSATION OF MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR

The compensation payable to our Managing Director and Whole Time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 196, 197 and 203 and any other applicable provisions of the Companies Act, 2013, the rules made thereunder (including any statutory amendment(s), modification(s) or re-enactment thereof for the time being in force), read with schedule V to the Companies Act, 2013 and Articles of Association of the Company.

SHAREHOLDING OF DIRECTORS IN OUR COMPANY

The shareholding of our Directors in our Company as of the date of filing of this Draft Prospectus is set forth below:

Sr. No.	Directors	No. of Equity shares	Percentage (%) of Pre-Issue equity capital	Percentage (%) of Post -Issue equity capital
1.	Hiralal Parekh	27,78,400	42.08	30.20
2.	Latadevi Parekh	10,02,400	15.18	10.90
3.	Vandani Chowdhary	6,14,000	9.30	6.67
4.	Nishita Shah	5,34,000	8.09	5.81
Total		49,28,800	74.65	53.58

INTEREST OF DIRECTORS

Our Directors are interested in our Company in the following manner: -

- All the Directors may be deemed to be interested to the extent of fees, if any, 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 the Articles of Association;
- All the Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them to the extent of any dividends payable to them and other distributions in respect of the said Equity Shares;
- All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firms in which they are partners as declared in their respective declarations;
- Hiralal Parekh, Latadevi Parekh, Nishita Shah, and Vandani Chowdhary have extended their personal guarantees for securing the repayment of bank loans obtained by our Company. For details, please refer chapter titled “Financial Indebtedness” beginning on page 202 of this Draft Prospectus.

Except as stated above and under the heading “Financial Statements, as restated – Annexure XXXII – Restated Statement of Related Parties Transactions” on page 186, under the Section titled “Financial Information”, we

have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which the Directors 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.

PROPERTY INTEREST

Except as stated/referred to in the heading titled “Land and Property” under the chapter titled “Our Business” beginning on page 130 and chapter titled “Related Party Transaction” on page 184 of this Draft Prospectus, our Directors have not entered into any contract, agreement or arrangements within a period of two years preceding the date of Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them. Further our Directors do not have any interest in any immovable property to be acquired by the Company except otherwise disclosed in the heading titled “Land and Property” under the chapter titled “Our Business” beginning on page 130 of this Draft Prospectus.

INTEREST IN THE BUSINESS OF OUR COMPANY:

Save and except as stated otherwise in “Related Party Transactions” in the chapter titled “Financial Statements as Restated” beginning on page 186 of this Draft Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Prospectus.

INTEREST IN THE PROMOTION OF OUR COMPANY

Except, Hiralal Parekh, our Managing Director, who is also the Promoter of our Company, none of our Directors have any interest in the promotion of our Company.

SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES:

Our Company does not have any subsidiary or associate Company as on date of filing this Draft Prospectus.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

The following changes have taken place in the Board of Directors of our Company during the last three years:

Name	Date of change	Reason
Nishita Shah	June 01, 2016	Re-designated as Whole-Time Director
Vandani Chowdhary	June 01, 2016	Re-designated as Whole-Time director
Vandani Chowdhary	April 01, 2017	Re-designated as Executive Director
Hiralal Parekh	April 01, 2017	Re-designated as Managing Director
Latadevi Parekh	April 01, 2017	Re-designated as Whole-time Director
Tarunkumar Mankad	August 12, 2017	Appointed as Additional Independent Director
Jyotindra Adeshra	August 12, 2017	Appointed as Additional Independent Director
Tarunkumar Mankad	August 16, 2017	Regularized as Independent Director
Jyotindra Adeshra	August 16, 2017	Regularized as Independent Director
Vandani Chowdhary	August 07, 2018	Redesigned as Non-Executive Director

BORROWING POWER

Pursuant to a special resolution passed at an Extra-Ordinary General Meeting of our Company held on August 16, 2017 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and the rules made thereunder, consent of Members be and is hereby accorded to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the company and free reserve, that is to say, reserves not set apart for any



specific purposes, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of Rs. 100 Crore.

CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be complied with the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The Corporate governance framework is based on an effective Independent Board, the Board's Supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full board or through the various committees constituted to oversee specific operational areas.

As on the date of this Draft Prospectus, there are 6 Directors on our Board out of which two of them are Independent Directors. The constitution of our Board is in compliance with the requirements of Section 149 of the Companies Act, 2013.

I. The following committees have been constituted in terms of SEBI Listing Regulations and the Companies Act, 2013.

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee
- D. Corporate Social Responsibilities Committee.

Audit Committee

Our Company has constituted an audit committee ("**Audit Committee**"), as per Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; vide resolution passed at the meeting of the Board of Directors held on August 07, 2018.

The terms of reference of Audit Committee complies with the requirements of the Companies Act, 2013. The committee presently comprises the following three (3) directors:

Name of the Directors	Status	Nature of Directorship
Jyotindra Adeshra	Chairman	Independent Director
Tarunkumar Mankad	Member	Independent Director
Vandani Chowdhary	Member	Non-Executive Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The Audit Committee shall have following powers/responsibilities:

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the 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 Role of the Audit Committee not limited to but includes:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - (i) 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;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements;
 - (vi) Disclosure of any related party transactions;
 - (vii) Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/ Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence, performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.



16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
20. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
21. To investigate any other matters referred to by the Board of Directors;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Meeting of Audit Committee and relevant Quorum

- (a) 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.
- (b) The quorum for audit committee meeting shall either two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee in accordance Section 178 of Companies Act 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on August 07, 2018. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

Name of the Directors	Status	Nature of Directorship
Jyotindra Adeshra	Chairman	Independent Director
Tarunkumar Mankad	Member	Independent Director
Vandani Chowdhary	Member	Non-Executive Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

- A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- B. Meetings:** The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Nomination and Remuneration/Compensation Committee shall be called by at least seven days' notice in advance.
- C. Terms of Reference:**

- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of independent directors and the Board;
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Devising a policy on Board diversity; and

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.

Stakeholders Relationship Committee

Our Company has constituted a shareholder / investors grievance committee ("*Stakeholders' Relationship Committee*") to redress complaints of the shareholders. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on August 07, 2018.

The Stakeholders' Relationship Committee comprises the following Directors:

Name of the Directors	Status	Nature of Directorship
Vandani Chowdhary	Chairman	Non-Executive Director
Nishita Shah	Member	Whole-Time Director
Hiralal Parekh	Member	Managing Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholder's Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholder/ Investor Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder / Investor Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholder/ Investor Relationship Committee shall meet at least at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
 1. Efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures.
 2. Redressal of security holders'/investor's complaints Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
 3. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
 4. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
 5. Allotment and listing of shares;
 6. Reference to statutory and regulatory authorities regarding investor grievances; and



7. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
8. Any other power specifically assigned by the Board of Directors of the Company

Corporate Social Responsibility Committee

Our Company has constituted a Corporate and Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013. The constitution of the Corporate and Social Responsibility Committee was approved by a Meeting of the Board of Directors held on August 07, 2018. The said Committee is comprised as follows:

Name of the Directors	Status	Nature of Directorship
Hiralal Parekh	Chairman	Managing Director
Tarunkumar Mankad	Member	Independent Director
Vandani Chowdhary	Member	Non-Executive Director

The terms of reference of the Committee shall include the following:

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act, 2013;
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- d) Adhere to Section 135 of the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force).
- e) All other activities as informed or delegated by the Board of Directors from time to time.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

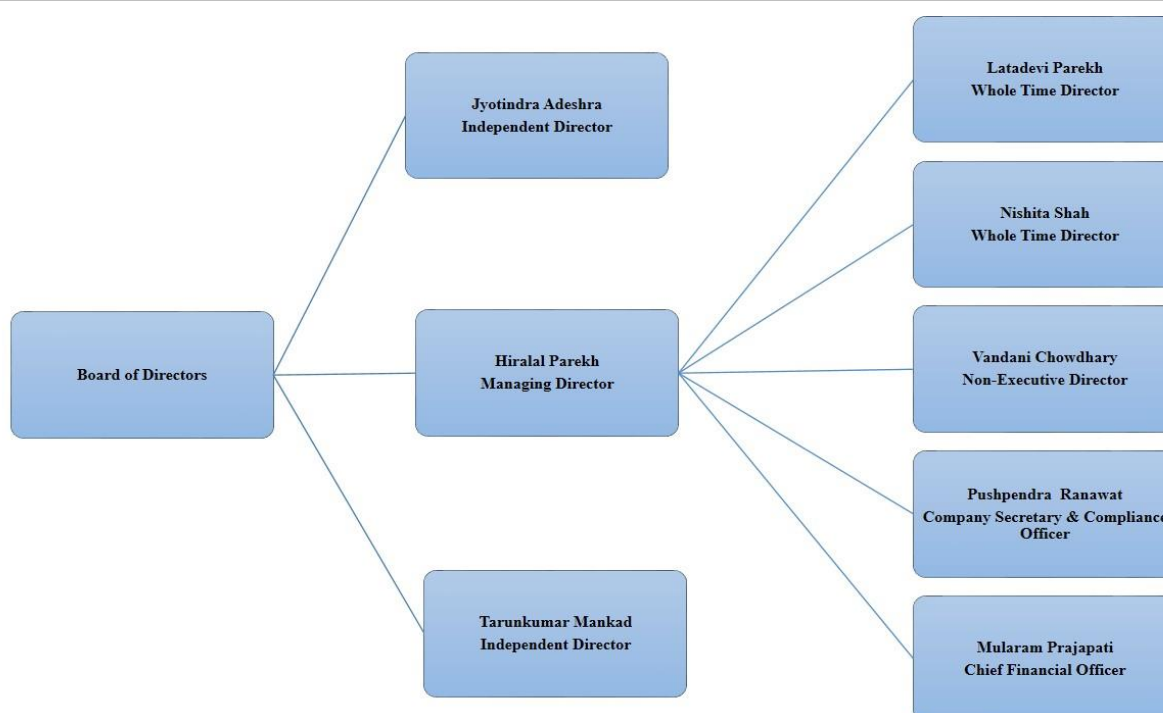
The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on NSE EMERGE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchange.

Pushpendra Ranawat, Company Secretary & Compliance Officer, will be responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

Policy for determination of materiality of events for disclosure to the stock exchanges:

The provisions of the Listing Regulations will be applicable to our Company immediately upon the listing of Equity Shares of our Company on EMERGE Platform of National Stock Exchange of India. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended on listing of Equity Shares on the EMERGE Platform of National Stock Exchange of India. The Board of Directors at their meeting held August 07, 2018 have approved and adopted the policy for determination of materiality events for disclosure to the stock exchanges.

ORGANISATION STRUCTURE



KEY MANAGERIAL PERSONNEL

Given below are the details of our Key Managerial Personnel, other than the Managing Director and Whole Time Directors of our Company, as on the date of this Draft Prospectus. For details of our Managing Director and Whole Time Directors, please see details shown above in the chapter titled “*Our Management*” beginning on page 164 of this Draft Prospectus.

Mularam Prajapati, aged 51 years is Chief Financial Officer of our company. He holds a bachelor’s degree in commerce from Jodhpur University. He has over 30 years of experience in the accounts, finance and taxation. He was associated with the company since 1993. He was initially appointed as Chief Financial Officer of the company on April 01, 2017; he subsequently resigned from the said designation on March 19, 2018. He was re-appointed as Chief Financial Officer of the company with effect from May 01, 2018. He is entrusted with entire accounts and finance operations of our company.

Pushpendrasingh Ranawat, aged 25 years is Company Secretary and Compliance Officer of our company. He is a Qualified Company Secretary and is an Associate Member of Institute of Company Secretaries of India. He was initially appointed as Company Secretary and Compliance Officer of the company on April 01, 2017; he subsequently resigned from the said designation on March 19, 2018. He was re-appointed as Company Secretary and Compliance Officer of the company with effect from May 01, 2018. He is entrusted with responsibilities of handling Legal and Corporate Secretarial Department of the company.

All the Key Management Personnel are permanent employees of our Company.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Except as disclosed below, none of the Key Managerial Personnel’s are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013.

Key Managerial Personnel	Key Managerial Personnel	Relation
Hiralal Parekh	Latadevi Parekh	Spouse
Nishita Shah	Hiralal Parekh	Father
Nishita Shah	Latadevi Parekh	Mother

RELATIONSHIPS OF DIRECTORS/ AND PROMOTERS WITH KEY MANAGERIAL PERSONNEL



Except as disclosed below, none of our Directors of the Company are related to the Key Managerial Personnel within the meaning of Section 2(77) of the Companies Act, 2013:

Director/Promoter	Key Managerial Personnel	Relation
Hiralal Parekh	Latadevi Parekh	Spouse
	Nishita Shah	Daughter
Latadevi Parekh	Hiralal Parekh	Spouse
	Nishita Shah	Daughter
Nishita Shah	Hiralal Parekh	Father
	Latadevi Parekh	Mother

ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS

None of our Key Management Personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

SHAREHOLDING OF KEY MANAGERIAL PERSONNEL

Other than the following, none of our Key Management Personnel holds Equity Shares in our Company as on the date of filing of this Draft Prospectus: -

Sr. No.	Name of the Key Managerial Personnel	No. of Equity Shares (Face Value of Rs. 10 each)	Percentage of pre-Issue share capital (%)	Percentage of post-Issue share capital (%)
1.	Hiralal Parekh	27,78,400	42.08	30.20
2.	Latadevi Parekh	10,02,400	15.18	10.90
3.	Nishita Shah	5,34,000	8.09	5.81
Total		4314800	65.35	46.91

CHANGES IN THE KEY MANAGERIAL PERSONNEL DURING LAST THREE YEARS:

Following have been the changes in the key managerial personnel during the last three years:

Name	Date of appointment	Nature of event	Reason
Hiralal Parekh	April 01, 2017	Change in designation	Designated as Managing Director
Mularam Prajapati	April 01, 2017	Appointment	Appointed as Chief Financial Officer
	March 19, 2018	Resignation	Cessation from Chief Financial Officer
	May 01, 2018	Appointment	Appointed as Chief Financial Officer
Latadevi Parekh	April 01, 2017	Change in Designation	Designated as Whole Time Director
Nishita Shah	June 01, 2016	Change in Designation	Designated as Whole Time Director
Pushpendra Singh Ranawat	August 12, 2017	Appointment	Appointed as Company Secretary
	March 19, 2018	Resignation	Cessation from Company Secretary
	May 01, 2018	Appointment	Appointed as Company Secretary

INTERESTS OF KEY MANAGERIAL PERSONNEL

None of our Key Management Personnel has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. Our Key Managerial Personnel may also be interested to the extent of Equity Shares, if any, held by them and any dividend payable to them and other distributions in respect of such Equity Shares.

EMPLOYEES

The details about our employees appear under the Paragraph titled “Human Resource” in Chapter titled “*Our Business*” beginning on page 130 of this Draft Prospectus.

REMUNERATION/ COMPENSATION TO KEY MANAGERIAL PERSONNEL

Except as disclosed below, none of the Key Managerial Personnel have been paid gross remuneration as on the date of this Draft Prospectus.

(Rupees in Lakhs)

Name of the Key Managerial Personnel	Remuneration paid during FY 2017-18
Hiralal Parekh	44.88
Latadevi Parekh	12.00
Nishita Shah	8.40
Mularam Prajapati	4.93
Pushpendrasingh Ranawat	2.01

BONUS OR PROFIT SHARING PLAN OF THE DIRECTORS/ KEY MANAGERIAL PERSONNEL

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Key Managerial Personnel.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

LOANS TO KEY MANAGERIAL PERSONNEL

The Company has not given any loans and advances to the Key Managerial Personnel as on the date of this Draft Prospectus.

ESOP/ESPS SCHEME TO EMPLOYEES

Presently, we do not have any ESOP/ESPS Scheme for employees.

PAYMENT OR BENEFIT TO OUR OFFICERS (NON SALARY RELATED)

Except as disclosed in the heading titled “*Related Party Transactions*” in the Section titled “*Financial Statements as Restated*” beginning on page 186 of this Draft Prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.




OUR PROMOTER AND PROMOTER GROUP

OUR PROMOTER

Our Company is promoted by Hiralal Parekh. As on date of this Draft Prospectus, our promoter holds, in aggregate 27,78,400 Equity Shares representing 42.08% of the pre-Issue paid up Capital of our Company.

Brief profile of our Promoter is as under:

	<p>Hiralal Parekh, Promoter, Managing Director</p> <p>Hiralal Parekh, aged 53 of years is Managing Director of our company. He was originally appointed as Director of the company with effect from May 29, 1992. He was designated as Managing Director on April 01, 2017. He is actively associated with the company in its operations since its incorporation. He has completed Education of Graduation in Commerce from Gujarat University. He has experience of 33 years in the Fabric Manufacturing and Dyeing Industry. He is the guiding force behind all the corporate decisions and is responsible for the entire business operations specifically manufacturing and sales operations of the company.</p> <p>Passport No: Z3342025 Driving License: GJ01 20020014492 Voters ID: Not Available Address: Vaibhav, near Gangajamna Flat Camp Road, Shahibaug, Ahmedabad- 380004, Gujarat, India</p> <p>Ventures Promoted by our Promoter:</p> <ol style="list-style-type: none">1. M/s. Mohanlal Mahavirchand,2. Mohanlal Mahavirchand Impex Private Limited <p>For further details relating to Hiralal Parekh, including terms of appointment as our Managing Director, other directorships, please refer to the chapter titled “<i>Our Management</i>” beginning on page 164 of this Draft Prospectus.</p>
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DECLARATION

Our Company confirms that the Permanent Account Number, Bank Account Number and Passport Number of our Promoter shall be submitted to the Stock Exchange at the time of filing of this Draft Prospectus with it.

INTEREST OF PROMOTER

Our Promoter, Hiralal Parekh is interested in our Company to the extent that he promoted and formed our Company and is interested to the extent of his shareholding and the dividend receivable, if any and other distributions in respect of the Equity Shares held by them. For details regarding shareholding of our promoter in our Company, please refer “*Capital Structure*” on page 80 of this Draft Prospectus.

Our Promoter may also be deemed to be interested in our Company to the extent of its shareholding/ interest in our group company /or ventures promoted by them with which our Company transacts during the course of its operations.

Our Promoter is the Director and KMP of our Company and may deemed to be interested to the extent of remuneration and/ or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act, 2013 and in terms of the agreements entered into with our company, if

any and AoA of our Company. For details please see “*Our Management*”, “*Financial Statements*” and “*Capital Structure*” beginning on pages 164, 186 and 80 respectively of this Draft Prospectus.

Except as mentioned in the chapter titled “Our Business”, our Promoter does not have any other interest in any property acquired or proposed to be acquired by our Company in a period of two years before filing of this Draft Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except as stated in this Section and “*Related Party Transactions*” and “*Our Management*” on page 184 and 164 of this Draft Prospectus respectively, there has been no payment of benefits to our Promoter or Promoter Group during the two years preceding the filing of this Draft Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter Group.

COMMON PURSUITS

Ventures promoted by our Promoters viz. M/s Mohanlal Mahavirchand, partnership firm and Mohanlal Mahavirchand Impex Private Limited, Company registered under Companies Act, 1956 deals in the similar business activities as that of our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour other ventures in which our Promoter has interests. Except as disclosed in this Draft Prospectus, our promoter do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

RELATED PARTY TRANSACTIONS

For the transactions with our Promoter, Promoter Group and Group Company, please refer to chapter titled “Related Party Transactions” on page 184 of this Draft Prospectus. Except as stated in “Related Party Transactions” and as stated therein, our Promoter or any of the Promoter Group Entities do not have any other interest in our business.

PAYMENT OR BENEFITS TO PROMOTER

Except as stated otherwise in the chapter titled “*Related Party Transactions*” on page 184 of this Draft Prospectus, there have been no payments or benefits to the Promoters during the two years prior to filing of this Draft Prospectus.

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations is as under:

A. Natural Persons who are part of the Promoter Group:

Relationship with Promoters	Hiralal Parekh
Father	Late Jagdishchand Parekh
Mother	Shantadevi Parekh
Brother	-
Sister(s)	Sunita Mehta*
	Vijayalaxmi Daga*
Spouse	Latadevi Parekh
Son(s)	-
Daughter(s)	Vandani Chowdhary
	Nishita Shah
Wife's Father	Champalal Lalwani
Wife's Mother	Gulabdevi Lalwani



Relationship with Promoters	Hiralal Parekh
Wife's Brother(s)	Lalitkumar Lalwani
	Pradeep Kumar Shah
Wife's Sister(s)	-

*Our Company has received declarations dated August 01, 2018 from relatives of our Promoter, Hiralal Parekh i.e. Sunita Mehta, Vijayalaxmi Daga, stating that they do not hold any financial interest in issuer company and that they are not willing to constitute them as promoter group. They have not shared any details of entity(ies) in which they severally or jointly have an interest. Therefore, the disclosures made in this Draft Prospectus are limited to the extent of information that has been made available by our Promoter in relation to Promoter Group and Group Companies.

Corporates and Entities forming part of our Promoter Group:

1. M/s. Mohanlal Mahavirchand
2. Mohanlal Mahavirchand Impex Private Limited
3. Sanfo Foods Private Limited
4. Pankaj Fabrics Company
5. Hiralal Jagdishchand (HUF)
6. Mohanlal Jagdishchand (HUF)

RELATIONSHIP OF PROMOTER WITH OUR DIRECTORS

Except as disclosed herein, our Promoter is not related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

Promoter	Director	Relationship
Hiralal Parekh	Vandani Chowdhury	Father-Daughter
	Nishita Shah	
	Latadevi Parekh	Husband-Wife

DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEAR

Our Promoter has not disassociated himself from any entities / firms during preceding three years

CHANGES IN CONTROL

There has been no change in the management or control of our Company in the last three years.

LITIGATION INVOLVING OUR PROMOTER

For details of legal and regulatory proceedings involving our Promoters, please refer "*Outstanding Litigation and Material Developments*" on page 205 of this Draft Prospectus.

CONFIRMATIONS

Our Company, our Promoter and members of Promoter Group are not Wilful Defaulters and there are no violations of securities laws committed by our Promoter in the past and no proceedings for violation of securities laws are pending against them.

Our Promoter are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoter or to such firm or company in cash or otherwise by any person for services rendered by our Promoter or by such firm or company in connection with the promotion or formation of our Company.

Our Promoter and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoter are not and has never been a Promoter, Director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in “*Related Party Transactions*” on page 184 of this Draft Prospectus, our Promoters are not related to any of the sundry debtors nor are t beneficiaries of Loans and Advances given by/to our Company.-

OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in the chapter titled “Our Promoter and Promoter Group” and “Our Group Companies” beginning on page 178 and 182, of this Draft Prospectus, there are no ventures promoted by our Promoter in which they have any business interests / other interests.

DEFUNCT / STRUCK-OFF COMPANY

None of our Group Companies remain defunct and no application has been made to the Registrar of Companies for striking off the name of any of our Group Companies during the five years preceding the date of filing of this Draft Prospectus with SEBI. Further, none of our Group Companies fall under the definition of sick companies under SICA and none of them is under winding up.



OUR GROUP COMPANIES

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purpose of identification of “Group Companies”, our Company has considered companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountant of India and such other companies as considered material by our Board. Pursuant to a resolution dated August 08, 2018, our Board vide a policy of materiality has resolved that except as mentioned in the list of related parties prepared in accordance with Accounting Standard 18 no other Company is material in nature.

OUR GROUP COMPANIES

The Details of our group Companies are provided below:

MOHANLAL MAHAVIRCHAND IMPEX PRIVATE LIMITED (MMIPL)

Corporate Information

Mohanlal Mahavirchand Impex Private Limited is a Private Limited Company incorporated on February 09, 1996 under the provisions of the Companies Act, 1956. The Registered Office of Mohanlal Mahavirchand Impex Private Limited is situated at 173, New Cloth Market, O/S Raipur Gate, Ahmedabad, Gujarat, India. The Corporate Identification Number of MMIPL is U50101GJ1996PTC028773.

Our Company is engaged in the business of trading of Fabric and Grey cloths.

Board of Directors as on the date of this Draft Prospectus:

Sr. No	Particulars	DIN
1.	Hiralal Parekh	00257758
2.	Latadevi Parekh	02973048

FINANCIAL PERFORMANCE

(Rs in Lakhs except NAV)

Particulars	2014-15	2015-16	2016-17
Paid Up Capital	12.53	12.53	12.53
Reserves and Surplus	36.09	38.76	41.89
Net Asset Value (In Rs.)	38.80	40.93	54.42

NATURE AND EXTENT OF INTEREST OF PROMOTERS

Our Promoter, Hiralal Parekh holds solely 30,200 equity Shares and holds 10,000 equity shares jointly with Mohanlal Parekh, which constitutes 32.08% of the total shareholding of the company.

NEGATIVE NET WORTH

None of our Group Companies have negative net worth as on the date of filing of this Draft Prospectus.

LOSS MAKING GROUP COMPANY

None of our Group Company has incurred losses during the last three audited financial statements.

DEFUNCT / STRUCK-OFF COMPANY

Our Group Company has not remain defunct and no application has been made to the Registrar of Companies for striking off the name of our Group Company during the five years preceding the date of filing of this Draft Prospectus with SEBI. Further, our Group Companies is not falling under the definition of sick companies under SICA and none of them is under winding up.

NATURE AND EXTENT OF INTEREST OF GROUP COMPANIES

In the promotion of our Company

None of our Group Companies have any interest in the promotion or any business interest or other interest in our Company.

In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Draft Prospectus

None of our Group Companies have any interest in the properties acquired or proposed to be acquired by our Company in the two years preceding the date of filing of this Draft Prospectus or proposed to be acquired by it.

In transactions involving acquisition of land, construction of building and supply of machinery.

None of our Group Companies is interested in any transactions involving acquisition of land, construction of building or supply of machinery.

Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company.

Our Company has only one Group Company i.e. Mohanlal Mahavirchand Impex Private Limited.

COMMON PURSUITS

Our Group Company, Mohanlal Mahavirchand Impex Private Limited deals in similar business activities as that of our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour other ventures in which our Promoter has interests. Except as disclosed in this Draft Prospectus, our promoter do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

SALES/PURCHASES BETWEEN OUR COMPANY AND GROUP COMPANY

Other than as disclosed in the chapter titled “*Related Party Transactions*” beginning on page 184 of this Draft Prospectus, there are no sales/purchases between the Company and the Group Company.

RELATED PARTY TRANSACTIONS

For details, please refer to the Section titled “*Related Party Transactions*” beginning on page 184 of this Draft Prospectus.

CONFIRMATIONS

Our Group Company is not listed on any stock exchange nor have made any public or right issues of securities in the preceding three years.

Our Group Company has not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Our Group Company has not been declared as a sick company under the SICA. Additionally, Group Company has not been restrained from accessing the capital markets for any reasons by SEBI or any other authorities.

LITIGATIONS INVOLVING OUR GROUP COMPANY

For details related to litigations and regulatory proceedings involving our group company, please refer to the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 205 of this Draft Prospectus.

PAYMENT OR BENEFIT TO OUR GROUP COMPANIES

Except as stated in chapter titled “*Related Party Transactions*” beginning on page 184 of this Draft Prospectus, there has been no payment of benefits to our Group Company during the previous financial years nor is any benefit proposed to be paid to them.



RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure XXXII of restated financial statement under the Section titled, '*Financial Statements*' beginning on page 186 of this Draft Prospectus.

DIVIDEND POLICY

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not paid any dividend for the last five years and till March 31, 2018.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.



SECTION V – FINANCIAL STATEMENTS
FINANCIAL STATEMENTS AS RESTATED

Particulars	Page No
Restated Financial Statements	F-1 to F-27

Auditor's Report on the Restated Summary Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, Profit and Loss and Cash Flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 of Vinny Overseas Limited (collectively, the "Restated Summary Statements")

To,
The Board of Directors,
Vinny Overseas Limited
Behind International Hotel, Narol-Isanpur Road,
Ahmedabad- 382405, Gujarat, India.

Dear Sirs,

1. We have examined the attached Restated Summary Statements along with significant accounting policies and related notes of Vinny Overseas Limited as at and for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 annexed to this report and prepared by the Company for the purpose of inclusion in the Offer Document in connection with its proposed Initial Public Offer ("IPO") on the EMERGE Platform of the National Stock Exchange of India Limited. The Restated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared by the Company in accordance with the requirements of:
 - (i) Part I of Chapter III to the Companies Act, 2013 ("Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014, as amended;
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications issued from time to time;
 - (iii) The terms of reference to our engagements with the Company in the letter dated August 01, 2017 requesting us to carry out the assignment, in connection with the issuance of Draft Prospectus/ Prospectus ("Offer Document") being issued by the Company for its proposed Initial Public Offering of equity shares on the EMERGE Platform of the National Stock Exchange of India Limited; and
 - (iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("Guidance Note").
2. The Restated Summary Statements of the Company have been extracted and prepared by the management from the Audited Financial Statements of the Company for the financial years ended on March 31, 2018, 2017, 2016, 2015 and 2014.
3. In accordance with the requirements of Part I of Chapter III of Act, SEBI ICDR Regulations, Engagement Letter and Guidance Note, we report that:
 - (i) The "Restated Summary Statement of Assets and Liabilities as Restated" as set out in **Annexure I** to this report, of the Company as at March 31, 2018, 2017, 2016, 2015 and 2014 has been prepared by the Company and approved by its Board of Directors. The Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings, as in our opinion, were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV(A) to this Report.

- (ii) The “Restated Summary Statement of Profit and Loss” as set out in **Annexure II** to this report, of the Company for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 has been prepared by the Company and approved by its Board of Directors. The Restated Summary Statement of Profit and Loss has been arrived at after making such adjustments and regroupings, as in our opinion, were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV(A) to this Report.
 - (iii) The “Restated Summary Statement of Cash Flow” as set out in **Annexure III** to this report, of the Company for the years March 31, 2018, 2017, 2016, 2015 and 2014 has been prepared by the Company and approved by its Board of Directors. The Restated Summary Statement of Cash Flows, has been arrived at after making such adjustments and regroupings, as in our opinion, were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV(A) to this Report.
4. Based on the above and also as per the reliance placed by us on the audited financial statements of the Company and report thereon given by the Statutory Auditor of the Company for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014, we are of the opinion that:
- (i) the Restated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
 - (ii) the Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate and there are no qualifications which require adjustments;
 - (iii) there are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements;
 - (iv) there were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial years ended on March 31, 2018, 2017, 2016, 2015 and 2014 which would require adjustments in this Restated Financial Statements of the Company;
 - (v) profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in Annexure IV(A) to this report;
 - (vi) adjustments in Financial Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated standalone financial statements;
 - (vii) there was no change in accounting policies, which needs to be adjusted in the Restated Financial Statements except mentioned in clause (vi) above;
 - (viii) there are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
 - (ix) the Company has not paid any dividend on its equity shares till March 31, 2018; and

5. Other Financial Information

We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial years ended on March 31, 2018, 2017, 2016, 2015 and 2014 proposed to be included in the Offer Document.

Annexures to Restated Summary Statements of the Company:-

Description	Annexure
Significant Accounting Policies and Notes to Accounts as restated	IV(A)
Restatement adjustments, Material regroupings and Non-adjusting items	IV(B)
Restated Statement of Share Capital	V
Restated Statement of Reserve and Surplus	VI
Restated Statement of Long Term Borrowings	VII
Principal terms and conditions of Long-term borrowings including Current Maturities	VIII
Restated Statement of Deferred Tax Liabilities	IX
Restated Statement of Long Term Provisions	X
Restated Statement of Short Term Borrowings	XI
Restated Statement of Trade Payables	XII
Restated Statement of Other Current Liabilities	XIII
Restated Statement of Short Term Provisions	XIV
Restated Statement of Fixed Assets	XV
Restated Statement of Non Current Investments	XVI
Restated Statement of Long Term Loans And Advances	XVII
Restated Statement of Inventories	XVIII
Restated Statement of Trade Receivables	XIX
Restated Statement of Cash And Bank Balances	XX
Restated Statement of Short Term Loans and Advances	XXI
Restated Statement of Other Current Assets	XXII
Restated Statement of Revenue from Operations	XXIII
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6. We, KPSJ & Associates LLP, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
7. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and SEBI ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
8. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. In our opinion, the above financial information contained in Annexure I to XXXV of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV(A) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, SEBI ICDR Regulations, Engagement Letter and Guidance Note.
11. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the proposed IPO of the Company. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

For **KPSJ & Associates LLP**

Chartered Accountants

Firm's Registration No: 124845W/W-100209

Kedar Laddha

Designated Partner

Membership No.: 101886

August 13, 2018

Ahmedabad

Annexure-I: Restated Summary Statement of Assets and Liabilities

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Equity and Liabilities					
Shareholders' funds					
Share capital	660.26	660.26	330.13	330.13	306.13
Reserves and surplus	956.63	649.08	808.83	697.39	568.91
Non-current liabilities					
Long-term borrowings	1,060.77	881.38	730.57	670.42	858.84
Deferred tax liabilities (Net)	285.76	286.75	244.96	184.45	134.61
Long-term provisions	39.89	32.43	29.21	24.05	16.04
Other long-term liabilities					
Current liabilities					
Short-term borrowings	813.36	495.75	673.95	648.49	469.43
Trade payables	2,128.46	1,561.16	1,201.91	1,117.28	1,353.04
Other current liabilities	364.55	282.38	379.80	337.99	237.46
Short-term provisions	110.69	55.73	35.06	30.15	19.18
Total	6,420.39	4,904.91	4,434.41	4,040.35	3,963.63
Assets					
Non-current assets					
Fixed assets					
Tangible assets	3,099.48	3,064.64	2,529.17	2,383.37	2,525.88
Less: Accumulated depreciation	1,281.30	1,141.68	1,050.04	1,064.77	1,142.92
Intangible assets	1.07	0.70	-	-	-
Less: Accumulated amortisation	0.29	0.21	-	-	-
Intangible Assets under development	-	-	-	-	-
Capital Work in Progress	0.40	4.18	-	-	-
Net Block	1,819.36	1,927.63	1,479.13	1,318.60	1,382.96
Non-Current investments	-	-	3.33	2.50	2.50
Long-term loans and advances	228.41	191.27	310.77	114.70	83.10
Other Non-Current assets	-	-	-	-	-
Current assets					
Current investments	-	-	-	-	-
Inventories	1,365.26	625.79	999.24	1,150.78	1,143.62
Trade receivables	2,485.04	1,847.75	1,439.83	1,283.62	1,214.46
Cash and Bank balances	13.70	4.55	2.07	13.29	12.36
Short-term loans and advances	56.42	36.53	36.58	1.73	2.96
Other Current assets	452.20	271.40	163.46	155.13	121.67
Total	6,420.39	4,904.91	4,434.41	4,040.35	3,963.63

Annexure-II: Restated Summary Statement of Profit and Loss

(Rs. in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Revenue					
Revenue from operations	13,025.45	9,801.88	9,812.38	8,714.51	8,029.82
Other income	28.70	31.64	18.04	20.71	29.27
Total Revenue	13,054.15	9,833.52	9,830.42	8,735.22	8,059.09
Expenses					
Cost of materials consumed	8,079.68	5,808.97	6,605.75	5,723.50	5,237.93
Purchase of stock in trade	2,344.38	1,821.41	1,040.51	1,171.70	1,738.03
Changes in inventories of Finished & Semi- Finished goods and Stock in Trade	(187.22)	140.34	81.05	106.11	(451.50)
Employee benefit expenses	303.02	221.31	191.38	189.79	178.14
Finance costs	213.69	118.38	140.48	162.20	97.97
Depreciation and amortization expenses	206.53	171.10	102.20	98.94	211.98
Other expenses	1,697.45	1,281.14	1,497.11	1,134.85	948.02
Total expenses	12,657.54	9,562.65	9,658.48	8,587.09	7,960.57
Profit before tax	396.61	270.87	171.94	148.13	98.52
Exceptional Items	-	-	-	-	-
Extraordinary Items	-	-	-	-	-
Tax expense:					
(1) Current tax	110.69	55.73	35.06	30.15	19.18
(2) Deferred tax	(0.98)	41.79	60.50	49.84	30.61
(3) MAT credit entitlement	(20.66)	2.97	(35.06)	(29.64)	(18.77)
Profit (Loss) for the period	307.56	170.38	111.44	97.77	67.51
Basic & Diluted Earnings per equity share	4.66	2.58	1.69	1.48	1.02

Annexure-III: Restated Summary Statement of Cash Flows

(Rs. in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
A. Cash Flow From Operating Activities					
Net Profit Before Tax & Extra-Ordinary Items	396.61	270.87	171.94	148.13	98.52
Adjustments for :-					
Depreciation	206.53	171.10	102.20	98.94	211.98
Finance Costs	213.69	118.38	140.48	162.20	97.97
(Profit)/ loss on Shares	-	0.16	-	-	-
Profit on Fixed Asset	(1.08)	(2.36)	(9.95)	(6.20)	(0.24)
Gratuity Provision	7.46	3.23	5.16	8.01	3.74
Loss on Sale of Asset/Investment	19.28	4.15	3.67	2.32	0.51
Capital Gain	-	-	-	-	-
Provision for diminution in value of investment	-	2.50	-	-	-
Extra Ordinary Item	-	-	-	-	-
Dividend	-	(0.03)	-	-	-
Changes in Working Capital					
Trade Payables	567.30	359.25	84.63	(235.76)	557.51
Other Current Liabilities	82.17	(97.42)	41.81	100.53	29.61
Short term Provision	-	-	35.06	30.15	19.17
Inventories	(739.48)	373.46	151.54	(7.17)	(619.89)
Trade Receivables	(637.29)	(407.92)	(156.21)	(69.15)	(323.08)
Other Current Asset	(180.80)	(107.94)	(8.33)	(33.46)	(5.88)
Short Term Loans & Advances	(19.89)	0.05	(34.85)	1.23	61.80
Total Changes in Working Capital	(927.98)	119.47	113.65	(213.63)	(280.76)
Taxes Paid	(55.73)	(35.06)	(30.15)	(19.69)	(18.40)
Net cash flow generated from/ (utilised in) operating activities (A)	(141.22)	652.41	497.00	180.08	113.32
B. Cash Flow From Investing Activities					
Purchase of Tangible Assets	(160.23)	(683.74)	(275.00)	(63.40)	(356.27)
investment	-	0.67	(0.83)	-	-
Dividend income	-	0.03	-	-	-
Change in capital WIP	-	-	-	-	-
Long Term Loans & Advances	(16.48)	116.53	(196.07)	(31.60)	(29.18)
Sale of Tangible Assets	43.77	62.35	18.55	15.41	1.41
Net cash flow generated from/ (utilised in) investing activities (B)	(132.95)	(504.16)	(453.35)	(79.58)	(384.04)
C. Cash Flow From Financing Activities					
Issue of Shares	-	-	-	24.00	-
security prem.	-	-	-	48.00	-
Long Term Borrowings	179.39	150.81	60.15	(188.42)	83.25
Short Term Borrowings	317.62	(178.20)	25.46	179.06	278.42
Finance Costs	(213.69)	(118.38)	(140.48)	(162.20)	(97.96)
Net cash flow generated from/ (utilised in) financing activities (C)	283.31	(145.77)	(54.87)	(99.56)	263.71
Net Increase (Decrease) In Cash & Cash Equivalents. (A+B+C)	9.15	2.48	(11.22)	0.93	(7.01)
Cash & Cash Equivalents As At 1st April (Opening Balance)	4.55	2.07	13.29	12.36	19.38
Cash & Cash Equivalents As At 31st March (Closing Balance)	13.70	4.55	2.07	13.29	12.36

Notes:

(a) Previous year's figures have been regrouped wherever necessary, to confirm to this year's classification.

(b) The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 'Cash Flow Statement' prescribed under Companies (Accounting Standard) Rules, 2006.

Vinny Overseas Limited
Annexure IV
Notes to the Restated Summary Statements

General Information:

Vinny Overseas Limited was originally constituted as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated May 29, 1992 bearing Registration Number 04-17742 of 1992-93 issued by the Registrar of Companies Gujarat, Dadra & Nagar Haveli. Subsequently, the Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on February 21, 2017 and the name of the Company was changed to Vinny Overseas Limited and a fresh certificate of incorporation consequent upon Conversion of Private Company to Public Limited dated March 02, 2017 was issued by the Registrar of Companies Ahmedabad.

The Company is engaged in the processing of fabrics for shirting, suiting and dress materials through the integrated manufacturing process of weaving, dyeing, printing and finishing. The factory is located behind International Hotel, Narol-Isanpur Road, Narol, Ahmedabad, Gujarat – 382405 (India).

Significant Accounting Policies

(a) Basis of Preparation:

The restated summary statement of assets and liabilities of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and the related restated summary statement of profits and loss and cash flows for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 have been compiled by the management from the audited financial statements of the Company for the years ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the SEBI Guidelines) issued by SEBI and Guidance note on Reports in Company Prospectuses (Revised) issued by Auditing and Assurance Board of the Institute of Chartered Accountants of India. Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the EMERGE Platform of National Stock Exchange of India Limited in connection with its proposed Initial Public Offering of equity shares. The Company's management has recast the financial statements in the form specified under Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

(b) Use of Estimates

The preparation of financial statement requires management to make estimates and assumptions that affect the reported amount of assets & liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in preparation of the financial statements are prudent and reasonable. Actual results may differ from those estimates. Any revisions to accounting are recognized prospectively in current and future periods.

(c) Fixed Assets

Fixed assets as stated at cost net of recoverable taxes less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for its intended use and exchange rate arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Vinny Overseas Limited
Annexure IV
Notes to the Restated Summary Statements

(d) Depreciation

Depreciation on fixed assets has been provided on Straight Line Method (SLM) basis as per the useful life prescribed as specified in schedule II, of the Companies Act, 2013 on pro-rata basis. In respect of additions or extensions forming an integral part of existing assets on account of translation of foreign currency liabilities for acquisition of fixed assets, depreciation is provided as aforesaid over the residual life of the respective asset. Intangible assets are amortized over a period of 3 years.

(e) Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximated the actual rate at the date of transaction.

Monetary items denominated in foreign currencies at the year end are restated at the year end exchange rates and the difference is adjusted in the statement of profit & loss.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit & loss statement in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

(f) Investments

Non-Current Investments are stated at cost. Provision for diminution in the value of Non-Current Investments is made only if such a decline is other than temporary in nature, in the opinion of the management.

(g) Inventories

Inventories are stated at lower of cost or NRV. Cost is calculated on specific identification basis. However, cost of colour, chemicals, fuel and consumable stores & spares is calculated on FIFO basis. Cost of finished goods and semi-finished goods include raw materials and other costs incurred in bringing the inventories to their present location and condition.

(h) Revenue Recognition

Sales are recognized when goods are delivered and transfer of significant risk and reward takes place and are recorded net of discount. Revenue in respect of job work income is recognized on percentage of completion method based on the physical proportion of the job work.

Interest Income is recognized on time proportion basis.

(i) Retirement Benefits

Contribution to provident fund & leave encashment is charged to profit & loss account.

Provision for gratuity liability is made based on actuarial valuation as at balance sheet date and is charged to profit & loss account.

All other short term benefits for employees are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.

(j) Borrowing Costs

Vinny Overseas Limited
Annexure IV
Notes to the Restated Summary Statements

Borrowing Costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the cost of acquisition or construction of qualified assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use and other borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.

(k) Taxes on Income

Tax expense comprises of Current Tax and Deferred Tax. Current Tax is determined at the amount expected to be paid to the Income Tax Authorities after consideration of the applicable provisions of The Income Tax Act, 1961 including Benefits, Allowances and Deductions admissible under the said act.

Minimum Alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset If there is convincing evidence that the Company will pay normal tax after the tax holiday period. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax is recognized on timing difference between the accounting income and the estimated taxable income for the period and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax asset can be realized. But, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that sufficient future taxable income will be available to realize deferred tax assets.

(l) Impairment of Assets

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment of assets. If any indication exists, The recoverable amount of such assets is estimated. All impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

(m) Treatment of Export Entitlement Benefits

Export entitlement benefits in respect of schemes under EXIM policy are accounted for on the basis of entitlement against eligible exports made during the year.

(n) Provisions, Contingent liabilities & Assets

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and that probability requires an outflow of resources.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote. No disclosure is made.

Contingent Assets are neither recognized nor disclosed in the financial statements.

Accounting Policies not specifically referred mentioned are consistent with Generally Accepted Accounting Policies (GAAP).

Vinny Overseas Limited
Annecure- IV(B): Restatement adjustments, Material regroupings and Non-adjusting items

(Rs. in Lakhs)

Adjustments for	For the year ended March 31,				
	2018	2017	2016	2015	2014
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	301.71	(12.92)	171.43	147.73	98.53
Adjustments for:					
Prior period expenses adjusted (Preliminary)	-	-	-	-	-
Deferred Tax Liability / Asset Adjustment		181.47	(60.50)	(49.84)	(30.61)
Increase in expenses	-	-	-	-	-
Taxes adjusted in Current period	5.85	1.81	0.51	(0.11)	(0.40)
Net Profit/ (Loss) After Tax as Restated	307.56	170.37	111.44	97.78	67.52

Note :-

There was difference in profit after tax as per Audited Statement of Profit & Loss and Restated Statement of Profit & Loss on account of Deferred tax, as the effect of Timing difference was not given in the Audited Financial Statements.

Vinny Overseas Limited

Annexure- V: Restated Statement of Share Capital

(Number and Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014	
	Number	Rs.	Number	Rs.	Number	Rs.	Number	Rs.	Number	Rs.
Authorised										
Equity Shares of Rs.100 each	-	-	-	-	4.45	445.00	4.45	445.00	4.45	445.00
Equity Shares of Rs.10 each	125.00	1,250.00	125.00	1,250.00						
Preference Shares of Rs.100 each	-	-	-	-	0.05	5.00	0.05	5.00	0.05	5.00
Issued										
Equity Shares of Rs.100 each	-	-	-	-	3.30	330.13	3.30	330.13	3.06	306.13
Equity Shares of Rs.10 each	66.03	660.26	66.03	660.26						
Subscribed & Paid up										
Equity Shares of Rs.100 each fully paid up	-	-	-	-	3.30	330	3.30	330.13	3.06	306.13
Equity Shares of Rs.10 each fully paid up	66.03	660	66.03	660						
Total	66.03	660	66.03	660	3.30	330	3.30	330.13	3.06	306

Reconciliation of Number Of Shares

(Number and Rs. in Lakhs)

Particulars	Equity Shares		Equity Shares		Equity Shares		Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.	Number	Rs.	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	66.03	660.26	33.01	330	3.30	330	3.06	306	3.06	306
Shares Issued during the year	-	-	-	-	-	-	0.24	24.00	-	-
Bonus Shares Issued during the year			33.01	330.13						
Shares bought back during the year	-	-	-	-	-	-	-	-	-	-
Shares outstanding at the end of the year	66.03	660.26	66.03	660.26	3.30	330.13	3.30	330.13	3.06	306.13

Shareholders holding more than 5% of the shares of the Company

Name of Shareholder	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Hiralal J Parekh	27.78	42.08%	27.78	42.08%	1.39	42.08%	1.39	42.08%	1.24	40.47%
Latadevi H Parekh	10.02	15.18%	10.02	15.18%	0.50	15.18%	0.50	15.18%	0.50	16.37%
Hiralal J Parekh J/H : Latadevi Parekh	8.78	13.30%	8.78	13.30%	0.44	13.30%	0.44	13.30%	0.44	14.34%
Vandini Sumanth Chaudhary	6.14	9.30%	6.14	9.30%	0.31	9.30%	0.31	9.30%	0.29	9.54%
Nishita S Shah	5.34	8.09%	5.34	8.09%	0.27	8.09%	0.27	8.09%	0.00	0.00%

Terms/Rights attached to Shares :

Equity Shares :

Each holder of Equity Shares of face value of Rs.10 each is entitled to one vote per share. The dividend is declared and paid on being proposed by the Board of Directors after the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company the holders of equity shares will be entitled to remaining assets after payment or distribution of all liabilities and afterwards to preference shareholders. The distribution to equity share holders will be in proportion to the number of Equity Shares held by the Equity Shareholders.

On March 31, 2017 our Company allotted bonus shares to the existing shareholders in the ratio of one share to one held by the them pursuant to the resolution passed by the shareholders in the extra ordinary general meeting of the Company.

Equity Shares of our Company were sub-divided from Rs. 100 per share to Rs. 10 per share in pursuant to a special resolution passed by the shareholders of the Company in an extra-ordinary general meeting held on March 25, 2017. Therefore, the opening number of shares above for FY 2016-17 have been presented after giving effect of such sub-division.

Annexure-VI: Restated Statement of Reserve and Surplus

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
A. Securities Premium Account					
Opening Balance	-	145.20	145.20	97.20	97.20
Add: Securities premium credited on Share issue	-	-	-	48.00	-
Less: Premium Utilised for various reasons					
For Issuing Bonus Shares	-	145.20	-	-	-
Closing Balance	-	-	145.20	145.20	97.20
B. Surplus in the Restated Summary Statement of Profit and Loss					
Opening balance	635.04	649.59	538.15	440.38	372.87
Add: Net Profit/(Net Loss) For the current year	307.56	170.38	111.44	97.77	67.51
Less: Transfer for Issue of Bonus Shares	-	184.93	-	-	-
Less: Adjustment in F.A as per Companies Act,2013	-	-	-	-	-
Closing Balance	942.60	635.04	649.59	538.15	440.38
C. General Reserve					
Add: Addition	14.04	14.04	14.04	31.32	31.32
Less: Utilization	-	-	-	17.29	-
Closing Balance	14.04	14.04	14.04	14.04	31.32
Total	956.63	649.08	808.83	697.39	568.91

Annexure VII: Restated Statement of Long Term Borrowings

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Secured					
(a) Term loans					
From Bank & Financial Institutions					
- Term Loan	264.36	329.40	240.45	301.64	547.69
- Car/ Vehicle Loan	18.44	41.87	38.87	4.51	12.13
From Others					
Sub-total (a)	282.80	371.27	279.32	306.15	559.82
Unsecured					
(b) Loans and advances from related parties					
- Key Management Personnel	723.07	459.72	388.42	314.83	56.09
- Relatives of Key Management Personnel	-	-	10.22	-	193.72
- Associated Concerns	54.90	50.39	52.61	49.44	49.21
Sub-total (b)	777.97	510.11	451.25	364.27	299.02
Total (a) + (b)	1,060.77	881.38	730.57	670.42	858.84

All the aforesaid Term Loans from Bank are secured by way of hypothecation of all present and future plant & machinery, stocks and book debts and collaterally secured by way of and & building in the name of the director at Survey No. 309 having FP No. 27/1 & 27/2 at Narol Ahmedabad and further guaranteed by all the

Car / Vehicle Loan are secured by way of hypothecation of Car.

Secured Loans

Term Loan from HDFC bank payable in 21 monthly installments of Rs. 616585/- each and last installment of Rs. 321260/- (with varying rate of interest)

Term Loan from HDFC bank payable in 48 monthly installments of Rs. 998273/- and last installment of Rs. 149549 /- (with varying rate of interest)

Term Loan from HDFC bank payable in 9 monthly installments of Rs. 282574/- and last installment of Rs.31007 /- (with varying rate of interest)

Unsecured Loans

All the unsecured loans are payable on demand.

Annexure VIII: Principal terms and conditions of Long-term borrowings including Current Maturities

Sr. No.	Name of Lender	Nature of Facility	Amount Sanctioned (Rs. in lakhs)	Amount outstanding as on March 31, 2018 (Rs. in lakhs)	Rate of Interest	Repayment Tenure	Security/ Principle Terms and Condition
1	HDFC Bank Ltd.	Cash Credit	960	679.92	9.10% P.A. (MCLR+1.%)	12 Months	Collateral : Factory at : Survey No. 309, FP No 27/1 & 27/2B/h International Hotel, Near Narol Circle, Ahmedabad. (7864 Square yard)
2	HDFC Bank Ltd.	Term Loan	300	52.26	10.00% (MCLR+1.9%)	Term Loan from bank payable in 60 monthly installment of Rs. 109648/-.	Primary: Hypothecation by way of book debts Hypothecation by way of First and exclusive charge on all present and future Plant & Machinery
3	HDFC Bank Ltd.	Bank Guarantee	25	NA	1.5 % P.A.		Hypothecation by way of First and exclusive charge on all present and future Plant & Machinery
4	HDFC Bank Ltd.	Term Loan	530	323.5	10.00% (MCLR+1.9%)	Term Loan from bank payable in 34 monthly installment of Rs. 1108047/- and last installment of Rs. 937483 /- with varying rate of interest	Hypothecation by way of First and exclusive charge on all present and future Plant & Machinery
5	ICICI Bank Ltd.	Car Loan (GJ01RV7400)	24.96	13.3	9.35%	Auto Loan from bank payable in 36 monthly installment of Rs. 79,790/-.	Vehicle Itself
6	ICICI Bank Ltd.	Car Loan (GJ01HW7400)	12	11.67	8.75%	Auto Loan from bank payable in 36 monthly installment of Rs. 38,025/-.	Vehicle Itself
7	HDFC Bank Ltd.	Car Loan (GJ-1 HU 7400)	11	9.35	10.50%	Auto Loan from bank payable in 36 monthly installment of Rs. 34,725/-.	Vehicle Itself

Annexure-IX: Restated Statement of Deferred Tax

(Rs. in Lakhs)

Particulars	Financial Year				
	2017-18	2016-17	2015-16	2014-15	2013-14
WDV as per Books	1,818.96	1,923.45	1,479.13	1,318.60	1,382.96
WDV as per IT	914.77	1,023.74	671.11	563.71	646.01
Time Difference	904.19	899.71	808.02	754.89	736.95
Gratuity Provision	39.89	32.43	29.21	24.05	16.04
Preliminary Expense W/O	-	-	-	-	0.26
Expense on which Tax not deducted	-	-	-	(0.86)	-
Disallowance u/s 43B	-	-	-	-	-
Brough forward Unabsorbed Loss & Depreciation	-	-	37.93	163.19	285.02
Net Time Difference	864.30	867.27	740.88	568.51	435.63
I.T.TAX (30%)	259.29	260.18	222.26	170.55	130.69
SURCHARGES (5% or 7%)	18.15	18.21	15.56	8.53	-
CESS (2% + 1%)	8.32	8.35	7.13	5.37	3.92
Total	285.76	286.75	244.96	184.45	134.61
Balance Carried forward	286.75	244.96	184.45	134.61	104.00
Transfer to Statement of Profit and Loss	(0.98)	41.79	60.50	49.84	30.61
Deferred Tax Liability in Balance Sheet	285.76	286.75	244.96	184.45	134.61

Annexure X: Restated Statement of Long Term Provisions

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Provision For					
(a) Employee benefits					
(i) Gratuity Provisions	39.89	32.43	29.21	24.05	16.04
Total	39.89	32.43	29.21	24.05	16.04

Annexure XI: Restated Statement of Short Term Borrowings

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Secured					
(a) Working Capital Loans					
Cash Credit Loan (HDFC BANK)	679.93	398.85	673.95	648.49	469.43
(b) Unsecured					
Unsecured Loans from Directors	133.44	96.90			
Total	813.36	495.75	673.95	648.49	469.43

Working Capital Facilities from Bank Secured by way of hypothecation of all present and future stocks, book debts, plant & machinery and collaterally secured by way of land & building in the name of director at Survey No. 309, having FP No. 27/1 & 27/2 Narol, Ahmedabad and further guaranteed by all the Directors

Annexure XII: Restated Statement of Trade Payables

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Due to:					
(a) Micro, Small and Medium Enterprise	-	-	-	-	-
(b) Others	2,128.46	1,561.16	1,201.91	1,117.28	1,353.04
Total	2,128.46	1,561.16	1,201.91	1,117.28	1,353.04

Annexure XIII: Restated Statement of Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
(i) Current maturities of Long Term Debt	-	-	-	-	-
Term Loan	159.69	160.64	285.65	259.55	169.48
Car / Vehicle Loan	15.89	17.86	12.47	14.04	15.16
(ii) Statutory Remittance	26.36	15.50	13.72	5.99	8.72
(iii) Outstanding Expenditure	159.94	48.90	55.12	55.27	34.75
(iv) Other Payables					
Advance from Customers	2.67	39.48	12.84	3.14	9.35
Total	364.55	282.38	379.80	337.99	237.46

Annexure XIV: Restated Statement of Short Term Provisions

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
(a) Employee benefits					
(i) Gratuity Provisions	-	-	-		
(b) Others (Specify nature)					
(i) Income Tax	110.69	55.73	35.06	30.15	19.18
Total	110.69	55.73	35.06	30.15	19.18

Annexure XV: Restated Statement of Fixed Assets

(Rs. in Lakhs)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1 April 2013	Additions	Disposals	Balance as at 31 March 2014	Balance as at 1 April 2013	Depreciation charge for the year	Adjustment due to revaluations	Deductions/ Adjustments	Balance as at 31 March 2014	Balance as at 31 March 2014	Balance as at 31 March 2013
Tangible Assets											
Building	67.41	-	-	67.41	6.05	1.10	-	-	7.15	60.26	61.36
Plant and Machinery	1,933.78	343.59	-	2,277.37	862.09	193.48	-	-	1,055.57	1,221.80	1,071.69
Furniture & Fixture	18.53	0.02	-	18.55	10.68	1.17	-	-	11.85	6.70	7.85
Computer	3.88	0.70	-	4.58	1.17	0.71	-	-	1.88	2.71	2.71
Vehicles	97.46	10.69	8.38	99.77	31.85	12.76	-	6.78	37.84	61.93	65.61
Office Equipments	17.68	1.23	0.25	18.66	7.29	0.88	-	0.16	8.00	10.66	10.39
Electrifications	39.50	0.04	-	39.54	18.76	1.88	-	-	20.64	18.90	20.74
Total	2,178.24	356.27	8.63	2,525.88	937.89	211.98	-	6.94	1,142.92	1,382.96	1,240.35
Intangible Assets											
Software	-	-	-	-	-	-	-	-	-	-	-
Patent	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Total	2,178.24	356.27	8.63	2,525.88	937.89	211.98	-	6.94	1,142.92	1,382.96	1,240.35

(Rs. in Lakhs)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1 April 2014	Additions/ (Disposals)	Disposals	Balance as at 31 March 2015	Balance as at 1 April 2014	Depreciation charge for the year	Adjustment due Co. Act	Deductions/ Adjustments	Balance as at 31 March 2015	Balance as at 31 March 2015	Balance as at 31 March 2014
Tangible Assets											
Building	67.41	-	-	67.41	7.15	1.91	5.98	-	15.03	52.38	60.26
Plant and Machinery	2,277.37	50.40	192.24	2,135.53	1,055.57	75.92	0.01	187.71	943.79	1,191.74	1,221.80
Furniture & Fixture	18.55	0.91	-	19.46	11.85	5.23	0.18	-	17.27	2.19	6.70
Computer	4.58	0.77	-	5.35	1.88	1.39	0.49	-	3.75	1.60	2.71
Vehicles	99.77	10.07	13.22	96.62	37.84	9.10	-	6.24	40.69	55.93	61.93
Office Equipments	18.66	1.05	0.46	19.25	8.00	3.08	4.30	0.44	14.94	4.32	10.66
Electrifications	39.54	0.19	-	39.73	20.64	2.32	6.34	-	29.29	10.44	18.90
Total	2,525.88	63.40	205.92	2,383.37	1,142.92	98.94	17.29	194.39	1,064.77	1,318.60	1,382.96
Intangible Assets											
Software	-	-	-	-	-	-	-	-	-	-	-
Patent	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Total	2,525.88	63.40	205.92	2,383.37	1,142.92	98.94	17.29	194.39	1,064.77	1,318.60	1,382.96

(Rs. in Lakhs)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1 April 2015	Additions	Disposal/ Adjustment	Balance as at 31 March 2016	Balance as at 1 April 2015	Depreciation charge for the year	Adjustment due Co. Act	Deductions/ Adjustments	Balance as at 31 March 2016	Balance as at 31 March 2016	Balance as at 31 March 2015
Tangible Assets											
Building	67.41	24.67	-	92.08	15.03	2.39	-	-	17.42	74.66	52.38
Plant and Machinery	2,135.53	184.44	117.44	2,202.54	943.79	83.48	-	110.43	916.84	1,285.70	1,191.74
Furniture & Fixture	19.46	-	-	19.46	17.27	0.18	-	-	17.45	2.01	2.19
Computer	5.35	1.37	-	6.72	3.75	1.02	-	-	4.77	1.94	1.60
Vehicles	96.62	61.35	9.39	148.59	40.69	11.34	-	4.23	47.80	100.78	55.93
Office Equipments	19.25	3.17	2.37	20.05	14.94	2.00	-	2.27	14.67	5.38	4.32
Electrifications	39.73	-	-	39.73	29.29	1.79	-	-	31.08	8.65	10.44
Total	2,383.37	275.00	129.20	2,529.17	1,064.77	102.20	-	116.93	1,050.04	1,479.13	1,318.60
Intangible Assets											
Software	-	-	-	-	-	-	-	-	-	-	-
Patent	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Total	2,383.37	275.00	129.20	2,529.17	1,064.77	102.20	-	116.93	1,050.04	1,479.13	1,318.60

The Company has revised useful life of certain assets as per the useful life specified in the schedule II of the Companies Act, 2013 or as reassessed by the company.

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1 April 2016	Additions	Disposal/ Adjustment	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation charge for the year	Amount Charged to Reserves (refer Note below)	Deductions/ Adjustments	Balance as at 31 March 2017	Balance as at 31 March 2017	Balance as at 31 March 2016
Tangible Assets											
Building	92	29.33	-	121.42	17.42	3.28	-	-	20.71	100.71	74.66
Plant and Machinery	2,203	597.03	107.05	2,692.53	916.84	144.92	-	61.40	1,000.36	1,692.16	1,285.70
Furniture & Fixiture	19	0.08	-	19.54	17.45	0.19	-	-	17.64	1.89	2.01
Computer	7	1.03	-	7.75	4.77	1.18	-	-	5.95	1.80	1.94
Vehicles	149	46.46	36.34	158.71	47.80	16.96	-	17.84	46.92	111.79	100.78
Office Equipments	20	1.69	-	21.73	14.67	2.04	-	-	16.71	5.03	5.38
Electrifications	40	3.24	-	42.97	31.08	2.32	-	-	33.40	9.57	8.65
Total	2,529	678.87	143.39	3,064.64	1,050.04	170.89	-	79.25	1,141.68	1,922.96	1,479.13
Intangible Assets											
Software	-	0.70	-	0.70	-	0.21	-	-	0.21	0.49	-
Patent	-	-	-	-	-	-	-	-	-	-	-
Total	-	0.70	-	0.70	-	0.21	-	-	0.21	0.49	-
Capital WIP	-	4.18	-	4.18	-	-	-	-	-	4	-
Total	2,529.17	683.74	143.39	3,069.52	1,050.04	171.10	-	79.25	1,141.90	1,927.63	1,479.13

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1 April 2017	Additions	Disposal/ Adjustment	Balance as at 31 March 2018	Balance as at 1 April 2017	Depreciation charge for the year	Amount Charged to Reserves (refer Note below)	Deductions/ Adjustments	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
Tangible Assets											
Building	121.42	-	-	121.42	20.71	3.79	-	-	24.50	96.91	100.71
Plant and Machinery	2,692.53	128.81	16.68	2,804.66	1,000.36	181.21	-	14.03	1,167.54	1,637.12	1,692.16
Furniture & Fixiture	19.54	0.75	2.32	17.97	17.64	0.20	-	2.25	15.60	2.37	1.89
Computer	7.75	1.47	3.29	5.93	5.95	1.61	-	3.13	4.43	1.50	1.80
Vehicles	158.71	28.29	94.12	92.87	46.92	15.53	-	35.65	26.81	66.07	111.79
Office Equipments	21.73	0.93	12.40	10.26	16.71	1.63	-	11.79	6.55	3.71	5.03
Electrifications	42.97	3.40	-	46.37	33.40	2.48	-	-	35.87	10.49	9.57
Total	3,064.64	163.65	128.81	3,099.48	1,141.68	206.46	-	66.85	1,281.30	1,818.18	1,922.96
Intangible Assets											
Software	0.70	0.37	-	1.07	0.21	0.08	-	-	0.29	0.78	0.49
Patent	-	-	-	-	-	-	-	-	-	-	-
Total	0.70	0.37	-	1.07	0.21	0.08	-	-	0.29	0.78	0.49
Capital WIP	4.18	0.40	4.18	0.40	-	-	-	-	-	0.40	4.18
Total	3,069.52	164.41	132.99	3,100.94	1,141.90	206.53	-	66.85	1,281.58	1,819.36	1,923.45

Annexure XVI: Restated Statement of Non Current Investments

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
(a) Investment in Property					
(b) Investment in Equity Instruments					
In Unquoted Fully paid up Equity Shares of Madhavapura Co-op Bank Ltd (2500 shares of Rs 100/- each fully paid)	-	-	2.50	2.50	2.50
In Quoted Fully paid up Equity Shares of Himachal Futuristic Communication Ltd. (5500 shares of Rs 1/- each fully paid) (Market Value as on 31st March, 2016 : Rs 70125)	-	-	0.83	-	-
Aggregate amount of unquoted Investments	-	-	3.33	2.50	2.50
Aggregate Cost of Quoted Investments	-	-	0.83	-	-
Aggregate Cost of Unquoted Investments	-	-	2.50	2.50	2.50
	-	-	-	-	-
Total	-	-	3.33	2.50	2.50

Annexure XVII: Restated Statement of Long Term Loans And Advances

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
(Unsecured and Considered Good)					
a. long term loans and advances recoverable from Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company	-	-	-	-	-
b. Other Long Term Loans & Advances					
Security Deposits	32.48	21.00	21.01	20.07	20.07
Fixed Deposits as Margin for Bank Guarantee	14.46	13.50	7.73	14.02	13.06
Mat Credit Entitlement	132.36	111.70	114.67	79.61	49.97
Capital Advances	49.11	45.07	167.36	1.00	-
Total	228.41	191.27	310.77	114.70	83.10

Annexure XVIII: Restated Statement of Inventories

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
a. Raw Materials and components	1,008.12	455.87	615.49	597.67	481.47
b. Work-in-progress - Jobwork	200.03	151.27	330.41	522.19	621.03
c. Finished goods	157.10	18.65	53.34	30.92	41.12
Total	1,365.26	625.79	999.24	1,150.78	1,143.62

Annexure XIX: Restated Statement of Trade Receivables

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
(Unsecured and Considered Good)					
a. From Directors/Promoters/ Promoter Group/Associates/ Relatives of Directors / Group Companies					
Over Six Months	-	-	-	-	-
Others	-	-	-	-	-
b. From Others					
Over Six Months	25.48	24.41	10.24	21.88	101.45
Others	2,459.57	1,823.34	1,429.58	1,261.74	1,113.02
Total	2,485.04	1,847.75	1,439.83	1,283.62	1,214.46

Annexure XX: Restated Statement of Cash And Bank Balances

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Cash on hand	3.51	2.57	0.74	2.52	2.92
Dollar Purchase account	-	-	-	1.56	4.51
Balances with banks					
- in current accounts	10.20	1.98	1.33	9.21	4.93
Total	13.70	4.55	2.07	13.29	12.36

Annexure XXI: Restated Statement of Short Term Loans and Advances

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
(Unsecured and Considered Good)					
a. Loans and advances to Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company	-	-	-	-	-
b. Others (specify nature)					
Advance Recoverable in cash or kind	56.42	36.53	36.58	1.73	2.96
Total	56.42	36.53	36.58	1.73	2.96

Annexure XXII: Restated Statement of Other Current Assets

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
a. Balance with Government Authorities	318.39	159.41	141.03	147.89	103.28
b. Prepaid Expenses	19.15	26.11	22.43	7.24	18.39
c. Accrued Income	114.66	85.88			
Total	452.20	271.40	163.46	155.13	121.67

Annexure XXIII: Restated Statement of Revenue from operations

(Rs. in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Sale of goods					
Manufacturing Sales	6,929.93	4,415.44	5,342.84	4,079.47	3,389.07
Trading Sales	2,453.72	1,907.57	1,154.56	1,219.35	1,759.95
Jobwork Processing	3,599.70	3,389.61	3,200.05	3,324.10	2,828.06
Sub-total	12,983.35	9,712.62	9,697.45	8,622.92	7,977.08
Other Operating revenue					
Export Incentive	42.10	89.26	1.83	12.28	-
Excise Duty Refund	-	-	-	15.73	-
EPCG Income	-	-	13.68	7.19	5.96
Duty Drawback	-	-	99.42	56.39	46.78
Sub-total	42.10	89.26	114.93	91.59	52.74
Total	13,025.45	9,801.88	9,812.38	8,714.51	8,029.82

Annexure XXIV: Restated Statement of Other income

(Rs. in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Kasar Vata (Recurring and related to business activities)	-	5.09	-	1.43	1.22
Insurance Claim (Non- Recurring and not related to business activities)	-	-	-	7.97	5.35
Liability written back (Non- Recurring and not related to business activities)	15.25	18.36	-	-	-
Profit on sale of Asset (Recurring and not related to business activities)	1.08	2.36	9.95	6.20	0.24
Dividend (Non- Recurring and not related to business activities)	-	0.03	-	-	-
Interest (Recurring and not related to business activities)	12.37	5.80	2.34	1.75	2.56
Exchange Rate Difference (Recurring and related to business activities)	-	-	5.74	3.36	19.90
Total	28.70	31.64	18.04	20.71	29.27

Annexure XXV: Restated Statement of Cost of Materials Consumed

(Rs. in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Opening Stock - Grey Cloth	297.64	490.24	385.38	283.06	286.15
Opening Stock - Colour & Chemicals	74.96	78.68	164.34	170.30	101.13
Opening Stock - Stores	14.86	10.99	16.88	18.21	9.81
Opening Stock - Fuel	60.14	35.58	31.07	9.90	12.14
Total Opening Balance (a)	447.60	615.49	597.67	481.47	409.23
Add: Purchases					
Colour & Chemicals	2,021.96	1,913.55	1,862.24	1,910.28	1,674.72
Grey Cloth	5,430.77	2,653.95	3,698.79	2,856.03	2,724.82
Stores	295.54	264.30	232.68	241.54	203.83
Fuel	881.44	809.29	829.86	831.85	706.80
Total Purchases (b)	8,629.71	5,641.09	6,623.57	5,839.70	5,310.17
Less: Closing Stock - Grey Cloth	818.59	279.03	490.24	385.38	283.06
Closing Stock - Colour & Chemicals	151.78	74.96	78.68	164.34	170.30
Closing Stock - Stores	20.21	14.86	10.99	16.88	18.21
Closing Stock - Fuel	7.05	7.54	35.58	31.07	9.90
Goods- In- Transit - Fuel	-	71.22	-	-	-
Total Closing Balance (c)	997.63	447.61	615.49	597.67	481.47
Cost of Material Consumed (a) + (b) - (c)	8,079.68	5,808.97	6,605.75	5,723.50	5,237.93

Annexure XXVI: Restated Statement of Purchase of Stock in Trade

(Rs. in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Purchase of Trading Goods	2,344.38	1,821.41	1,040.51	1,171.70	1,738.03
Total	2,344.38	1,821.41	1,040.51	1,171.70	1,738.03

Annexure XXVII: Restated Statement of Changes in Inventory of Finished & Semi-Finished Goods and Stock in Trade

(Rs. in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Inventories at the end of year					
Finished Goods	157.10	18.65	53.34	30.92	41.12
Semi Finished Goods	200.03	151.27	256.94	360.41	456.34
Inventories at the Beginning of the Year					
Finished Goods	18.65	53.33	30.92	41.11	35.09
Semi Finished Goods	151.27	256.93	360.41	456.33	10.87
Net (Increase)/Decrease	187.22	(140.34)	(81.05)	(106.11)	451.50

Annexure XXVIII: Restated Statement of Employee Benefit Expenses

(Rs. in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Salary	183.92	145.80	133.42	132.32	117.34
Bonus	15.73	12.22	11.10	11.02	9.77
Director Remuneration	80.40	44.30	34.50	30.00	30.00
Gratuity	7.46	3.23	7.42	9.29	5.88
Provident Fund	0.75	0.41	0.28	0.26	0.30
Staff Welfare Expense	14.76	15.35	4.66	6.90	14.85
Total	303.02	221.31	191.38	189.79	178.14

Annexure XXIX: Restated Statement of Finance Costs

(Rs. in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Interest on Secured Loan					
Working Capital Facility	38.00	54.26	60.48	89.33	64.73
Term Loans from HDFC Bank	41.85	9.30	29.20	30.41	9.49
Vehicle Loan	6.83	5.26	3.06	2.57	3.28
Bank Commission & Charges	11.78	4.70	9.95	3.50	4.32
Interest on Unsecured Loan from Related Parties	115.23	44.86	37.79	36.39	16.15
Total	213.69	118.38	140.48	162.20	97.97

Annexure XXX: Restated Statement of Other Expenses

(Rs. in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Manufacturing Expense					
Labour Charges	646.91	503.61	525.51	480.11	408.13
Power , Electricity Expense	338.17	266.11	285.97	272.76	196.03
Factory Rent	12.00	12.00	7.20	4.20	3.00
Sewing Expense	26.11	22.30	23.69	20.02	17.67
Job Charges	183.84	80.35	220.10	2.56	0.06
Freight & cartage	93.07	67.83	88.12	63.57	55.05
Lab Expense	1.61	1.21	1.19	2.11	0.61
Sub-Total (a)	1,301.71	953.41	1,151.78	845.33	680.55
Administrative & Selling Expenses					
Kasar Vata	0.56	-	0.53	-	-
Audit fees	4.05	3.58	1.27	1.26	1.24
Advertisement Expense	0.17	1.04	0.05	1.66	0.02
Club Expense	0.15	0.17	0.17	0.16	0.13
Postage & Stationary	6.27	6.89	6.23	5.85	4.98
Insurance Expense	12.67	12.68	11.32	10.29	9.94
Packing & Material expense	67.41	49.43	77.77	68.11	64.56
Dalali & Commission	76.37	28.37	34.84	26.58	28.29
Telecom Expense	2.59	2.55	2.24	2.69	3.39
Travelling Expense	9.16	7.61	13.59	10.26	14.77
Donation & Charity	1.12	11.11	1.27	0.12	0.11
Rent Expense	-	-	0.51	1.52	1.62
Electricity Expense	0.51	0.51	0.42	1.44	1.43
General Expense	1.48	1.49	2.49	4.17	2.58
Conveyance Expense	0.51	0.79	0.53	0.14	0.09
Car/Vehicle/Truck Expense	9.93	8.03	10.56	8.84	8.61
Computer Expense	1.57	1.89	1.95	2.61	2.12
Legal & Consultancy charges	9.72	6.92	7.03	5.71	6.03
Service tax	1.17	6.59	6.74	1.98	2.27
Outward Freight	15.22	10.45	16.47	13.15	11.71
Loss on sale of Asset/ Investment	19.28	4.31	3.67	2.32	0.51
Municipal Tax	10.57	9.47	7.40	8.93	7.12
Membership Fees	0.95	0.80	0.55	0.63	0.42
Professional Tax	0.02	0.02	0.02	0.02	0.02
Vat Expense	2.60	7.57	7.35	7.27	5.22
Repair & Maintenance Expense	76.27	65.61	71.33	59.64	52.71
Pollution Control Expense	36.17	15.65	15.95	20.68	15.56
Wind Mill Maintenance charges	26.10	26.39	24.97	23.49	22.02
Foreign Exchange Fluctuation	3.15	14.06	-	-	-
Share Issue Expense	-	8.78	-	-	-
Provision for Diminution in value of Investment	-	2.50	-	-	-
Bad Debt	-	12.47	18.11	-	-
Sub-Total (b)	395.74	327.73	345.33	289.52	267.47
Total (a) + (b)	1,697.45	1,281.14	1,497.11	1,134.85	948.02

Annexure XXXI: Contingent Liabilities and Commitments

(Rs. in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
(a) Contingent Liabilities					
a. Bank Guarantees	-	25.00	25.00	-	-
b. Other Money for which the company is contingently liable					
Income Tax	-	27.02	7.32	-	-
c. Export Obligation	154.55	20.30	658.41	-	-
d. Disputes matter pending at appropriate authority(ies)					
Excise Duty	-	-	-	-	4.50
Textile Cess	-	-	-	3.00	3.00
Guarantee as Member of Narol Textile Infrastructure & Enviro Management a company u/s 25 of Companies Act, of proportionate share of financial assistant in favour of the said company for development of common infrastructure facility of effluent treatment.	74.19	74.19		-	-
(b) Commitments	-	-	-	-	-
Total	228.74	146.51	690.73	3.00	7.50

Annexure XXXII: Restated Statement of Related Party Disclosures

(Rs. in Lakhs)

Name	Relationship with Company	Nature of Transaction	Amount of Transaction during 2017-18	Amount Outstanding as on March 31, 2018 (Payable)/Receivable	Amount of Transaction during 2016-17	Amount Outstanding as on March 31, 2017 (Payable)/Receivable	Amount of Transaction during 2015-16	Amount Outstanding as on March 31, 2016 (Payable)/Receivable	Amount of Transaction during 2014-15	Amount Outstanding as on March 31, 2015 (Payable)/Receivable	Amount of Transaction during 2013-14	Amount Outstanding as on March 31, 2014 (Payable)/Receivable
Hiralal Jagdishchand Parekh	Director	Remuneration	60.00		24.00	-	24.00	-	24.00	-	24.00	-
Latadevi Hiralal Parekh	Director	Remuneration	12.00		6.00	-	6.00	-	6.00	-	6.00	-
Vandani Sumanth Choudhary	Director	Remuneration			6.30	-	-	-	-	-	-	-
Nishita Saurabh Shah	Director	Remuneration	8.40		8.00	-	4.50	-	-	-	-	-
Hiralal Jagdishchand Parekh	Director	Interest	44.03	- 39.62	18.68	- 18.68	17.13	- 17.13	4.42	- 4.42	2.45	- 2.45
Latadevi Hiralal Parekh	Director	Interest	34.88	- 31.39	15.80	- 15.80	15.91	- 15.91	5.52	- 5.52	1.25	- 1.25
Nishita Saurabh Shah	Director	Interest	8.68	- 7.81	2.26	- 2.26	0.06	- 0.06	4.84	- 4.84	3.14	- 3.14
Hiralal Jagdishchand HUF	Director's HUF	Interest	12.23	- 11.00	3.39	- 3.39	0.25	- 0.25	2.80	- 2.80	1.44	- 1.44
Mohanlal Mahavirchand Impex Pvt.Ltd	Group company	Interest	4.95	- 4.46	4.72	- 4.72	4.42	- 4.42	4.93	- 4.93	1.35	- 1.35
Pankaj Fabrics Company	Director's HUF - Firm	Rent	6.00	-	6.00	-	-	-	4.20	- 4.20	3.00	-
Hiralal Jagdishchand Parekh	Director	Rent	6.00	-	6.00	-	-	-	-	-	-	-
Vandani Sumanth Choudhary	Director	Interest	1.50	- 1.35	-	-	-	-	0.37	- 0.37	0.35	- 0.35

Annexure XXXIII: Restated Statement of Accounting and other ratios

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Restated Profit after tax (Rs. in lakhs)	307.56	170.38	111.44	97.77	67.51
Weighted Average Number of Equity Shares at the end of the Year/Period (Nos. in lakhs)	66.03	33.01	3.30	3.07	3.06
Impact of issue of Bonus Shares before 31st March, 2017 (Nos. in lakhs)	-	33.01	-	-	-
Impact of issue of Bonus Shares after 31st March, 2017 (Nos. in lakhs)	-	-	-	-	-
Weighted Average Number of Equity Shares at the end of the Year/Period after adjustment for issue of bonus shares (Nos. in lakhs)	66.03	66.03	66.03	66.03	66.03
Net Worth, as restated (Rs. in lakhs)	1,616.89	1,309.34	1,138.96	1,027.52	875.04
Accounting Ratios without considering the impact of sub-division					
Number of Equity Shares outstanding (excluding bonus shares) (Nos. in lakhs)	3.30	3.30	3.30	3.30	3.06
Weighted Average No. of Equity Shares (Nos. in lakhs)	3.30	3.30	3.30	3.07	3.06
Bonus Shares (calculated as if no sub-division took place) (Nos. in lakhs)	3.30	3.30	3.30	3.30	3.30
Total Weighted Average No. of Equity Shares (Nos. in lakhs)	6.60	6.60	6.60	6.37	6.36
Closing No. of Equity Shares (Nos. in lakhs)	6.60	6.60	6.60	6.60	6.36
Ratios					
Basic & Diluted EPS (Rs.)	46.60	25.81	16.88	15.35	10.61
Return on Net Worth (%)	19.02%	13.01%	9.78%	9.52%	7.71%
Net Asset Value Per Share (Rs.) - after bonus	244.98	198.38	172.57	155.68	137.58
Accounting Ratios with considering the impact of sub-division					
Number of Equity Shares outstanding (excluding bonus shares) (Nos. in lakhs)	33.01	33.01	33.01	33.01	30.61
Weighted Average No. of Equity Shares (Nos. in lakhs)	33.01	33.01	33.01	30.71	30.61
Bonus Shares (calculated as if sub-division took place at the beginning of the earliest period reported) (Nos. in lakhs)	33.01	33.01	33.01	33.01	33.01
Total Weighted Average No. of Equity Shares (Nos. in lakhs)	66.02	66.02	66.02	63.72	63.62
Closing No. of Equity Shares (Nos. in lakhs)	66.02	66.02	66.02	66.02	63.62
Ratios					
Basic & Diluted EPS (Rs.)	4.66	2.58	1.69	1.53	1.06
Return on Net Worth (%)	19.02%	13.01%	9.78%	9.52%	7.71%
Net Asset Value Per Share (Rs.) - after bonus	24.49	19.83	17.25	15.56	13.75

Notes:

1) The ratios have been computed in the following manner :

Earning Per Share
$$\frac{\text{Restated Profit after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

Return on Net Worth (%)
$$\frac{\text{Restated Profit after tax}}{\text{Restated Net worth as at the end of the year}} \times 100$$

Net Asset Value
$$\frac{\text{Restated Net Worth as at period/ year end}}{\text{Total number of equity shares as at the end of the year}}$$

2) Equity Shares of our Company were sub-divided from Rs. 100 per share to Rs. 10 per share in financial year 2016-17. Therefore, the ratios above have been calculated with and without considering the effect of such sub-division

3) On March 31, 2017 our Company allotted bonus shares to the existing shareholders in the ratio of one share to one held by the them pursuant to the resolution passed by the shareholders in the extra ordinary general meeting of the Company. Accordingly, the Earnings Per Share have been calculated as per the methodology given under AS 20

Vinny Overseas Limited

Annexure XXXIV: Restated Statement of Capitalisation

(Rs. in Lakhs)

Particulars	Pre Issue as at March 31, 2018	Post Issue
Borrowings		
Short term	813.36	•
Long term	1,236.35	•
Total Borrowings	2,049.71	•
Shareholders' funds		
Equity share capital	660.26	•
Reserve and surplus - as restated	956.63	•
Total shareholders' funds	1,616.89	•
Long term debt / shareholders funds	0.76	•
Total debt / shareholders funds	1.27	•

Note:

1. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31st March, 2018.
2. Long Term borrowings includes current maturities of long term debt.
3. The corresponding post issue figures will be calculated and updated on finalisation of issue price at the time of filing the Final Prospectus with the Registrar of Companies.

Annexure XXXV: Statement of Tax Shelters

(Rs. in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Restated Profit before tax (A)	396.61	270.87	171.94	148.13	98.52
Tax Rate (%)	33.06%	33.06%	33.06%	32.45%	30.90%
Tax at notional rate on profits	131.13	89.56	56.85	48.06	30.44
Adjustments :					
Permanent Differences(B)					
Expenses disallowed under Income Tax Act, 1961	18.76	21.15	4.96	4.10	0.62
Total Permanent Differences(B)	18.76	21.15	4.96	4.10	0.62
Income considered separately (C)	-	-	9.95	6.20	0.24
Total Income considered separately (C)	-	-	9.95	6.20	0.24
Timing Differences (D)					
Difference between tax depreciation and book	(23.03)	(93.48)	(46.85)	(31.34)	89.40
Difference due to any other items of addition u/s 28 to 44DA	7.46	15.45	5.16	7.15	3.48
Total Timing Differences (D)	(15.57)	(78.03)	(41.69)	(24.20)	92.88
Net Adjustments (E) = (B+D)	3.19	(56.88)	(46.69)	(26.30)	93.27
Tax expense / (saving) thereon	1.05	(18.81)	(15.44)	(8.53)	28.82
Income from Other Sources (F)	-	-	-	-	-
Loss of P.Y. Brought Forward & Adjusted (G)	-	(37.93)	(125.25)	(121.83)	(191.79)
Deduction U/S 80IA	(65.00)	(58.08)			
Taxable Income/(Loss) (A+E+F+G)	334.80	117.97	0.00	(0.01)	(0.01)
Taxable Income/(Loss) as per MAT	396.61	270.87	171.94	148.13	98.52
Tax as per MAT	80.86	55.23	35.06	29.64	18.77
Tax as per Normal Calculation	110.69	39.00	0.00	(0.00)	(0.00)
MAT credit entitlement/Utilised	20.66	-	35.06	29.64	18.77
Tax paid	-	-	-	-	-
Tax paid as per normal or MAT	Normal	MAT	MAT	MAT	MAT

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements which have been included in this Draft Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Financial Statements for the years ended March 31, 2018, 2017 and 2016 including the related notes and reports, included in this Draft Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the respective years. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on pages 21 and 20, respectively, and elsewhere in this Draft Prospectus.

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.

OVERVIEW

Our Company was originally constituted as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated May 29, 1992 bearing Registration Number 04-17742 of 1992-93 issued by the Registrar of Companies Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on February 21, 2017 and the name of our Company was changed to Vinny Overseas Limited and a fresh certificate of incorporation consequent upon Conversion of Private Company to Public Limited dated March 02, 2017 was issued by the Registrar of Companies Ahmedabad. The Corporate Identification Number of our Company is U51909GJ1992PLC017742.

Vinny Overseas Ltd. is engaged in the processing of fabrics for shirting, suiting and dress materials through the integrated manufacturing process of weaving, dyeing, printing and finishing. Our Company procures Grey Fabric from the domestic 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 doing the jobwork for wholesale cloth merchant/quassi manufacturers and also trade in grey cloth as per the order received from the customer.

Our products offering can be largely classified into Cotton Fabric, Twill Fabrics, Satin fabrics, Slub Satin Fabrics, Cotton Slub fabrics, polyester, georgette, Dobby fabrics, 20x20 fabric, 72x68 fabric, Rencho Fabrics, Micro Cotton Fabrics and Raymond Cotton Fabrics. Our operations and facilities enable us to provide a number of textile products / processes for our customers.

Established in 1992, with over two decades of experience in the textile industry, we cater both domestic and international clients. Our Company has also been recognized by Ministry of Commerce and Industry as a "One Star Export House" and holds a valid certificate upto 2020. Also, we holds the Registration cum Membership certificate as Manufacturer-Exporter from The Synthetic & Rayon Textiles Export Promotion Council upto March 31, 2021. Our company majorly focuses in high quality of fabrics by utilizing plant and machineries with requisite technology, delivering quality textiles at competitive prices and maintaining long term association with our clients.

Our processing unit is located at Isanpur Road, Narol, Ahmedabad in the state of Gujarat, on approximately 27000 square yard of land which comprises of dyeing, printing and finishing processing with a capacity of processing of approx. 4,00,00,000 meter per annum. For the financial year 2017-18, our Company has processed 3,82,87,548 meters of fabrics. The unit has the capacity to print, dye and process wide range of fabrics i.e. cotton, polyester, viscose and man-made & blended fabrics suitable for men's wear, women's wear, home furnishing and many other applications. Our finished fabrics comprises more than 6,000 designs and



specifications which we sell to garment manufacturers to produce garments for apparel brand owners. Our Company based on its experience and its standards, conforms to major specifications and customer requirements. We firmly believe in benchmark product quality, customer centric approach, people focus, ethical business practices and good corporate citizenship.

We have a dedicated in-house Testing and Quality Control (“QC”) Team which undertakes testing and quality management. Our testing and QC team coupled with our testing equipment ensures the quality of raw material dispensed in the processing 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 promoters have more than three decades of experience in the textile industry. Our Promoters are engaged in day-to-day operations of our Company and actively participate in decision making activities overhauling overall operations which ranges from processing activity, marketing, finance and other commercial activities related to our business.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

- The Board of our Company has approved to raise funds through initial public offering in the meeting held on August 08, 2018
- The members of our company approved proposal of Board of Directors to raise funds through initial public offering in the Annual General Meeting held on August 14, 2018.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the Section titled “*Risk Factors*” beginning on page 21 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- General economic and business conditions;
- Changes in laws and regulations and legal uncertainties;
- Competition from existing and new entrants and introduction of substitute products;
- Volatility in price of raw-material;
- Employment conditions in the economy; and
- Fluctuations in exchange rates of various foreign currencies

SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The restated summary statement of assets and liabilities of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and the related restated summary statement of profits and loss and cash flows for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 have been compiled by the management from the audited financial statements of the Company for the years ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the SEBI Guidelines) issued by SEBI and Guidance note on Reports in Company Prospectuses (Revised) issued by Auditing and Assurance Board of the Institute of Chartered Accountants of India. Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the EMERGE Platform of National Stock Exchange of India Limited in connection with its proposed Initial public offering of equity shares. The

Company's management has recast the financial statements in the form specified under Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

Use of Estimates

The preparation of financial statement requires management to make estimates and assumptions that affect the reported amount of assets & liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in preparation of the financial statements are prudent and reasonable. Actual results may differ from those estimates. Any revisions to accounting are recognized prospectively in current and future periods.

Fixed Assets

Fixed assets as stated at cost net of recoverable taxes less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for its intended use and exchange rate arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation

Depreciation on fixed assets has been provided on Straight Line Method (SLM) basis as per the useful life prescribed as specified in schedule II, of the Companies Act, 2013 on pro-rata basis. In respect of additions or extensions forming an integral part of existing assets on account of translation of foreign currency liabilities for acquisition of fixed assets, depreciation is provided as aforesaid over the residual life of the respective asset.

Intangible assets are amortized over a period of 3 years.

Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximated the actual rate at the date of transaction.

Monetary items denominated in foreign currencies at the year end are restated at the year end exchange rates and the difference is adjusted in the statement of profit & loss.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit & loss statement in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

Investments

Non-Current Investments are stated at cost. Provision for diminution in the value of Non-Current Investments is made only if such a decline is other than temporary in nature, in the opinion of the management.

Inventories

Inventories are stated at lower of cost or NRV. Cost is calculated on specific identification basis. However, cost of colour, chemicals, fuel and consumable stores & spares is calculated on FIFO basis. Cost of finished goods and semi-finished goods include raw materials and other costs incurred in bringing the inventories to their present location and condition.

Revenue Recognition

Sales are recognized when goods are delivered and transfer of significant risk and reward takes place and are recorded net of discount. Revenue in respect of job work income is recognized on percentage of completion method based on the physical proportion of the job work. Interest Income is recognized on time proportion basis.

Retirement Benefits

Contribution to provident fund & leave encashment is charged to profit & loss account.



Provision for gratuity liability is made based on actuarial valuation as at balance sheet date and is charged to profit & loss account.

All other short term benefits for employees are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.

Borrowing Costs

Borrowing Costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the cost of acquisition or construction of qualified assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use and other borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.

Taxes on Income

Tax expense comprises of Current Tax and Deferred Tax. Current Tax is determined at the amount expected to be paid to the Income Tax Authorities after consideration of the applicable provisions of The Income Tax Act, 1961 including Benefits, Allowances and Deductions admissible under the said act.

Minimum Alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset If there is convincing evidence that the Company will pay normal tax after the tax holiday period. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax is recognized on timing difference between the accounting income and the estimated taxable income for the period and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax asset can be realized. But, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that sufficient future taxable income will be available to realize deferred tax assets.

Impairment of Assets

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment of assets. If any indication exists, The recoverable amount of such assets is estimated. All impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

Treatment of Export Entitlement Benefits

Export entitlement benefits in respect of schemes under EXIM policy are accounted for on the basis of entitlement against eligible exports made during the year.

Provisions, Contingent liabilities & Assets

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and that probability requires an outflow of resources.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote. No disclosure is made.

Contingent Assets are neither recognized nor disclosed in the financial statements.

Accounting Policies not specifically referred mentioned are consistent with Generally Accepted Accounting Policies (GAAP).

OVERVIEW OF REVENUE AND EXPENSES

Revenue and Expenses

Our revenue and expenses are reported in the following manner:

Total Revenue

Our Total Revenue comprises of revenue from operations and other income.

Revenue from operations

Our revenue from operations comprises of revenue from sale of processed fabrics including shirting fabrics, suiting fabrics, polyester fabrics, dress materials and cotton fabric through integrated manufacturing process of weaving, dyeing, printing and finishing. Our Company also derives its revenue from trading of grey cloth and job work processing. Our revenue from operations also includes other operating revenue on account of export incentives, duty drawback and EPCG income and excise duty refund.

Other Income

Our other income comprises of recurring and non-recurring incomes which are also related to business activities as well as unrelated to business activities. Our recurring income related to business activity include discount and income from foreign exchange rate difference. Non-recurring income related to business activities include liabilities written back, insurance claim on damage of goods and interest income on deposits. Income unrelated to business activities include dividend income and profit on sale of assets.

Expenses

Our expenses comprise of cost of material consumed, purchase of stock in trade, change in inventory of finished & semi-finished goods, employee benefit expenses, finance costs, depreciation & amortisation expenses and other expenses.

Cost of material consumed

Cost of material consumed primarily consists of cost of raw materials that majorly include grey cloth (cotton cloth and synthetic cloth) colours, dyes, caustic soda flakes, soda bi carb, soda ash and hydrogen peroxide, stores and fuel.

Purchase of Stock In Trade

It comprises of purchase of Grey Cloth for trading in domestic market.

Change in Inventory of Finished & Semi-Finished goods and Stock in Trade

Change in inventory of Finished & Semi-Finished goods and Stock in Trade consist of changes in our inventory of finished & semi-finished goods and stock in trade at the beginning and end of the year.

Employee benefit expenses

Our employee benefit expenses include salary, bonus, directors' remuneration, contribution to provident fund, provision for gratuity and staff welfare expenses.

Finance costs

Our finance costs comprise of interest on secured working capital facility, term loans and vehicle loans from banks and unsecured borrowings from related parties and other borrowing costs and charges.

Depreciation and amortisation expenses

Depreciation and amortisation expenses comprise of depreciation on tangible fixed assets and amortisation of intangible assets.

Other expenses

Our other expenses consist of manufacturing and administrative & selling expenses. Manufacturing expense include factory rent expense, freight & cartage expense, job charges, lab expense, labour charges, electricity expense and sewing expense. Administrative & Selling expense include advertisement expense, audit fees expense, bad debt expense, club expense, computer expense, conveyance expense, dalali & commission, donation & charity expense, electricity expense, , foreign exchange fluctuation, , general expense, insurance expense, kasar vatav, legal & consultancy charges, loss on sale of asset, membership fees, municipal tax,



outward freight, packing & material expense, penalty, pollution control expense, postage & stationary expense, professional tax, provision for diminution in value of investment , rent expense, repair & maintenance expense, screen frame & design charges, service tax share issue expense, telecom expense, travelling expense, truck expense, vat expense and wind mill maintenance charges.

Our Results of Operations

The following table sets forth select financial data from our restated financial statement of profit and loss for the financial years 2018, 2017 and 2016 the components of which are also expressed as a percentage of total revenue for such periods:

(Rs. in Lakhs)

Particulars	For the Year ended March 31,		
	2018	2017	2016
Total Revenue:			
Revenue from operations	13,025.45	9,801.88	9,812.38
As a % of Total Revenue	99.78%	99.68%	99.82%
Other income	28.70	31.64	18.04
As a % of Total Revenue	0.22%	0.32%	0.18%
Total Revenue	13,054.15	9,833.52	9,830.42
Expenses:			
Cost of material consumed	8,079.68	5,808.97	6,605.75
As a % of Total Revenue	61.89%	59.07%	67.20%
Purchase of stock-in-trade	2,344.38	1,821.41	1,040.51
As a % of Total Revenue	17.96%	18.52%	10.58%
Change in inventory of Finished & Semi-Finished Goods and Stock in Trade	(187.22)	140.34	81.05
As a % of Total Revenue	(1.43%)	1.43%	0.82%
Employee benefit expenses	303.02	221.31	191.38
As a % of Total Revenue	2.32%	2.25%	1.95%
Finance costs	213.69	118.38	140.48
As a % of Total Revenue	1.64%	1.20%	1.43%
Depreciation and amortization expense	206.53	171.10	102.20
As a % of Total Revenue	1.58%	1.74%	1.04%
Other expenses	1,697.45	1,281.14	1,497.11
As a % of Total Revenue	13.00%	13.03%	15.23%
Total Expenses	12,657.54	9,562.65	9,658.48
As a % of Total Revenue	96.96%	97.25%	98.25%
Profit before exceptional, extraordinary items and tax	396.61	270.87	171.94
As a % of Total Revenue	3.04%	2.75%	1.75%

Particulars	For the Year ended March 31,		
	2018	2017	2016
Exceptional items	-	-	-
Profit before extraordinary items and tax	396.61	270.87	171.94
As a % of Total Revenue	3.04%	2.75%	1.75%
Extraordinary items	-	-	-
Profit before tax	396.61	270.87	171.94
PBT Margin	3.04%	2.75%	1.75%
Tax expense :			
(i) Current tax	110.69	55.73	35.06
(ii) Deferred tax expenses(Credit)	(0.98)	41.79	60.50
(iii) MAT Credit	(20.66)	2.97	(35.06)
Total Tax Expense	89.05	100.49	60.50
% of total income	0.68%	1.02%	0.62%
Profit After Tax (PAT)	307.56	170.38	111.44
PAT Margin	2.36%	1.73%	1.13%

FINANCIAL YEAR 2017-18 COMPARED WITH FINANCIAL YEAR 2016-17

Total Revenue

Our total revenue increased by 32.75% to Rs. 13,054.15 lakhs for the financial year 2017-18 from Rs. 9,833.52 lakhs for the financial year 2016-17 due to the factors described below:

Revenue from operations

Our revenue from operations increased by 32.89% to Rs. 13,025.45 lakhs for the financial year 2017-18 from Rs. 9,801.88 lakhs for the financial year 2016-17. The increase was mainly due to increase in our revenue from sale of manufactured products by 56.95% to Rs 6,929.93 lakhs in the financial year 2017-18 from Rs 4,415.44 lakhs for the financial year 2016-17, sale from trading goods by 28.63% to Rs. 2,453.72 lakhs for the financial year 2017-18 from Rs. 1,907.57 lakhs for the financial year 2016-17 and job work income by 6.20% to Rs. 3,599.70 lakhs in 2017-18 from Rs. 3,389.61 lakhs in 2016-17. However our other operating revenue from export incentive decreased by Rs. 47.16 lakhs to Rs. 42.10 lakhs in the financial year 2017-18 from Rs. 89.26 lakhs in financial year 2016-17. Increase in sale of manufactured products was mainly on account of enhanced demand of our finished goods and our competitive pricing.

Other income: Our other income decreased by 9.29% to Rs. 28.70 lakhs for the financial year 2017-18 from Rs. 31.64 lakhs for the financial year 2016-17 mainly due to decrease in discount income by Rs. 5.09 lakhs, income from write back of liabilities by Rs. 3.11 lakhs and profit on sale of assets by Rs. 1.28 lakhs among others. However, the decrease was partially offset by increase in interest income on margin money term deposits and income tax refund by Rs. 6.57 lakhs in the financial year 2017-18.

Total Expenses

Our total expenses increased by 32.36% to Rs. 12,657.54 lakhs for the financial year 2017-18 from Rs. 9,562.65 lakhs for the financial year 2016-17, due to the factors described below:

Cost of material consumed

Our Cost of material consumed for the financial year 2017-18 increased by 39.09% to Rs. 8,079.68 lakhs as compared to Rs. 5,808.97 lakhs in financial year 2016-17. Our Cost of material constituted 61.89% of our total revenue for the financial year 2017-18 as compared to 59.07% of our total revenue for the financial year 2016-



17. Increase in cost of material consumed was in line with increase in our revenue from sale of manufactured products.

Purchase of stock in trade

Our purchase of stock in trade has increased by 28.71% to Rs. 2344.38 lakhs for the financial year 2017-18 from Rs. 1821.41 lakhs for the financial year 2016-17. Increase in purchase of stock in trade is in line with increase in sale of traded products.

Changes in inventories of Finished & Semi-Finished Goods and Stock in Trade

Our changes in inventory of finished & semi- finished goods and stock in trade was Rs. 187.22 lakhs for financial year 2017-2018.

Employee benefits expenses

Our employee benefit expenses increased by 36.92% to Rs. 303.02 lakhs for the financial year 2017-18 from Rs. 221.31 lakhs for the financial year 2016-17. The increase was mainly due to increase in salary and wages by Rs 38.12 lakhs, director's remuneration by Rs. 36.10 lakhs, provision for gratuity by Rs. 4.23 lakhs, bonus expenses by Rs. 3.51 lakhs among others. However, the increase was partially offset by decrease in staff welfare expenses by Rs 0.59 lakhs. Increase in salary and wages expense was primarily due to increment in salaries and wages given to staff and increase in overall number of employees from 54 in 2016-17 to 79 in 2017-18.

Finance costs

Our finance costs increased by 80.51 % to Rs. 213.69 lakhs for the financial year 2017-18 from Rs. 118.38 lakhs for the financial year 2016-17. Increase in our finance cost was primarily due to increase in interest expense on unsecured loans by Rs. 70.37 lakhs, interest on secured term loans by Rs. 32.55 lakhs, bank commission & other charges by Rs. 7.08 lakhs and interest on vehicle loans by Rs 1.57 lakhs. However, the increase was partially offset by decrease in interest on working capital facility by Rs.16.26 lakhs. The increase in our interest expense on unsecured loans was primarily due to increase in the overall unsecured loans taken by the company to Rs. 777.97 lakhs as on March 31, 2018 from Rs. 510.11 lakhs as on March 31, 2017. Increase in interest expense on secured term loan was on account of disbursement of new loan from HDFC Bank in the year 2016-17 whose repayment began in the year 2017-18.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 20.71% to Rs. 206.53 lakhs for the financial year 2017-18 from Rs. 171.10 lakhs for the financial year 2016-17. Depreciation on tangible assets in the financial year 2017-18 increased by Rs. 35.57 lakhs however amortization expense decreased by Rs. 0.14 lakhs in the financial year 2017-18. The gross block of fixed assets (tangible and intangible) increased by Rs. 35.20 lakhs in the financial year 2017-18.

Other expenses

Our other expenses increased by 32.50% to Rs. 1,697.45 lakhs for the financial year 2017-18 from Rs. 1281.14 lakhs for the financial year 2016-17. Our manufacturing expenses increased by Rs. 348.30 lakhs mainly on account of increase in labour charges by Rs. 143.30 lakhs, job charges by Rs 103.49 lakhs, power & electricity expenses by Rs 72.06 lakhs, freight & cartage expenses by Rs 25.24 lakhs, and sewing expenses by Rs. 3.81 lakhs among others. Other administrative and selling expenses increased by Rs. 68.01 lakhs mainly on account of increase in commission expenses by Rs 48.00 lakhs, pollution control expenses by Rs 20.52 lakhs, loss on sale of asset by Rs. 14.97 lakhs, packing and material expenses by Rs. 17.98 lakhs, repairs & maintenance expenses by Rs 10.66 lakhs, outward freight by Rs. 4.77 lakhs, legal & consultancy expense by Rs. 2.80 lakhs, vehicle expense by Rs. 1.90 lakhs, travelling expense by 1.55 lakhs and municipal tax by 1.10 lakhs among others in the financial year 2017-18. However, the increase was partially offset by decrease in write off of bad debts by Rs 12.47 lakhs, foreign exchange fluctuation loss by Rs 10.91 lakhs, donation expenses by Rs. 9.99 lakhs, share issue expenses by Rs 8.78 lakhs, service tax expenses by Rs 5.42 lakhs, VAT expenses by Rs 4.97 lakhs and provision for diminution in value of investment by Rs. 2.50 lakhs among others. The increase in labour charges was due to increase in overall production of the company and decrease in bad debts was due to optimum utilisation of produced fabrics.

Profit before tax

Our profit before tax increased by 46.42% to Rs. 396.61 lakhs for the financial year 2017-18 from Rs. 270.87 lakhs for the financial year 2016-17. The increase was mainly due to higher efficiency of production and increase in capacity utilisation to 94.83% in 2017-18 from 91.07% in 2016-17

Tax expenses

Our tax expenses decreased by 11.38 % to Rs. 89.05 lakhs for the financial year 2017-18 from Rs. 100.49 lakhs for the financial year 2016-17 mainly due to decrease in our deferred tax expense by Rs. 42.77 lakhs and reversal of MAT credit by Rs. 23.63 lakhs. However the decrease was partially offset by increase in our current tax expense by Rs. 54.96 lakhs in the financial year 2017-18.

Profit after tax

Due to reasons mentioned above, our profit after tax increased by 80.52 % to Rs. 307.56 lakhs for the financial year 2017-18 from Rs. 170.38 lakhs for the financial year 2016-17.

FINANCIAL YEAR 2016-17 COMPARED WITH FINANCIAL YEAR 2015-16

Total Revenue

Our total revenue increased by 0.03% to Rs. 9,833.52 lakhs for the financial year 2016-17 from Rs. 9,830.42 lakhs for the financial year 2015-16 due to the factors described below:

Revenue from operations

Our revenue from operations decreased by 0.11% to Rs. 9,801.88 lakhs for the financial year 2016-17 from Rs. 9,812.39 lakhs for the financial year 2015-16. The decrease was mainly due to decrease in sale of manufactured goods by 17.36% to Rs. 4,415.44 lakhs in the financial year 2016-17 from Rs. 5,342.84 lakhs in financial year 2015-16 and decrease in EPCG & Duty drawback income by Rs. 113.10 lakhs. However the decrease in our revenue was partially offset by increase in revenue from sale of trading goods by 65.22% to Rs 1,907.57 lakhs in the financial year 2016-17 from Rs 1,154.56 lakhs for the financial year 2015-16, increase in Job work income by 5.92% to Rs. 3,389.61 lakhs in financial year 2016-17 from Rs. 3,200.05 lakhs in financial year 2015-16 and increase in export incentive income by Rs. 87.43 lakhs. The decrease in sale of manufactured goods was because of higher margin in traded goods as compared to manufactured goods.

Other income

Our other income increased by 75.42% to Rs. 31.64 lakhs for the financial year 2016-17 from Rs. 18.04 lakhs for the financial year 2015-16 mainly on account of write back of liability of Rs. 18.36 lakhs in financial year 2016-17, receipt of discount of Rs. 5.09 lakhs and increase in interest on margin money term deposits and income tax refund by Rs. 3.46 lakhs among others. However, the increase was partially offset by decrease in profit on sale of asset by Rs 7.59 lakhs and exchange rate difference income of Rs. 5.74 lakhs in the financial year 2015-16 which was Nil in the financial year 2016-17. Increase in liability written back was due to short payment to creditors on account of defective goods.

Total Expenses

Our total expenses decreased by 0.99% to Rs. 9,562.65 lakhs for the financial year 2016-17 from Rs. 9,658.48 lakhs for the financial year 2015-16, due to the factors described below:

Cost of material consumed

Our Cost of material consumed decreased by 12.06% to Rs. 5,808.97 lakhs as compared to Rs. 6,605.75 lakhs for the financial year 2015-16. Our Cost of material constituted 59.07% of our total revenue for the year ended March 31, 2017 as compared to 67.20% for the year ended March 31, 2016. Decrease in cost of material consumed was in line with decrease in sales of manufactured goods.

Purchase of stock in trade

Our purchase of stock in trade has increased by 75.05% to Rs. 1,821.41 lakhs for the financial year 2016-17 from Rs. 1,040.51 lakhs for the financial year 2015-16 mainly due to increase in demand of traded goods.

Changes in inventories of Finished & Semi-Finished goods and Stock in Trade



Our changes in inventory of finished & Semi-Finished goods and Stock in Trade was Rs. 140.34 lakhs in financial year 2016-17

Employee benefits expenses

Our employee benefit expenses increased by 15.64% to Rs. 221.31 lakhs for the financial year 2016-17 from Rs. 191.38 lakhs for the financial year 2015-16. The increase was mainly due to increase in salary by Rs. 12.38 lakhs, staff welfare expenses by Rs. 10.69 lakhs, directors remuneration by Rs. 9.80 lakhs, bonus expenses by Rs. 1.12 lakhs among others. However, this increase was offset by decrease in provision for gratuity by Rs. 4.19 lakhs. Increase in salary expense was primarily due to increment in salaries given to staff and increase in overall number of employees from 50 in 2015-16 to 54 in 2016-17.

Finance costs

Our finance costs decreased by 15.73% to Rs. 118.38 lakhs for the financial year 2016-17 from Rs. 140.48 lakhs for the financial year 2015-16. Decrease in our finance cost was primarily due to decrease in our interest expense on term loans by Rs. 19.90 lakhs, interest on working capital facility by Rs. 6.22 lakhs and bank commission & charges by Rs. 5.25 lakhs. However, this decrease was offset by increase in interest on unsecured loan from related parties by Rs. 7.07 lakhs and increase in interest on vehicle loans by Rs. 2.20 lakhs. The decrease in our interest expense on term loan despite increase in balance was because of disbursement of new loans at the end of financial year 2016-17.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 67.43% to Rs. 171.10 lakhs for the financial year 2016-17 from Rs. 102.20 lakhs for the financial year 2015-16. Depreciation on tangible assets in the financial year 2016-17 increased by Rs. 68.70 lakhs while amortization expense increased by Rs. 0.21 lakhs in the financial year 2016-17.

Other expenses

Our other expenses decreased by 14.43% to Rs. 1,281.14 lakhs for the financial year 2016-17 from Rs. 1,497.11 lakhs for the financial year 2015-16. Our manufacturing expenses decrease mainly on account of decrease in job charges by Rs. 139.75 lakhs, labour charges by Rs. 21.90 lakhs, freight & cartage expenses by Rs. 20.29 lakhs, power & electricity expenses by Rs. 19.86 lakhs and sewing expenses by Rs. 1.39 lakhs however the decrease was partially offset by increase in factory rent expenses by Rs. 4.80 lakhs. Our administrative and selling expenses decrease by 17.60 lakhs mainly on account of packing & material expenses by Rs. 28.34 lakhs, commission expenses by Rs. 6.47 lakhs, outward freight by Rs. 6.02 lakhs, travelling expenses by Rs. 5.98 lakhs, repairs & maintenance expenses by Rs. 5.72 lakhs, write off of bad debt by Rs. 5.64 lakhs, vehicle expenses by Rs. 2.53 lakhs and general expenses Rs. 1.00 lakhs among others. However, the decrease was partially offset by increase in loss on foreign exchange fluctuation by Rs. 14.06 lakhs, donation expenses by Rs. 9.84 lakhs, share issue expenses by Rs. 8.78 lakhs, factory rent expenses by Rs. 4.80 lakhs, provision for diminution in value of investment by Rs. 2.50 lakhs, audit fees expenses by Rs. 2.31 lakhs, municipal tax by Rs. 2.07 lakhs, wind mill maintenance charges by Rs. 1.42 lakhs, insurance expenses by Rs. 1.36 lakhs and advertisement expenses of Rs. 0.99 lakhs among others in the financial year 2016-17.

Profit before tax

Our profit before tax increased by 57.53% to Rs. 270.87 lakhs for the financial year 2016-17 from Rs. 171.94 lakhs for the financial year 2015-16. The increase was mainly due to increase in overall revenue of the company and decrease in other expenses of the company.

Tax expenses

Our tax expenses increased by 66.09% to Rs. 100.49 lakhs for the financial year 2016-17 from Rs. 60.50 lakhs for the financial year 2015-16 mainly due to increase in our MAT credit expense by Rs. 38.03 lakhs and current tax expense by Rs. 20.67 lakhs. However the same was partially set off by decrease in deferred tax liability by Rs. 18.71 lakhs in the financial year 2016-17.

Profit after tax

Due to reasons mentioned above, our profit after tax increased by 52.89 % to Rs. 170.38 lakhs for the financial year 2016-17 from Rs. 111.44 lakhs for the financial year 2015-16.

Other Key Ratios

The table below summaries key ratios in our Restated Financial Statements for the financial years ended March 31, 2018, 2017 and 2016:

Particulars	For the year ended March 31,		
	2018	2017	2016
Fixed Asset Turnover Ratio	7.16	5.10	6.63
Debt Equity Ratio	1.27	1.19	1.49
Current Ratio	1.28	1.16	1.15
Inventory Turnover Ratio	13.08	12.06	9.13

Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total fixed assets excluding capital work in progress and intangible assets, based on Restated Financial Statements.

Debt Equity Ratio: This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturities of long term debt, based on Restated Financial Statements.

Current Ratio: This is defined as current assets divided by current liabilities, based on Restated Financial Statements.

Inventory Turnover Ratio: This is defined as revenue from operations divided by average inventory. Average inventory is computed by dividing the sum of opening inventory and closing inventory by two, based on Restated Standalone Financial Information.

Cash Flow

The table below summaries our cash flows from our Restated Financial Information for the financial years 2018, 2017 and 2016:

(Rs. in lakhs)

Particulars	For the year ended March 31,		
	2018	2017	2016
Net cash (used in)/ generated from operating activities	(141.22)	652.41	497.00
Net cash (used in)/ generated from investing activities	(132.95)	(504.16)	(453.35)
Net cash (used in)/ generated from financing activities	283.31	(145.77)	(54.87)
Net increase/ (decrease) in cash and cash equivalents	9.15	2.48	(11.22)
Cash and Cash Equivalents at the beginning of the period	4.55	2.07	13.29
Cash and Cash Equivalents at the end of the period	13.70	4.55	2.07

Operating Activities

Financial year 2017-18

Our net cash used in operating activities was Rs. 141.22 lakhs for the financial year 2017-18. Our operating profit before working capital changes was Rs. 842.49 lakhs for the financial year 2017-18 which was primarily adjusted by payment of income tax of Rs. 55.73 lakhs, increase in inventories by Rs. 739.48 lakhs, increase in trade receivables by Rs 637.29 lakhs, increase in trade payable by Rs. 567.30 lakhs, increase in other current



assets by Rs. 180.80 lakhs, increase in other current liabilities by Rs. 82.17 lakhs and increase in short term loan & advances by Rs 19.89 lakhs.

Financial year 2016-17

Our net cash generated from operating activities was Rs. 652.41 lakhs for the financial year 2016-17. Our operating profit before working capital changes was Rs. 568.00 lakhs for the financial year 2016-17 which was primarily adjusted by payment of income tax of Rs. 35.06 lakhs, increase in trade receivable by Rs. 407.92 lakhs, decrease in inventories by Rs. 373.46 lakhs, increase in trade payables by Rs. 359.25 lakhs, increase in other current assets by Rs. 107.94 lakhs, decrease in other current liabilities by Rs. 97.42 lakhs and decrease in short term loans & advances by Rs 0.05 lakh.

Financial year 2015-16

Our net cash generated from operating activities was Rs. 497.00 lakhs for the financial year 2015-16. Our operating profit before working capital changes was Rs. 413.49 lakhs for the financial year 2015-16, which was primarily adjusted by payment of income tax of Rs. 30.15 lakhs, increase in trade receivable by Rs. 156.21 lakhs, decrease in inventories by Rs. 151.54 lakhs, increase in trade payables by Rs. 84.63 lakhs, increase in other current liabilities by Rs. 41.81 lakhs, increase in short term provisions by Rs 35.06 lakhs, increase in short term loans & advances by Rs. 34.85 lakhs and increase in other current assets by Rs 8.33 lakhs

Investing Activities

Financial year 2017-18

Net cash used in investing activities was Rs. 132.95 lakhs for the financial year 2017-18 This was primarily on account of purchase of fixed assets amounting to Rs. 160.23 lakhs and increase in long term loans & advances by Rs. 16.48 lakhs which was partially offset by sale of fixed assets of Rs. 43.77 lakhs.

Financial year 2016-17

Net cash used in investing activities was Rs. 504.16 lakhs for the financial year 2016-17. This was primarily on account of purchase of fixed assets amounting to Rs. 683.74 lakhs which was partially offset by proceeds from long term loans & advances of Rs. 116.53 lakhs, sale of tangible assets of Rs 62.35 lakhs, income from sale of quoted investment of Rs 0.67 lakhs and dividend income of Rs. 0.03 lakhs.

Financial year 2015-16

Net cash used in investing activities was Rs. 453.35 lakhs for the financial year 2015-16. This was primarily on account of purchase of fixed assets amounting to Rs. 275.00 lakhs, increase in long term loan & advances by Rs. 196.07 lakhs and purchase of quoted investment of Rs 0.83 lakhs which was partially offset by proceeds from sale of fixed assets of Rs. 18.55 lakhs.

Financing Activities

Financial year 2017-18

Net cash flow generated from financing activities for the financial year 2017-18 was Rs. 283.31 lakhs. This was primarily on account proceeds from short term borrowings amounting to Rs. 317.62 lakhs and proceeds from long term borrowings of Rs. 179.39 lakhs which was partially offset by payment of interest and bank charges amounting to Rs. 213.69 lakhs.

Financial year 2016-17

Net cash used in financing activities for the financial year 2016-17 was Rs. 145.77 lakhs. This was primarily on account of repayment of short term borrowings amounting to Rs. 178.20 lakhs and payment of interest and bank charges amounting to Rs. 118.38 lakhs which was partially offset by proceeds from long term borrowings amounting to Rs. 150.81 lakhs.

Financial year 2015-16

Net cash used in financing activities for the financial year 2015-16 was Rs. 54.87 lakhs. This was primarily on account of payment of interest and bank charges amounting to Rs. 140.48 lakhs which was partially offset by

proceeds from long term borrowings amounting to Rs. 60.15 lakhs and proceeds from short term borrowings of Rs. 25.46 lakhs.

Financial Indebtedness

As on March 31, 2018, the total outstanding borrowings of our Company is Rs. 2,049.72 lakhs which included long-term borrowings of Rs. 1060.77 lakhs, short term borrowings of Rs. 813.37 lakhs and current maturities of long term debt of Rs. 175.58 lakhs. For further details, refer chapter titled “*Financial Indebtedness*” beginning on page 202 of this Draft Prospectus.

(Rs. in lakhs)

Particulars	As at March 31, 2018
Long Term Borrowings(A)	
<i>Secured Loans from Banks</i>	
- Term Loans	264.36
- Vehicle Loans	18.44
<i>Unsecured Loans</i>	
- From Related Parties	777.97
Sub Total (A)	1,060.77
Short Term Borrowings(B)	
<i>Secured Loans from Banks</i>	
- Working capital from HDFC Bank	679.93
<i>Unsecured Loans</i>	
- From Directors	133.44
Sub Total (B)	813.37
Current Maturities of Long Term Borrowings (C)	175.58
Total (A)+(B)+(C)	2049.72

In the event, any of our lenders declare an event of default, such current and any future defaults could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition.

Related Party Transactions

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relates to remuneration, interest and rent payable For further details of such related parties under AS-18, refer chapter titled “*Financial Statements*” beginning on page 186 of this Draft Prospectus.

Contingent Liabilities

The following table sets forth our contingent liabilities as of March 31, 2018 and March 31, 2017:

(Rs. in Lakhs)

Particulars	As on March 31, 2018	As on March 31, 2017
Bank Guarantee issued by Bank	Nil	25.00
Other Guarantees	74.19	74.19



Claims against the Company not acknowledged as debts- Income tax dues	Nil	27.02
Export Obligation	154.55	20.30
Total	228.74	146.51

It is not practical for our Company to estimate the timings of cash outflow, if any in respect of above mentioned contingent liabilities. For further details, refer chapter titled “*Financial Statements*” beginning on page 186 of this Draft Prospectus.

Off-Balance Sheet Items

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risk

Financial Market Risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

Effect of Inflation

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

Credit Risk

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

Reservations, Qualifications and Adverse Remarks

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 186 of this Draft Prospectus, there have been no reservations, qualifications and adverse remarks.

Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 186 of this Draft Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company.

Material Frauds

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last five Fiscals.

Unusual or Infrequent Events or Transactions

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in chapter titled "*Risk Factors*" beginning on page 21 of this Draft Prospectus.

Known Trends or Uncertainties that have had or are expected to have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations

Other than as described in the Section titled "*Risk Factors*" beginning on page 21 of this Draft Prospectus and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known

Other than as described in chapter titled "*Risk Factors*" beginning on page 21 of this Draft Prospectus and in this Section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in revenue in the last three financial years are as explained in the part "*Financial Year 2017-18 compared with financial year 2016-17 and Financial Year 2016-17 Compared With Financial Year 2015-16*" above.

Competitive Conditions

We have competition with Indian and international manufacturers and our results of operations could be affected by competition in the textile industry in India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled "*Risk Factors*" beginning on page 21 of this Draft Prospectus.

Increase in income

Increases in our income are due to the factors described above in in this chapter under "*Significant Factors Affecting Our Results of Operations*", above and chapter titled "*Risk Factors*" beginning on page 21 of this Draft Prospectus.

Status of any Publicly Announced New Products or Business Segments

Except as disclosed elsewhere in the Draft Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Dependence on a Single or Few Customers

Significant proportion of our revenues have historically been derived from a limited number of customers. The % of Contribution of our Company's customer *vis a vis* the total revenue from operations and the % of contribution of our Company's supplier *vis a vis* the cost of material consumed for the year ended March 31, 2018 are as follows:

Particulars	Suppliers	Customers
Top 5 (%)	31.96	30.07
Top 10 (%)	42.15	39.54

Seasonality of Business

The nature of our business is not seasonal.



FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks and others for conducting its business. Set forth is a brief summary of our Company's secured and unsecured borrowings as on March 31, 2018 together with a brief description of certain significant terms of such financing arrangements.

SECURED BORROWINGS

A. Loan of Rs. 2415.00 Lakhs from HDFC Bank as per Sanction letter dated November 27, 2017

Nature of Facility	Limits (Rs. in Lakhs)	Charges/ Rate of Interest	Tenor/ Valid upto	Margin	Outstanding as March 31, 2018 (Rs. in Lakhs)
Cash Credit	960.00	9.10%p.a. (MCLR + 1.0%)	12 months (November 15, 2018)	25% on Stocks 25% on Book Debts	679.93
Pre shipment(Sub limit of CC)	500	In INR 9.10% P.A.(MCLR + 1%). In Foreign Currency LIBOR + 350bps	12 months (November 15, 2018) maximum usage 180 days	Delivery terms : 1. 10% in FOB 2. 15% in CIF	
Letter of Credit (Sub limit of CC)	200	1.5% P.A.	12 months (November 15, 2018) maximum usage 120 days	10% cash margin	
Post Shipment (Sub limit of CC)	500	In INR 9.10% P.A.(MCLR + 1%). In Foreign Currency LIBOR + 350bps	12 months (November 15, 2018) maximum usage 120 days	Nil	
PSR Limit (Sub limit of CC)	100	Rs. 750 per contract	12 months (November 15, 2018) maximum usage 180 days	Nil	
Term Loan-1	600.00	9.10%p.a. (MCLR + 1.0%)	60 months	25% promoters margin	52.26
CAPEX ILC/FLC (Sub limits of Term Loan-1)	600.00	1.5% P.A.	12 months (November 15, 2018)	25% promoters margin	
Term Loan-2	300.00	10.00% P.A. (MCLR +1.9%)	13 months (November 15, 2018)	25% promoters margin	48.28
Term Loan-3	530.00	10.00% P.A. (MCLR +1.9%)	39 months (November 15, 2018)	25% promoters margin	323.51
Bank Guarantee	25.00	1.5% P.A.	12 months (November 15, 2018)	10% cash margin	-
Total Outstanding Amount					1,103.98

SECURITY DETAILS:

Primary Security	
Sr. No.	Security Description
i.	Hypothecation by way of first and exclusive charge on all present and future stocks and book debts
ii.	Hypothecation by way of first and exclusive charge on all present and future Plant and Machinery
Collateral Security	
Equitable Mortgage on Commercial Industrial property located at Survey No.309, FP No. 27/1 & 27/2, B/h International Hotel, Near Narol Circle, Ahmedabad, Gujarat, India admeasuring 7,864 square yard standing in the name of our Promoter, Hiralal Parekh.	
Personal Guarantee	
Sr. No.	Name of the Guarantor
i.	Hiralal Parekh
ii.	Latadevi Parekh
iii.	Vandani Chowdhary
iv.	Nishita Shah

Key Restrictive Covenants:

1. All future borrowings by the Borrower would be with prior written permission of HDFC Bank.
2. Guarantors not to issue any Personal Guarantee for any other loans without prior written permission of HDFC Bank.
3. Borrower would not divert funds to any other purpose and launch any new scheme of expansion/ business without prior permission of HDFC Bank.
4. The credit facilities are not available for investments in shares, debentures, to make advances by way of inter-corporate loans/ deposits to other companies including subsidiary/ associate companies.

B. Auto Loan from ICICI Bank

PARTICULARS		
Nature of Facility	Auto loan	Auto loan
Loan Amount	Rs. 24.96 Lakhs	Rs. 12.00 Lakhs
Contract Date	September 09, 2016	February 17, 2018
Rate of Interest (Floating)	9.35% p.a.	8.75% p.a.
Amount Outstanding as on March 31, 2018	13.30 Lakhs	11.67 Lakhs
Security	Secured by hypothecation of Vehicle under Hire Purchase	
Tenor	36 Months	36 Months



C. Auto Loan from HDFC Bank on August 28, 2017

PARTICULARS	
Nature of Facility	Auto loan
Loan Amount	Rs. 11.00 Lakhs
Rate of Interest (Floating)	8.5% p.a.
Amount Outstanding as on December 31, 2018	9.36 lakhs
Security	Secured by hypothecation of Vehicle under Hire Purchase
Tenor	36 months

UNSECURED BORROWINGS

A. Unsecured loans from Directors

Sr.No.	Name of the Director	Outstanding Amount as on March 31, 2018 (Rs. in lakhs)
1.	Hiralal Parekh	440.19
2.	Latadevi Parekh	209.56
3.	Vandani Chowdhary	3.00
4.	Nishita Shah	70.32
5.	Hiralal Parekh HUF	98.89

B. Unsecured Loans from Body Corporate

Sr.No.	Name of Body Corporate	Outstanding Amount as on March 31, 2018 (Rs. in lakhs)
1.	Mohanlal Mahvirchand Impex Private Limited	54.90
2.	Shubh labh Mercantile Ltd	34.55

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except, as stated in this Section and mentioned elsewhere in this Draft Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoter, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoter or Group Companies.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on August 07, 2018 determined that outstanding dues to creditors in excess of Rs. 2.00 lakhs as per last audited financial statements shall be considered as material dues (“Material Dues”).

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies, would be considered ‘material’ for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matter exceeds 5.00 lakhs as determined by our Board, in its meeting held on August 07, 2018.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered ‘material’ only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company.

Unless otherwise stated to contrary, the information provided is as of date of this Draft Prospectus.

LITIGATIONS INVOLVING OUR COMPANY

LITIGATIONS AGAINST OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

- 1. COMMISSIONER OF CENTRAL EXCISE, AHMEDABAD – I V. M/s VINNY OVERSEAS PRIVATE LIMITED, HIRALAL PAREKH**



Our Company is manufacturer of manmade fabrics (“MMF”) and cotton fabrics falling under chapter 52 and 55 of the Central Excise Tariff Act, 1985. The specific intelligence physical stock verification have been conducted at our Company’s premises on June 07, 2001. During verification department revealed shortage of finished manmade fabrics amounting to Rs. 15,89,895/- on which excise duty of Rs. **2,54,883/-** is to be levied. The Officer alleged that our Company transfer MMF to Pankaj folding Company(“PFC”). PFC delivered final products to customers after processing MMF. Officer recovered documents form PFC pertaining to disposed of processed fabrics. Our Director states that they check grey fabrics in M/s. Mahakali Folding Works and then brought to our Company’s premises. Officer recorded statements of our Director several times. Our Director in its statement stated that he is the owner of PFC and he is also a director of our Company. Our Company cleared MMF without payment of excise duty on June 12, 2001.

Officer further conducted search at M/s Devichand Ankitkumar, who is customer of our Company. Devichand, owner of M/s Devichand Ankitkumar confirmed that they have received processed MMF without invoice and payment of central excise duty and also stated that they made payment in cash to our Director. Our Director in its statement confirms that they have paid central excise duty in some cases and for the remaining cases they have neither paid the excise duty nor raised the excise invoice. Our Director voluntarily paid Rs. 10,00,000/- on account of excise duty liability. Our Director also confirmed that Devichand sent fabrics to PFC. PFC further sent material to Mohanlal Mahvairchand Impex Private Limited (“MMIPL”) where our director is holding common directorship. Our Director also stated that they sell fabrics to M/s Champalal Vansraj and to M/s. Devichand directly.

Our Director also stated that sometimes MMIPL sell MMF directly to the buyer on the basis of commercial invoices and they have sold total of MMF valued at Rs. 98,68,049/- involving central excise duty of Rs. 15,78,888/- to MMIPL without payment of central excise duty. Devichand by its statement dated January 18, 2006 confirmed that he purchased MMF worth Rs. 5,04,146/- without payment of excise duty amounting to Rs. 80,663/-. Joint Commissioner of Central Excise (“JCCE”) issued show cause notice dated April 17, 2006 under Section 11A of the Central Excise Act, 1944 (“ACT”) for the recovery of Rs. 19,13,934/- along with interest under Section 11AB of the act and levied penalty under Section 11AC of the act. JCCE passed an order dated December 27, 2006 and demanded Rs. 19,13,934/- along with interest and also levied penalty of Rs. 19,13,934/- under Section 11AC of the act. JCCE also levied personal penalty upon our Director for Rs. 9,00,000/- by virtue of directorship position in our Company and for Rs. 9,00,000/- by virtue of director in MMIPL. Our Company filed an appeal bearing no. 150/2007, 151/2007, 152/2007 and 153/2007 with Commissioner of Central excise Ahmedabad (“CCE”). CCE by order dated March 28, 2007 demanded excise duty of Rs. 16,24,881/-.

CCE also levied penalty amount of Rs. 4,50,000/-, upon our Director for Rs. 1,00,000/- by virtue of directorship position in our Company and for Rs. 1,00,000/- by virtue of director in MMIPL. Aggrieved by the order dated March 28, 2007, our Company filed appeal bearing no. E/814/2007 with Central Excise and Service Tax Appellate Tribunal (“CESTAT”). Our Director filed appeal bearing no. - E/815/2007 with CESTAT. CCE also filed appeal bearing no. E/805/2007 with CESTAT. CESTAT by order dated July 18, 2014 dismissed the appeal filed by CCE and confirmed demand of Rs. 80,663/- CESTAT in its order also dropped demand of Rs. 2,54,383/- and Rs. 15,78,888/-. CESTAT also levied penalty of Rs. 80,663 upon our Director for Rs. 10,000/- by virtue of directorship position in our Company and for Rs. 10,000/- by virtue of director in MMIPL. Aggrieved by the order dated July 18, 2014, CCE filed tax appeal bearing no. 77 of 2015 in the High court of Gujarat at Ahmedabad on January 20, 2015. The matter is currently pending.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Proceedings against Our Company for economic offences/securities laws/ or any other law

Nil

Penalties in Last Five Years

Nil

Pending Notices against our Company

Nil

Past Notices to our Company

Nil

Disciplinary Actions taken by SEBI or stock exchanges against Our Company

Nil

Defaults including non-payment or statutory dues to banks or financial institutions

Nil

Details of material frauds against the Company in last five years and action taken by the Companies.

Nil

LITIGATIONS FILED BY OUR COMPANY**Criminal Litigations**

Nil

Civil Proceedings**1. VINNY OVERSEAS PRIVATE LIMITED V. STATE OF GUJARAT AND 8 OTHERS**

Company was using exit gate since the date of the purchase of plot no. 313. As per the Gujarat town planning scheme the plot no. 26 is blocking the entry gate adjacent to the plot no. 313. Our Company alleged that Chief Town Planning Officer minister of town planning authority has taken action without issuing any notice to our Company and the same is allotted to Pankaj Modi and Ketan Modi. Pankaj Modi and Ketan Modi initiated construction and the same is blocking the gate. Our Company filed suit in the City Civil Court, Gujarat bearing no. CS-CCC/1200/2012. City Civil Court vide order dated June 29, 2016 dismissed our case. Aggrieved by the order our Company filed appeal bearing no. C/AO/347/2016 before the High Court of Gujarat at Ahmedabad and was listed for final hearing on November 14, 2016. The matter is currently pending.

Taxation Matters**CENTRAL EXCISE PROCEEDING****Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law

Nil

LITIGATIONS INVOLVING DIRECTOR/S OF OUR COMPANY**LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY****Criminal Litigations**

Nil

**Civil Proceedings**

Nil

Taxation Matters

Mr. Hiralal Parekh is the Promoter and Managing Director of the Company. For litigation pertaining to him please refer the head 'LITIGATION INVOLVING OUR PROMOTER'

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Directors

Nil

Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law

Nil

Directors on list of wilful defaulters of RBI

Nil

LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY**Criminal Litigations**

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING PROMOTER/S OF OUR COMPANY**LITIGATIONS AGAINST OUR PROMOTER/S****Criminal Litigations**

Nil

Civil Proceedings

Nil

Taxation Matters

Mr. Hiralal Parekh is the Promoter and Managing Director of the Company. Tax related proceedings have been initiated against the Hiralal Parekh. For litigation pertaining to him please refer the head 'LITIGATION AGAINST OUR COMPANY'

INCOME TAX MATTER

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Promoters

Nil

Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law

Nil

Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years

Nil

Penalties in Last Five Years

Nil

Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in Past.

Nil

Adverse finding against Promoter for violation of Securities laws or any other laws

Nil

LITIGATIONS FILED BY OUR PROMOTER/S

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING OUR GROUP COMPANIES

LITIGATIONS AGAINST OUR GROUP COMPANIES

Criminal Litigations

Nil



Civil Proceedings

Nil

Taxation Matters

MOHANLAL MAHAVIRCHAND IMPEX PRIVATE LIMITED

1) FOR AY 2009-10

The Income Tax Department's website under the head 'Response to Outstanding Tax Demand' displays an outstanding demand raised on December 31, 2010 under Section 1431a and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 1,860/-**. The amount is currently outstanding.

2) FOR AY 2009-10

The Income Tax Department's website under the head 'Response to Outstanding Tax Demand' displays an outstanding demand raised on December 31, 2010 under Section 1431a and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 13,150/-**. The amount is currently outstanding.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Group Companies

Nil

Proceedings initiated against our Group Companies for Economic Offences/securities laws/ or any other law

Nil

Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Group Companies

Nil

Adverse finding against Group Companies for violation of Securities laws or any other laws

Nil

LITIGATIONS FILED BY OUR GROUP COMPANIES

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANIES

As on date of this Draft prospectus, our Company does not have any subsidiary.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

OTHER MATTERS

Nil

DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY

Nil

OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

Nil

MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as mentioned under the chapter “Management’s Discussion and Analysis of Financial Condition and Result of Operation” on page 187 of this Draft Prospectus, there have been no material developments, since the date of the last audited balance sheet.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

As of March 31, 2018, our Company in its ordinary course of business, has an aggregate amount of Rs. 2128.46 Lakhs which is due towards sundry creditors. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated August 07, 2018, considered creditors to whom the amount due exceeds Rs. 2.00 lakhs as per our Company’s restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

Particulars	Number of Creditors	Amount (Rs. in Lakhs)
Material due to Creditors	112	1961.73

Further, none of our creditors have been identified as micro enterprises and small scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see website of our Company www.vinnyoverseas.in.

Information provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company’s website, www.vinnyoverseas.in, would be doing so at their own risk.



GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business manufacturing, printing and dyeing of grey fabrics, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer chapter “Key Industry Regulations and Policies” on page 146 of this Draft Prospectus.

The Company has its business located at:

Registered Office: B/H International Hotel, Narol – Ishanpur Road, Narol, Ahmedabad – 382405, Gujarat, India

Manufacturing Unit: B/H International Hotel, Narol – Ishanpur Road, Narol, Ahmedabad – 382405, Gujarat, India

Branch Offices: NA

Sales and Corporate Office: NA

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

APPROVALS FOR THE ISSUE

Corporate Approvals:

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on August 07, 2018, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company has, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Annual General Meeting held on August 14, 2018 authorized the Issue.

In- principle approval from the Stock Exchange

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated [●] bearing reference no. [●].

Agreements with NSDL and CDSL

1. The Company has entered into an agreement dated [●] with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, [●] for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated [●] with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is [●] for the dematerialization of its shares.
3. The Company's International Securities Identification Number (“ISIN”) is [●].

INCORPORATION AND OTHER DETAILS

1. The Certificate of Incorporation dated May 29, 1992 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, in the name of “VINNY OVERSEAS PRIVATE LIMITED”.
2. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company issued on March 02, 2017 by the Registrar of Companies, Ahmedabad in the name of “VINNY OVERSEAS LIMITED”.

3. The Corporate Identification Number (CIN) of the Company is U51909GJ1992PLC017742

APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
1.	Certificate of Importer-Exporter Code (IEC)	Foreign Trade Development Officer, Ministry of Commerce and Industry, Government of India	0894009265	October 27, 1994	In case of change in name/address or constitution of IEC holder, the IEC holder shall cease to be eligible to Import or Export against the IEC after the expiry of 90 days from the date of such a change unless in the meantime, the consequential changes are effected in the IEC by the concerned licensing authority.
2.	License to work a factory (under Factories Act, 1948 and Rules made thereunder)	Deputy Director, Industrial Safety and Health, Ahmedabad Region	33504	<u>Date of Issue:</u> August 01, 1993 <u>Date of Renewal:</u> June 19, 2018	December 31, 2018
3.	Licence for liquid and non-liquid Acids and chemicals (under Section 376 (1) A of Bombay Provincial Municipality Corporation Act, 1949)	Deputy Health Officer, Health Licence Department, Ahmedabad Municipal Corporation.	Licence No. – 12 Renewal No. - 11	<u>Date of Renewal:</u> April 11, 2018	March 31, 2019
4.	Licence for liquid and non-liquid Acids and chemicals (under Section 376 (1) A of Bombay Provincial Municipality	Deputy Health Officer, Health Licence Department, Ahmedabad Municipal Corporation.	Licence No. – 31 Renewal No. - 9	<u>Date of Renewal:</u> April 11, 2018	March 31, 2019



Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	Corporation Act, 1949)				
5.	Licence for liquid and non-liquid Acids and chemicals (under Section 376 (1) A of Bombay Provincial Municipality Corporation Act, 1949)	Deputy Health Officer, Health Licence Department, Ahmedabad Municipal Corporation.	Licence No. – 32 Renewal No. - 10	<u>Date of Renewal:</u> April 11, 2018	March 31, 2019
6.	Licence for liquid and non-liquid Acids and chemicals (under Section 376 (1) A of Bombay Provincial Municipality Corporation Act, 1949)	Deputy Health Officer, Health Licence Department, Ahmedabad Municipal Corporation.	Licence No. – 33 Renewal No. - 8	<u>Date of Renewal:</u> April 11, 2018	March 31, 2019
7.	Licence for liquid and non-liquid Acids and chemicals (under Section 376 (1) A of Bombay Provincial Municipality Corporation Act, 1949)	Deputy Health Officer, Health Licence Department, Ahmedabad Municipal Corporation.	Licence No. – 34 Renewal No. - 9	<u>Date of Renewal:</u> April 11, 2018	March 31, 2019
8.	Licence for liquid and non-liquid Acids and chemicals (under Section 376 (1) A of Bombay Provincial Municipality Corporation Act, 1949)	Deputy Health Officer, Health Licence Department, Ahmedabad Municipal Corporation.	Licence No. – 35 Renewal No. – 7	<u>Date of Renewal:</u> April 11, 2018	March 31, 2019
9.	Licence for printing press, bobbin works, stone polishing, power looms,	Ahmedabad Municipal Corporation, Health Licence Department	Licence No: 8 Renewal No: 5	<u>Date of Renewal:</u> April 11, 2018	March 31, 2019

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	metal rolling, buff polishing (metal), welding manufacturing, starch manufacturing works, cloth printing machinery, spare parts manufacturers hume pipe factory (under Section 376 (1) A of Bombay Provincial Municipality Corporation Act, 1949)				
10.	Boiler Certificate (under Regulation 382 (b) of the Indian Boiler Regulations, 1950)	Director of Boilers, Ahmedabad	GT- 8676	Effective Date: October 05, 2017 Renewal Date: February 9, 2018	October 04, 2018
11.	Permanent Registration Certificate as small scale unit	District Industries Centre, Ahmedabad, Government of Gujarat	0401052839GSI	July 13, 1992	NA

TAX RELATED APPROVALS/LICENSES/REGISTRATIONS

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1	Permanent Account Number (PAN)	Income Tax Department, Government of India	AAACV6577E	May 29, 1992	Perpetual
2	Tax Deduction Account Number (TAN)	Income Tax Department through National Securities Depository Limited (NSDL)	AHMOV00621F	November 11, 2007	Perpetual
3	Goods and Service Tax Registration Certificate	Government of India	24AAACV6577E1Z9	June 25, 2017	NA



Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
4	Certificate of Registration (under Gujarat Value Added Tax Act, 2003 read with Rule 6 of the Gujarat Value Added Tax Rules, 2003)	Government of Gujarat, Commercial Tax Department	24071700720	July 01, 2002	NA
5	Certificate of Registration of Service Tax (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994)	Office of Deputy Commissioner of Service Tax, Central Excise Bhavan, Ahmedabad	AAACV6577EST001	December 26, 2006	NA
6	Certificate of Registration of Central Sales Tax (Under Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957)	Assistant Commissioner of Sales Tax, Commercial Tax Department, Gujarat	24571700720	July 01, 2002	NA
7	Certificate of Registration (under Rule 9 of the Gujarat Sales Tax Rules, 1970)	Sales Tax Officer, Ahmedabad	0717007201	June 17, 2002	NA
8	Central Excise Registration Certificate (under Rule 9 of the Central Excise Rules, 2002)	Assistant Commissioner of Central Excise, Ahmedabad III, Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AAACV6577EXM001	Not traceable	NA
9	Professional Tax Enrollment Certificate (PTEC) (under Section sub Section 1 of Section 5 of Gujarat State Tax on Professions, Traders, Callings	Ahmedabad Municipal Corporation	PEC011421331	Not traceable	NA

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
	and Employment, Act, 1976)				
10	Professional Tax Registration Certificate (PTRC) (under Section sub Section 2 of Section 5 of Gujarat State Tax on Professions, Traders, Callings and Employment, Act, 1976)	Profession Tax Officer, Department of Sales Tax Government of India	PRC011420091	Not Traceable	NA

LABOUR RELATED APPROVALS/REGISTRATIONS

Sr. No.	Description	Authority	Registration No./Reference No./License No.	Date of Issue
1.	Employees Provident Fund Registration (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952)	Office of Regional Provident Fund Commissioner, Ahmedabad	Code No: GJ/AH/26025	June 01, 1996
2	Registration for Employees State Insurance (under Employees State Insurance Act, 1948)	Employees State Insurance Corporation, Ahmedabad	Code No: 18680-19SF	December 8, 1993

OTHER BUSINESS RELATED APPROVALS

Sr.No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1	Membership Certificate for Integrated Common Hazardous Waste Management Facility	Director, Saurashtra Enviro Projects Private Limited, Detox Group	1200001525	December 15, 2014	December 14, 2019
2	Certificate of Recognition – one Star Export House	Additional Director General of Foreign Trade	4062	January 01, 2015	December 31, 2020
3	Registration Cum	Executive Director, The Synthetic & Rayon	SR/MFG/16207/2016-17	April 18, 2016	March 31, 2021



Sr.No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
	Membership Certificate	Textiles Export Promotion Council			

Company has confirmed that no other applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.

PENDING APPROVALS:

1. Change of name of all the above mentioned approvals from “Vinny Overseas Private Limited” to “Vinny Overseas Limited.”
2. Currently Professional Tax Registration Certificate and Professional Tax Enrolment Certificate is not traceable.
3. Our Company was having excise registration certificate bearing registration number AAACV6577EXM001, however our Company surrendered the certificate in May 2007.

MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

1. Consolidated Consent and Authorisation for Unit I under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorisation under Rule 5(4) of the Hazardous Wastes (Management, handling & Trans boundary Movement) Rules 2008 has expired on August 11, 2018; company is yet to apply for renewal of the same.
2. Registration Certificate of Establishment under Bombay Shops and Establishments Act, 1949.
3. Udyog Aadhar Memorandum or Entrepreneurs Memorandum
4. Consent to Establishment Certificate
5. Trademarks
6. Currently Consent to operate and consolidated consent and authorization are expired and our Company is yet to make an application renewal application for the same.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on August 07, 2018 and by the shareholders of our Company by a special resolution, pursuant to Section 62(1) (c) of the Companies Act, 2013 passed at the Annual General Meeting of our Company held on August 14, 2018 at registered office of the Company.

PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither Company, nor our Directors, our Promoter or the relatives (as defined under the Companies Act) of Promoter, our Promoter Group, and our Group Companies have been declared as wilful defaulter(s) by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoter, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

Neither our Promoter, nor any of our Directors or persons in control of our Company are / were associated as promoter, directors or persons in control of any other company which is debarred from accessing or operating in the capital markets under any order or directions made by the SEBI or any other regulatory or Governmental Authorities.

None of our Directors are in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with Regulation 106(M) (1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital does not exceed Rs. ten crore and we shall hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “Emerge Platform of National Stock Exchange of India Limited”)

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred per cent underwritten and that the Lead Manager to the Issue will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “*General Information*” beginning on page 72 of this Draft Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight 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 days, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable laws. 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) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our 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 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 refer to the chapter titled “*General Information*” beginning on page 72 of this Draft Prospectus.



5. The Company has track record of 3 Years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application.
6. Net worth of the Company is positive.
7. The Company has not been referred to Board for Industrial and Financial Reconstruction.
8. No petition for winding up is admitted by a court of competent jurisdiction against the Company.
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. The Company has a website www.vinnnyoverseas.in
11. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoter/promoting company(ies), group companies, companies promoted by the promoters/promoting companies of the Company.
12. There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue 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 SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT PROSPECTUS, THE LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, SHALL FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 AFTER FILING OF PROSPECTUS WITH ROC AND BEFORE OPENING OF ISSUE.

“WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER**

MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;

- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - A. THE DRAFT PROSPECTUS FILED WITH THE EXCHANGE / 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 DRAFT 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 COMPANIES ACT, 1956, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.- NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT WRITTEN CONSENTS FROM PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF HIS 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 THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT 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 DRAFT PROSPECTUS.**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**



8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED TO THE EXTENT APPLICABLE.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013 EQUITY SHARES IN THE ISSUE WILL BE ISSUED IN DEMATERIALISED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – NOTED FOR COMPLIANCE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. – NOTED FOR COMPLIANCE.
16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE A”
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTION HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.”- COMPLIED WITH TO THE EXTENT OF

THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT PROSPECTUS.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE:-

- (1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE 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 ISSUER-NOTED FOR COMPLIANCE.**
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO 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 DRAFT PROSPECTUS.**
- (6) WE CONFIRM THAT UNDERWRITING 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.**
- (7) WE CONFIRM THAT MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

Note:

The filing of this Draft Prospectus does not, however, absolve our Company from any liabilities under Section 34, 35 and 36(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead Manager any irregularities or lapses in the Draft Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Ahmedabad, in terms of Section 26, 30, 32 and 33 of the Companies Act, 2013.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of our Company



and anyone placing reliance on any other source of information, including our website www.vinnnyoverseas.in 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 Agreement for Issue Management entered into among the Lead Manager and our Company dated August 14, 2018, the Underwriting Agreement dated August 14, 2018, entered into among the Underwriter and our Company and the Market Making Agreement dated August 14, 2018, entered into among the Market Maker, Lead Manager and our Company.

Our Company and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a Section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres, etc.

The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Pantomath Capital Advisors Private Limited is not an 'associate' of the Company and is eligible to Lead Manager this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and track record of the past issue handled by Pantomath Capital Advisors Private Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer "Annexure A" to this Draft Prospectus and the website of the Lead Manager at www.pantomathgroup.com

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Prospectus has been filed with Emerge Platform of National Stock Exchange of Limited for its observations and NSE will give its observations in due course. Accordingly,

the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Prospectus in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). National Stock Exchange of India Limited has given vide its letter [●] 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."

FILING

This Draft Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 106(M) (3).

However, a copy of the Prospectus will be filed with SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus and Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India.

LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in principle approval from Emerge Platform of National Stock Exchange of India Limited. However application has been made to the Emerge Platform of National Stock Exchange of India Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The Emerge Platform of National Stock Exchange of India Limited has given its in-principle approval for using its name in our Draft Prospectus and Prospectus vide its letter [●].



If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the Emerge Platform of National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Draft Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 working days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of National Stock Exchange of India Limited mentioned above are taken within six Working Days from the Issue Closing Date.

CONSENTS

Consents in writing of: (a) the Directors, the Promoter, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Banker to the Company and (b) Lead Manager, Underwriter, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue to act in their respective capacities have been obtained and will be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 and 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. Our Peer Reviewed Auditor have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Prospectus for filing with the RoC.

EXPERT TO THE ISSUE

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

- Report of the Peer Reviewed Auditor on Statement of Tax Benefits.
- Report of the Peer Reviewed Auditor on the Restated Financial Statements for the financial year ended on March 31, 2018, 2017, 2016, 2015 & 2014 of our Company.

EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter “*Objects of the Issue*” beginning on page 98 of this Draft Prospectus.

DETAILS OF FEES PAYABLE

Fees Payable to the Lead Manager

The total fees payable to the Lead Manager will be as per the Mandate Letter issued by our Company to the Lead Manager, the copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated August 14, 2018, a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor and Advertiser, etc. will be as per the terms of their respective engagement letters if any.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and selling commission for this Offer is as set out in the Underwriting Agreement entered into between our Company and the Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rule, 2014.

PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION

We have not made any previous rights and/or public issues since incorporation, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled “*Capital Structure*” beginning on page 80 of this Draft Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:

None of the equity shares of our Group Companies are listed on any recognized stock exchange. None of the above companies have raised any capital during the past 3 years.

PROMISE VERSUS PERFORMANCE FOR OUR COMPANY

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of this Draft Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement between the Registrar and Our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY



Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on August 07, 2018. For further details, please refer to the chapter titled “*Our Management*” beginning on page 164 of this Draft Prospectus.

Our Company has appointed Pushpendra Singh Ranawat as Company Secretary and Compliance Officer and he may be contacted at the following address:

Pushpendra Singh Ranawat

Vinny Overseas Limited

B/H International Hotel,

Narol -Isanpur Road, Narol,

Ahmedabad-382405,

Gujarat, India

Tel: +91 79 25731900

Fax: Not Available

Email: cs@vinnyoverseas.in

Website: www.vinnyoverseas.in

Corporate Identification Number: U51909GJ1992PLC017742

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, *etc.*

CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

Except as disclosed below, there has been no change in auditors of the Company during the last three financial years:

From	To	Date	Reason for Change
S. C. Bohara & Associates	Kishan M. Mehta & Co.	March 31, 2017	Due to pre-occupation

CAPITALISATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 80 of this Draft Prospectus, our Company has not capitalized its reserves or profits during the last five years.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

PURCHASE OF PROPERTY

Other than as disclosed in this Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Prospectus.

Except as stated elsewhere in this Draft Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

SERVICING BEHAVIOR

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Draft Prospectus, the Prospectus, the abridged prospectus, Application Form, the Revision Form, the CAN/ the Allotment Advice 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, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the FIPB, the Stock 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, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Issue. SEBI has notified the SEBI Listing Regulations on September 2, 2015, which among other things governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 1, 2015.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

RANKING OF EQUITY SHARES

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the Section titled “*Main Provisions of Articles of Association*” beginning on page number 284 of this Draft Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled “*Dividend Policy*” on page 185 of this Draft Prospectus.

FACE VALUE AND ISSUE PRICE PER SHARE

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [●]/- 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 105 of this Draft Prospectus. At any given point of time there shall be only one denomination of Equity Shares.

COMPLIANCE WITH SEBI ICDR REGULATIONS

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity



shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013 Act, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, please refer to the Section titled “*Main Provisions of Articles of Association*” beginning on page number 284 of this Draft Prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated [●] amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated [●] amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is [●] Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful applicants.

MINIMUM NUMBER OF ALLOTTEES

Further in accordance with the Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues 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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

JOINT HOLDER

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

NOMINATION FACILITY TO INVESTORS

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole applicant, or the 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 applicants, 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 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the LM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the 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 Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

ISSUE PROGRAMME

Issue Opening Date	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

The above timetable is indicative and does not constitute any obligation on our Company, and the LM. 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, revision of the Price Band or any delays in receiving the final listing and trading approval from



the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

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. 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 Exchange. It is clarified that Bids 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 Draft 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 issue, 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. Any time mentioned in this Draft Prospectus is Indian Standard Time.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level and is 100% underwritten.

If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Draft Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh) per application.

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

MIGRATION TO MAIN BOARD

Our company may migrate to the Main board of NSE from SME Exchange on a later date subject to the following:

- *If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

OR

- *If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

MARKET MAKING

The shares issued through this Issue are proposed to be listed on the NSE EMERGE (SME Exchange) with compulsory market making through the registered Market Maker, for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on NSE EMERGE. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 72 of this Draft Prospectus.

ARRANGEMENT FOR DISPOSAL OF ODD LOT

The trading of the equity shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on NSE EMERGE.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

APPLICATION BY ELIGIBLE NRIs, FPI'S, QFIs, VSFs OR AIFs REGISTERED WITH SEBI

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter “Capital Structure” beginning on page 80 of this Draft Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the Section titled “Main Provisions of the Articles of Association” beginning on page 284 of this Draft Prospectus.



The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, our post issue face value capital does not exceed ten crore rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the NSE EMERGE). For further details regarding the salient features and terms of such an issue please refer chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on page 229 and 238 of this Draft Prospectus.

Following is the issue structure:

Initial Public Issue of 25,96,000 Equity Shares of face value of Rs. 10/- each fully paid (the ‘Equity Shares’) for cash at a price of Rs. [●] (including a premium of Rs. [●]) aggregating to Rs. [●] Lakhs. The Issue comprises a Net Issue to the public of 24,64,000 Equity Shares (the “Net Issue”). The Issue and Net Issue will constitute 28.22 % and 26.79 % of the post-Issue paid-up Equity Share capital of our Company.

The issue comprises a reservation of 1,32,000 Equity Shares of Rs. 10 each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”).

Particulars	Net issue to Public	Market Maker Reservation Portion
Number of Equity Shares	24,64,000 Equity Shares	1,32,000 Equity Shares
Percentage of Issue Size available for allocation	94.92% of Issue size	5.08% of Issue Size
Basis of Allotment / Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each. For further details please refer to the chapter titled “Issue Procedure-Basis of Allotment” on page 238 of this Draft Prospectus.	Firm allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only	Through ASBA Process only
Minimum Application Size	<u>For Other than Retail Individual Investors:</u> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds Rs. 2,00,000/- <u>For Retail Individuals</u> [●] Equity shares	1,32,000 Equity Shares of Face Value of Rs. 10/- each
Maximum Application Size	<u>For Other than Retail Individual Investors</u> For all other investors, the maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations as applicable. <u>For Retail Individuals:</u> [●] Equity Shares so that the Application Value does not exceeds Rs. 2,00,000.	1,32,000 Equity Shares of Face Value of Rs. 10/- each



Particulars	Net issue to Public	Market Maker Reservation Portion
Mode of Allotment	Compulsorily in dematerialized mode.	Compulsorily in dematerialized mode.
Trading Lot	[●] Equity Shares	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations
Terms of payment	The Applicant shall have sufficient balance in the ASBA account at the time of submitting application and the amount will be blocked anytime within two day of the closure of the Issue.	

As per Regulation 43(4) of the SEBI (ICDR) Regulations, in an issue made other than through the book building process, allocation in the net offer to 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;*
 - iii *The unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.*

For the purpose of sub-regulation 43 (4), if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

In case of joint Application, 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.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the LM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the 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 Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue for sale of the Equity Shares, our Company shall file a fresh Draft Prospectus with Stock Exchange. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

ISSUE OPENING DATE

Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]

Initiation of Refunds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday excluding bank holidays.

- (i) *in case of Application by Non-Institutional Investors, the applications and the revisions in applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Issue Closing Date; and*
- (ii) *in case of Application by Retail Individual Investors and applications by Eligible Employee, the applications and the revisions in applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. on the Issue Closing Date, which may be extended upto such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by lead manager to the Stock Exchanges. ”*



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 (the “General Information Document”) included below under Section “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, 2013(to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to reflect various enactments and regulations as well as amendments to existing regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Please note that the information stated/covered in this Section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this Section and the General Information Document. Our Company and the Lead Manager would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This Section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Designated Intermediary . In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form.

Further the Equity shares on allotment shall be traded only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

APPLICATION FORM

Pursuant to SEBI Circular dated January 01, 2016 and bearing No. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA Mode. The prescribed colours of the Application Form for various investors applying in the Issue are as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FIIs, their Sub-Accounts applying on a repatriation basis (ASBA)	Blue

Applicants shall only use the specified Application Form for the purpose of making an application in terms of this Draft Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed

from the websites of the Stock Exchange shall bear a system generated unique application number. ASBA Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB at the time of submitting the Application.

Applicants are required to submit their applications only through any of the following Designated Intermediary:

- i) an SCSB, with whom the bank account to be blocked, is maintained
- ii) a syndicate member (or sub-syndicate member)
- iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
- iv) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v) a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of the Application Form to Designated Intermediary, the Applicants are deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

Availability of Prospectus and Application Forms

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, and offices of Lead Manager to the Issue and Registrar to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of National Stock Exchange of India Limited i.e. www.nseindia.com.

WHO CAN APPLY?

In addition to the category of Applicants set forth under “*General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.

OPTION TO SUBSCRIBE IN THE ISSUE

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.



- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him / her / it under the relevant regulations / statutory guidelines and applicable law.

MEMBERS

The Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager and the Syndicate Members, if any, may purchase the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRI'S APPLYING ON NON REPATRIATION

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, non residents (except for those applying on non repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

APPLICATIONS BY ELIGIBLE NRI'S / FPI's ON REPATRIATION BASIS

Application Forms have been made available for eligible NRIs at our Registered Office and at the Registered Office of the Lead manager. Eligible NRI Applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the Forms meant for Resident Indians and should not use the forms meant for the reserved category. Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRIs on repatriation basis. Allotment of equity shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

As per the current regulations, the following restrictions are applicable for investments by FPIs:

1. foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of these regulations, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to

hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.

3. In respect of investments in the secondary market, the following additional conditions shall apply:
 - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
 - b) Nothing contained in clause (a) shall apply to:
 - i. Any transactions in derivatives on a recognized stock exchange;
 - ii. Short selling transactions in accordance with the framework specified by the Board;
 - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - iv. Any other transaction specified by the Board.
 - c) No transaction on the stock exchange shall be carried forward;
 - d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:
 - i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
 - ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
 - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 1998;
 - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depositary Receipts or Global Depositary Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
 - vi. Any application for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
 - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - viii. Any other transaction specified by the Board.
 - e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.

4. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.



6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.

7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

(a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;

(b) Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.

A FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

APPLICATIONS BY MUTUAL FUNDS

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged 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 reason thereof.

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.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

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. Limited liability partnerships can participate in the Issue only through the ASBA process.

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 reasons thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (the 'IRDA Investment Regulations'), are broadly set forth below:

1. *Equity shares of a company:* The least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
2. *The entire group of the investee company:* not more than 15% of the respective funds in case of life insurer or 15% of investment assets in case of general insurer or re-insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
3. *The industry sector in which the investee company operates:* not more than 15% of the fund of a life insurer or a general insurer or a re-insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in case of investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or a general insurer and the amount calculated under points (1), (2) and (3) above, as the case may be.

APPLICATIONS UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

With respect to applications by VCFs, FVCIs, and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by FIIs, 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 their SEBI registration



certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds with minimum corpus of Rs. 25 crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 crore, a certified copy of certificate from a Chartered Accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

APPLICATIONS BY BANKING COMPANIES

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “Banking Regulation Act”), and the Master Circular dated July 1, 2015 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks’ own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company’s paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

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 BY PROVIDENT FUNDS/PENSION FUNDS

In case of Applications made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Prospectus.

INFORMATION FOR THE APPLICANTS

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one regional newspaper with wide circulation. This advertisement shall be in the prescribed format.
2. Our Company will file the Prospectus with the RoC at least three days before the Issue Opening Date.
3. Any Applicant who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office.
4. Applicants who are interested in subscribing to the Equity Shares should approach any of the Designated Intermediary or their authorised agent(s).
5. Applications 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. Application Forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

6. The Application Form can be submitted either in physical or electronic mode, to the Designated Intermediary. Further Designated 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.
7. Except for applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
8. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the Bankers to the Issue or the SCSBs do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

METHOD AND PROCESS OF APPLICATIONS

1. Applicants are required to submit their applications during the Issue Period only through the following Designated Intermediary:
 - i) an SCSB, with whom the bank account to be blocked, is maintained
 - ii) a syndicate member (or sub-syndicate member), if any
 - iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
 - iv) a depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
 - v) a registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The Issue Period shall be for a minimum of three Working Days and shall not exceed ten Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days.

The Intermediaries shall accept applications from all Applicants and they shall have the right to vet the applications during the Issue Period in accordance with the terms of the Prospectus.

The Applicant cannot apply on another Application Form after one Application Form has been submitted to Designated Intermediary. Submission of a second Application Form to either the same or to another Designated Intermediary will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue.

2. The intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.
3. The upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below



For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

4. Upon receipt of the Application Form directly or through other intermediary, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, and If sufficient funds are not available in the ASBA Account the application will be rejected.
5. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.
6. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization 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/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal / failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE OFFER

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.

TERMS OF PAYMENT

Terms of Payment

The entire Issue price of Rs. [●] /- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied The Registrar to the Issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account post finalisation of Basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants should note that the arrangement with Banker to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment mechanism for Applicants

The Applicants shall specify the bank account number 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, Non

Retail 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 instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal / failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Designated Intermediary will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated 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 Designated 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 Designated 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 re will be responsible for blocking the necessary amounts in the ASBA Accounts (v) Application accepted and uploaded but not sent to SCSBs for blocking of funds.
4. Neither the Lead Manager nor our Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Designated Intermediary , (ii) the applications uploaded by any Designated Intermediary or (iii) the applications accepted but not uploaded by the Designated Intermediary.
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediary shall enter the following information pertaining to the Applicants into in the on-line system:
 - Name of the Applicant;
 - IPO Name;
 - Application Form number;
 - Investor Category;
 - PAN (of First Applicant, if more than one Applicant);
 - DP ID of the demat account of the Applicant;
 - Client Identification Number of the demat account of the Applicant;
 - Numbers of Equity Shares Applied for;
 - Bank account number.



7. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention 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 of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary 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. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Prospectus. The Designated Intermediary shall have no right to reject applications, except on technical grounds.
11. The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that 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 of 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 Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
12. The Designated Intermediary 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 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 applications.

ALLOCATION OF EQUITY SHARES

1. The Issue is being made through the Fixed Price Process wherein 1,32,000 Equity Shares shall be reserved for Market Maker and 12,32,000 Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from 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, Eligible OFIs, 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 the SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
5. Allotment status details shall be available on the website of the Registrar to the Issue.

SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

- a) Our Company has entered into an Underwriting agreement dated August 14, 2018
- b) A copy of the Prospectus will be filed with the RoC in terms of Section 26 of the Companies Act.

PRE- ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper; and (iii) Regional Newspaper, each with wide circulation.

ISSUANCE OF ALLOTMENT ADVICE

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the demographic details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in your bank account maintained with the SCSB before submitting the Application Form to the respective Designated Branch of the SCSB;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that you have requested for and receive a acknowledgement;
- All applicants should submit their applications through the ASBA process only.

Dont's:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Banker to of the Issue.
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Designated Intermediary . Do not fill in the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue
- Do not submit Applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant
- Do not submit more than five Application Forms per ASBA Account.

Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediary . Application Forms, which do not bear the stamp of the Designated Intermediary, will be rejected.



SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker ('broker') network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of NSE i.e. www.nseindia.com With a view to broaden the reach of Investors by substantially enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the websites of NSE i.e. www.nseindia.com.

Applicant's Depository Account and Bank Details

Please note that, providing bank account details, PAN, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

SUBMISSION OF APPLICATION FORM

All Application Forms duly completed shall be submitted to the Designated Intermediary.

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue 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 Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at EMERGE Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 4 (four) and 6 (Six) days respectively of the Issue Closing Date;

2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who—

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

GROUND OF REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 (other than minor having valid depository accounts as per demographic details provided by the depository);
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of [●];
- Category not ticked;
- Multiple Applications as defined in the Draft Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;



- Applications by US persons other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole/ first Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date , unless the extended time is permitted by NSE.
- Details of ASBA Account not provided in the Application form

UNDERTAKINGS BY THE COMPANY

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed on sixth working day from issue closure date;
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
4. That our Promoter’s contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and;
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.

UTILIZATION OF THE ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

1. all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchange where listing is sought has been received.

The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

Agreement dated [●] among NSDL, the Company and the Registrar to the Issue;

Agreement dated [●] among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no [●].



PART B

GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. 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 *inter-alia* through 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, on the processes and procedures governing IPOs, 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 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 exchange, on the website(s) of the LM(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 refer to the Section “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

2.1 INITIAL PUBLIC OFFER (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under chapter XB of the SEBI (ICDR) Regulations, wherein as per:

- Regulation 106M (1): An issuer whose post-issue face value Capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and upto twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue is being made under Regulation 106M(1) of Chapter XB of SEBI (ICDR) Regulation.

2.2 OTHER ELIGIBILITY REQUIREMENTS

In addition to the eligibility requirements specified in paragraphs 2.1, an Issuer proposing to undertake an

IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit 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.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- (e) The Company has track record of distributable profits in terms of Section 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. The net worth of the Company is positive.
- (f) The Post-issue paid up capital of the Company shall not be more than Rs. 25 Crore.
- (g) The Issuer shall mandatorily facilitate trading in demat securities.
- (h) The Issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (i) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- (j) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- (k) The Company should have a website.
- (l) Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus Company is eligible for the Issue in accordance with regulation 106M (1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed Rs. 1,000 lakhs. Company also complies with the eligibility conditions laid by the SME Platform of NSE for listing of our Equity Shares As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.



2.3 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 Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Issue Opening Date, in case of an IPO and at least one Working Day before the 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.

2.4 ISSUE PERIOD

The Issue shall 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 Application Form and Abridged Prospectus or Draft Prospectus for details of the Issue Period.

Details of Issue Period are also available on the website of Stock Exchange(s).

2.5 MIGRATION TO MAIN BOARD

Our company may migrate to the Main board of NSE from NSE EMERGE on a later date subject to the following:

- a. *If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

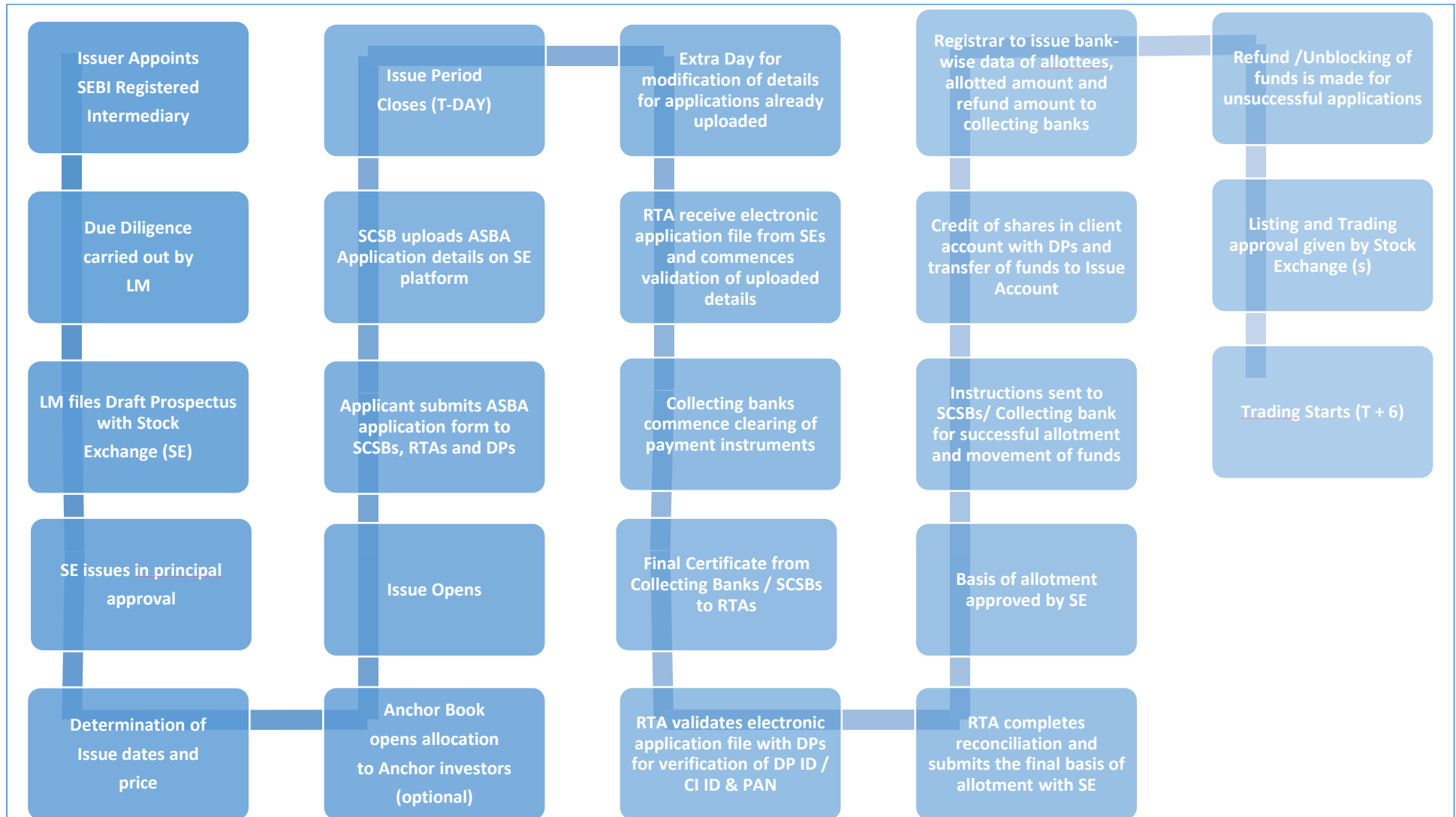
OR

- b. *If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*



FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price Issues is as follows:





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, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The 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 authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

SECTION 4: APPLYING IN THE ISSUE

Fixed Price Issue: Applicants should only use the specified Application Form either bearing the stamp of Designated Intermediary as available or downloaded from the website of the Stock Exchange. Application Forms are available Designated Branches of the SCSBs, at the registered office of the Issuer and at the registered office of LM. 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 colour of the Application Form for various categories of Applicants is as follows:

Category	Colour of the Application
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FPIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), on a repatriation basis	Blue
Anchor Investors (where applicable) & Applicants applying in the reserved category	Not Applicable

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities re-materialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE APPLICATION FORM (FIXED PRICE ISSUE)

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:



R Application Form

TEAR HERE

COMMON APPLICATION FORM	VINNY OVERSEAS LIMITED - INITIAL PUBLIC ISSUE - R Registered Office: B/H International Hotel, Narol - Isanpur Road, Narol, Ahmedabad - 382405, Gujarat, India; Tel. No.: 079 25731900; Fax No.: Not Available; E-mail: [●]; Website: www.vinnysoverseas.in; CIN NO: U51909GJ1992PLC017742	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
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To,
The Board of Directors
VINNY OVERSEAS LIMITED

FIXED PRICE SME ISSUE
ISIN - XXXXXXXX

Application
Form No.

Date: _____

BROKER'S / SCBS / DP / RTA STAMP & CODE	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT
		Mr. / Ms. _____ Age _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
SCSB / BANK BRANCH STAMP & CODE	SCSB / BANK BRANCH SERIAL NO.	2. PAN OF SOLE/FIRST APPLICANT

3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6. INVESTOR STATUS
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.		<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Non-Resident Indians (Non-Repatriation Basis) - NRI <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> National Investment Funds - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please Specify) - OTH
4. APPLICATION DETAILS		5. CATEGORY
No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [●]/- per share ^{1&2}		<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB
(In Figures)	(In Words)	

¹ Please note that applications must be made in minimum of 4000 shares and further multiples of 4000 shares accordingly.
² Please note that the trading of equity shares will be only in dematerialised mode on the Emerge Platform of NSE.

7. PAYMENT DETAILS	PAYMENT OPTION : Full Payment
Amount Blocked (₹ 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 APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVER LEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVER LEAF

8 A. SIGNATURE OF SOLE / FIRST APPLICANT	8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	BROKER / SCBS / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)
Date: _____, 2018	I/We authorize the SCBS to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	



VINNY OVERSEAS LIMITED - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Registered Broker/SCSB/CDP/RTA

Application
Form No.

DPID / CLID _____	PAN of Sole/First Bidder _____
Amount Blocked (₹ in figures) _____	Bank & Branch _____
ASBA Bank A/c No. _____	Stamp & Signature of SCBS Branch _____
Received from Mr./Ms. _____	
Telephone / Mobile _____	Email _____

VINNY OVERSEAS LIMITED - INITIAL PUBLIC ISSUE - R	<table border="1"> <tr> <td></td> <td>In Figures</td> <td>In Words</td> <td rowspan="3">Stamp & Signature of Registered Broker / SCBS / CDP / RTA</td> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> </tr> <tr> <td>Amount Blocked (₹)</td> <td></td> <td></td> </tr> </table>		In Figures	In Words	Stamp & Signature of Registered Broker / SCBS / CDP / RTA	No. of Equity Shares			Amount Blocked (₹)			Name of Sole / First Applicant
	In Figures	In Words	Stamp & Signature of Registered Broker / SCBS / CDP / RTA									
No. of Equity Shares												
Amount Blocked (₹)												
ASBA Bank A/c No.: _____												
Bank & Branch: _____												

VINNY OVERSEAS LIMITED 1

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www.sapprints.com

NR Application Form

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COMMON APPLICATION FORM	VINNY OVERSEAS LIMITED - INITIAL PUBLIC ISSUE - NR Registered Office: B/H International Hotel, Narol – Isanpur Road, Narol, Ahmedabad – 382405, Gujarat, India; Tel. No.: 079 25731900; Fax No.: Not Available; E-mail: [●]; Website: www.vinnyoverseas.in; CIN NO: U51909GJ1992PLC017742	FOR NON-RESIDENT INCLUDING ELIGIBLE NRIs, FPIs or FVCIs ETC. APPLYING ON A REPATRIATION BASIS
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To,
The Board of Directors
VINNY OVERSEAS LIMITED

FIXED PRICE SME ISSUE
ISIN – XXXXXXXX

Application Form No.

Date : _____

BROKER'S / SCSB / DP / RTA STAMP & CODE	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT
		Mr. / Ms. _____ Age _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
SCSB / BANK BRANCH STAMP & CODE	SCSB / BANK BRANCH SERIAL NO.	2. PAN OF SOLE/FIRST APPLICANT

3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6. INVESTOR STATUS
_____	_____	<input type="checkbox"/> Non-Resident Indians (Repatriation basis) NRI <input type="checkbox"/> FII or Sub Account not a Corporate / Foreign Individual FII <input type="checkbox"/> FII Sub Account Corporate/ Individual FII SA <input type="checkbox"/> Foreign Venture Capital Investor FVCI <input type="checkbox"/> Foreign Portfolio Investors FPI <input type="checkbox"/> Others (Please Specify) OTI

For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.

4. APPLICATION DETAILS	5. CATEGORY
No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [●]/- per share ^{1 2} (In Figures) _____ (In Words) _____	<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB

¹ Please note that applications must be made in minimum of 4000 shares and further multiples of 4000 shares accordingly.
² Please note that the trading of equity shares will be only in dematerialised mode on the Emerge Platform of NSDL.

7. PAYMENT DETAILS	PAYMENT OPTION : Full Payment
Amount Blocked (₹ 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 APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR 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 APPLICATION FORM GIVEN OVERLEAF.

8 A. SIGNATURE OF SOLE / FIRST APPLICANT	8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)
Date: _____, 2018	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	

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VINNY OVERSEAS LIMITED - INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Registered Broker/SCSB/ CDP/RTA	Application Form No.
DPID/ CLID: _____	PAN of Sole/First Bidder _____	
Amount Blocked (₹ in figures) _____ Bank & Branch _____	Stamp & Signature of SCSB Branch _____	
ASBA Bank A/c No. _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____ Email _____		

TEAR HERE

VINNY OVERSEAS LIMITED - INITIAL PUBLIC ISSUE - NR	Stamp & Signature of Registered Broker / SCSB / CDP / RTA	Name of Sole / First Applicant
No. of Equity Shares _____ In Figures _____ In Words _____		
Amount Blocked (₹) _____		
ASBA Bank A/c No.: _____		
Bank & Branch: _____		
	Acknowledgement Slip for Applicant	
	Application Form No.	

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4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- (a) **Mandatory Fields:** 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 Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (b) **Joint 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 Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and 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.
- (c) **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 of the said Act.
- (d) **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 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 Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and 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 Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. 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) 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 Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to be rejected.
- (b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- (c) Applicants should note that on the basis of DP ID and Client ID as provided in the 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 sending allocation advice and 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: APPLICATION DETAILS

- (a) The Issuer may mention Price in the Draft Prospectus. However a Prospectus registered with RoC contains one price.
- (b) Minimum And Maximum Application Size

i. For Retail Individual Applicants

The Application must be for a minimum of [●] Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for [●] Equity Shares.

ii. 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 Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion. 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 or regulation or as specified in the Prospectus.

- (a) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to any other Designated Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (b) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:



- i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FPI sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
 - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications 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.
- (c) The following applications may not be treated as multiple Applications:
- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
 - iii. Applications by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS

- i. The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Application, 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).
- ii. 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.
- iii. 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. For details pertaining to allocation and 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 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 Application Form and Non-Resident Application Form.
- (d) Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD 7: PAYMENT DETAILS

- (a) Please note that, providing bank account details in the space provided in the Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

4.1.7.1 Payment instructions for Applicants

- (a) Applicants may submit the Application Form in physical mode to the Designated Intermediary.

- (b) Applicants should specify the Bank Account number in the Application Form.
- (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 that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one Bank Account, a maximum of five Application Forms can be submitted.
- (f) Applicants applying 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. In case Applicant applying through Designated Intermediary other than SCSB, after verification and upload, the Designated Intermediary shall send to SCSB for blocking of fund.
- (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 ASBA 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 subsequent transfer of the Application Amount against the Allotted Equity Shares, if any, 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.

4.1.8 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful 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/ partial/ non allotment ASBA 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 ASBA 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 6 Working Days of the Issue Closing Date.

4.1.8.1 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).

4.1.8.2 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Applicant is required to sign the 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) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the 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 application amount mentioned in the Application Form.
- (d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should ensure that they receive the acknowledgment duly signed and stamped by Designated Intermediary, as applicable, for submission of the Application Form.

- (a) All communications in connection with Applications made in the Issue should be addressed as under:
 - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, unblocking of funds, the Applicants should contact the Registrar to the Issue.
 - ii. In case of applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
 - iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.
- (b) The following details (as applicable) should be quoted while making any queries -
 - i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount blocked on application And ASBA Account Number and Name.
 - ii. In case of ASBA applications, ASBA Account number in which the amount equivalent to the application amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise/withdraw their applications till closure of the Issue period
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.

- (d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

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:



Revision Form – R

COMMON APPLICATION FORM	VINNY OVERSEAS LIMITED - INITIAL PUBLIC ISSUE REVISION - R Registered Office: B/H International Hotel, Narol – Isanpur Road, Narol, Ahmedabad – 382405, Gujarat, India; Tel. No.: 079 25731900; Fax No.: Not Available; E-mail: [●]; Website: www.vinnyoverseas.in; CIN NO: U51909GJ1992PLC017742	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
	To, The Board of Directors VINNY OVERSEAS LIMITED	FIXED PRICE SME ISSUE ISIN – XXXXXXXXX
		Application Form No. _____ Date : _____

BROKER'S / SCSB / DP / RTA STAMP & CODE SCSB / BANK BRANCH STAMP & CODE	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE SCSB / BANK BRANCH SERIAL NO.	1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT Mr./Ms./M/s. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____ 2. PAN OF SOLE/FIRST APPLICANT _____ 3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL _____ For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID For CDSL enter 16 Digit Client ID.
--	--	---

PLEASE CHANGE MY APPLICATION <input type="checkbox"/> PHYSICAL																						
4. FROM (as per last Application or Revision)																						
Options	No. of Equity Shares applied (Application must be in multiples of 4000 equity shares)								Price per Equity Share (₹) 1/-													
	(In Figures)								Issue Price				Discount, if any				Net Price					
	7	6	5	4	3	2	1	0	4	3	2	1	0	4	3	2	1	0				
Option 1																						
(OR) Option 2																						
(OR) Option 3																						
5. TO (Revised Application)																						
Options	No. of Equity Shares applied (Application must be in multiples of 4000 equity shares)								Price per Equity Share (₹) 1/-													
	(In Figures)								Issue Price				Discount, if any				Net Price					
	7	6	5	4	3	2	1	0	4	3	2	1	0	4	3	2	1	0				
Option 1																						
(OR) Option 2																						
(OR) Option 3																						
7. PAYMENT DETAILS																						
Amount Blocked (₹ in Figures) _____	PAYMENT OPTION : Full Payment (₹ in words) _____																					
ASBA Bank A/c No. _____																						
Bank Name & Branch _____																						
8 A. SIGNATURE OF SOLE / FIRST APPLICANT Date: _____, 2018	8 B. 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 Application in Stock Exchange System)																				
	VINNY OVERSEAS LIMITED - INITIAL PUBLIC ISSUE - REVISION - R	Acknowledgement Slip for Registered Broker/SCSB/ CDP/RTA																				
		Application Form No. _____																				
DPID / CLID _____	PAN _____	Additional Amount Blocked (₹ in figures) _____ Bank & Branch _____																				
ASBA Bank A/c No. _____		SCSB Branch Stamp & Signature																				
Received from Mr./Ms. _____																						
Telephone / Mobile _____	Email _____																					
VINNY OVERSEAS LIMITED - INITIAL PUBLIC ISSUE - REVISION - R	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Issue Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Blocked (₹)</td> <td></td> <td></td> <td></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Issue Price				Additional Amount Blocked (₹)				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td> Stamp & Signature of Registered Broker/ SCSB / CDP / RTA </td> <td> Name of Sole / First Applicant </td> </tr> <tr> <td> Acknowledgment Slip for Applicant </td> <td> Application Form No. </td> </tr> </table>	Stamp & Signature of Registered Broker/ SCSB / CDP / RTA	Name of Sole / First Applicant	Acknowledgment Slip for Applicant	Application Form No.
	Option 1	Option 2	Option 3																			
No. of Equity Shares																						
Issue Price																						
Additional Amount Blocked (₹)																						
Stamp & Signature of Registered Broker/ SCSB / CDP / RTA	Name of Sole / First Applicant																					
Acknowledgment Slip for Applicant	Application Form No.																					
	ASBA Bank A/c No.: _____ Bank & Branch: _____																					

Revision Form – NR

COMMON APPLICATION FORM	VINNY OVERSEAS LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR Registered Office: B/H International Hotel, Narol – Isanpur Road, Narol, Ahmedabad – 382405, Gujarat, India; Tel. No.: 079 25731900; Fax No.: Not Available; E-mail: [●]; Website: www.vinnyoverseas.in; CIN NO: U51909GJ1992PLC017742	FOR NON-RESIDENT INCLUDING ELIGIBLE NRIs, FPIs or FVCIs ETC. APPLYING ON A REPATRIATION BASIS
	Date: _____	



To,
The Board of Directors
VINNY OVERSEAS LIMITED

FIXED PRICE SME ISSUE
ISIN – XXXXXXXXX

Application
Form No.

BROKER'S / SCSB / DP / RTA STAMP & CODE	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT Mr./Ms./M/s. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
		2. PAN OF SOLE/FIRST APPLICANT _____ 3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.
SCSB / BANK BRANCH STAMP & CODE	SCSB / BANK BRANCH SERIAL NO.	

PLEASE CHANGE MY APPLICATION ☐ PHYSICAL

4. FROM (as per last Application or Revision)

Options	No. of Equity Shares applied (Application must be in multiples of 4000 equity shares)								Price per Equity Share (₹) 1/-											
	(In Figures)								Issue Price				Discount, if any				Net Price			
	7	6	5	4	3	2	1		4	3	2	1	4	3	2	1	4	3	2	1
Option 1																				
(OR) Option 2																				
(OR) Option 3																				

5. TO (Revised Application)

Options	No. of Equity Shares applied (Application must be in multiples of 4000 equity shares)								Price per Equity Share (₹) 1/-											
	(In Figures)								Issue Price				Discount, if any				Net Price			
	7	6	5	4	3	2	1		4	3	2	1	4	3	2	1	4	3	2	1
Option 1																				
(OR) Option 2																				
(OR) Option 3																				

7. PAYMENT DETAILS

Amount Blocked (₹ in Figures) _____ (₹ in words) _____

ASBA Bank A/c No. _____

Bank Name & Branch _____

PAYMENT OPTION : Full Payment

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR 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 APPLICATION FORM GIVEN OVERLEAF.

8 A. SIGNATURE OF SOLE / FIRST APPLICANT _____ Date: _____, 2018	8 B. 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 Application in Stock Exchange System) _____
---	--	--

TEAR HERE

VINNY OVERSEAS LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR	Acknowledgement Slip for Registered Broker/SCSB/CDP/RTA	Application Form No. _____
DPID / CLID _____	PAN _____	
Additional Amount Blocked (₹ in figures) _____	Bank & Branch _____	SCSB Branch Stamp & Signature _____
ASBA Bank A/c No. _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____ Email _____		

TEAR HERE

VINNY OVERSEAS LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR	Option 1	Option 2	Option 3	Stamp & Signature of Registered Broker/SCSB/CDP/RTA	Name of Sole / First Applicant
	No. of Equity Shares				
	Issue Price				
	Additional Amount Blocked (₹)				
	ASBA Bank A/c No.: _____				
Bank & Branch: _____					Acknowledgment Slip for Applicant
					Application Form No. _____

10 VINNY OVERSEAS LIMITED



4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: APPLICATION REVISION ‘FROM’ AND ‘TO’

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Applicant must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form.
- (b) In case of revision of applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the application amount should exceed Rs. 2,00,000/- due to revision and the application may be considered, subject to eligibility, for allocation under the Non-Institutional Category.

4.2.3 FIELD 6: PAYMENT DETAILS

- (a) All Applicants are required to make payment of the full application amount along with the Revision Form.
- (b) Applicant may Issue instructions to block the revised amount in the ASBA Account, to Designated Branch through whom such Applicant had placed the original application to enable the relevant SCSB to block the additional application amount, if any.

4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 SUBMISSION OF REVISION FORM/ APPLICATION FORM

4.3.1 Applicants may submit completed application form / Revision Form in the following manner:-

Mode of Application	Submission of Application Form
All Investors Application	To the Designated Intermediary as mentioned in the Draft Prospectus/ Application Form

SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE

5 APPLICANTS MAY NOTE THAT THERE IS NO 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 Designated Intermediary and apply only through ASBA facility.

ASBA Applicants may submit an Application Form either in physical/electronic form to the Designated Intermediary 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 Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

6 GROUNDS OF REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 (other than minor having valid depository accounts as per demographic details provided by the depository);
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 2,000;
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Draft Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole/ first Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date, unless the extended time is permitted by NSE.
- Details of ASBA Account not provided in the Application form



For details of instructions in relation to the Application Form, Applicants may refer to the relevant Section the GID.

APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE DESIGNATED INTERMEDIARY DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE

This being Fixed Price Issue, this Section is not applicable for this Issue.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

7.1 BASIS OF ALLOTMENT

Allotment will be made in consultation with the EMERGE Platform of NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for);
- (b) The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio);
- (c) For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
 - i. Each successful Applicant shall be allotted [●] equity shares; and
 - ii. The successful Applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- (d) If the proportionate allotment to an Applicant works out to a number that is not a multiple of [●] equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicants in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.
- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Applicants as described below:
 - i. As per Regulation 43 (4) of SEBI (ICDR), as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 - ii. The balance net offer of shares to the public shall be made available for allotment to
 - individual applicants other than retails individual investors and

- other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
- iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- . Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Banker to the Issue.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. **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) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange are taken within 5 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 5 Working Days of the 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 permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

8.2.2 MINIMUM SUBSCRIPTION



This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through the offer document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest at a rate prescribed under Section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

8.3 MODE OF REFUND

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

8.3.1 Mode of making refunds

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum/or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not done within the 4 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Applicant as proof of registration of the Application.
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the successful 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)	Successful Applicant(s) to whom Equity Shares are allotted
Applicant	Any prospective applicant who makes an Application pursuant to the terms of the Prospectus and the Application Form and unless otherwise stated or implied, includes an ASBA Applicants
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Intermediaries Collecting	5. a SCSB with whom the bank account to be blocked, is maintained 6. a syndicate member (or sub-syndicate member) If any 7. a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)('broker') if any 8. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity) a registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
Application form/ASBA form	An application form, whether physical or electronic, used by Applicants which will be considered as the application for Allotment in terms of this Draft Prospectus.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Applicants, to make an Application authorising an SCSB to block the Application Amount in the ASBA Account
ASBA Account	An account maintained with an SCSB and specified in the Application Form submitted by Applicants for blocking the Application Amount mentioned in the Application Form
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, and Ahmedabad.



Term	Description
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited.
Banker to the Issue Agreement/ Public Issue Account Agreement	Agreement dated August 25, 2018 entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 238 of this Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of Stock Exchange (www.nseindia.com)
CAN or 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.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches/Designated Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Collecting Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Designated CDP Locations	Such centres of the CDPs where Applicant can submit the Application Forms. 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 website of the Stock Exchange (www.nseindia.com) and updated from time to time
Designated RTA Locations	Such centres of the RTAs where Applicant can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective

Term	Description
	websites of the Stock Exchange (www.nseindia.com) and updated from time to time
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of this Draft Prospectus
Designated Intermediary(ies)/Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Stock Exchange/Stock Exchange	National Stock Exchange of India Limited.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Draft Prospectus	This Draft Prospectus dated August 29, 2018 issued in accordance with Section 26 of the Companies Act, 2013 and filed with the National Stock Exchange of India Limited under SEBI (ICDR) Regulations
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Prospectus constitutes an invitation to subscribe for the Equity Shares offered herein on the basis of the terms thereof
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Share Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
First/sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and included in "Issue Procedure" on page 238 of this Draft Prospectus
Issue/Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO	The Initial Public Issue of 25,96,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating to Rs.[●] comprising the Fresh Issue.
Issue Agreement	The agreement dated August 14, 2018 between our Company and the LM, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	The date after which the Designated Intermediary will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]



Term	Description
Issue Opening Date	The date on which the Designated Intermediary shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, including any revisions thereof.
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs.[●] per equity share.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” at page 98 of this Draft Prospectus
Lead Manager/LM	The Lead Manager to the Issue namely Pantomath Capital Advisors Private Limited, SEBI registered Category – I Merchant Banker
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Lot size	[●] Equity Shares and in multiples of [●] Equity Shares thereof
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Making Agreement	Market Making Agreement dated August 14, 2018 between our Company, Lead Manager and Market Maker
Market Maker Reservation Portion	The Reserved Portion of 1,32,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] for the Market Maker in this Issue.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 24,64,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] by our Company
Net Proceeds	Proceeds of the Fresh Issue less our Company’s share of the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, see “ <i>Objects of the Issue</i> ” on page 98
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Non Institutional Applicants	All Applicants, including Category III FPIs that are not QIBs or Retail Individual Investors, who have apply for Equity Shares for an amount of more than Rs. 2,00,000/- but not including NRIs other than Eligible NRIs

Term	Description
Non-Resident	A person resident outside India, as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended from time to time, and includes FIIs and FPIs
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Other Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Prospectus	The Prospectus to be registered with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information
Public Issue Account	Account to be opened with the Banker to the Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the applicants on the Designated Date.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank.
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Broker	Individuals or companies registered with SEBI as “Trading Members” (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on www.nseindia.com
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar Agreement	The agreement dated August 14, 2018, entered by our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2009



Term	Description
Reserved Category / Categories	Categories of persons eligible for making Application under reservation portion.
Resident Indian	A person resident in India, as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended from time to time
Retail Individual Applicant(s)/Retail Individual Investor(s)/RII(s)/RIB(s)	Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their Karta), who apply for an amount less than or equal to Rs 2,00,000/-
Revision Form	Form used by the Applicants, to modify the quantity of the Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s)
SCSB/ Self Certified Syndicate Banker	Bank which is registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time
SME Exchange	Emerge Platform of National Stock Exchange of India Limited
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Applicant as proof of registration of the Application
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The agreement dated August 14, 2018 entered into between the Underwriter and our Company
Working Day	(iii) Till Issue closing date: All days other than a Saturday, Sunday or a public holiday; (iv) Post Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), has issued consolidated FDI Policy Circular of 2017 (“**FDI Policy 2017**”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“**RBI**”) also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings and reporting to RBI.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionality (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any ‘fit and proper/due diligence’ requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionality (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and



in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, , FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

i. Investment by FPIs under Portfolio Investment Scheme (PIS):

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

ii. Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 i.e.:

- The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

iii. Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be

domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Draft Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Draft Prospectus Directive except for any such offer made under exemptions available under the Draft Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a Draft Prospectus pursuant to the Draft Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Prospectus.

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

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.



SECTION VIII – MAIN PROVISIONS OF ARTICLE OF ASSOCIATION

THE COMPANIES ACT, 2013 (COMPANY LIMITED BY SHARES) ARTICLES OF ASSOCIATION OF VINNY OVERSEAS LIMITED

Sr. No	Particulars	
1.	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	Table F Applicable.
	Interpretation Clause	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	Act
	(b) “These Articles” means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	Articles
	(c) “Auditors” means and includes those persons appointed as such for the time being of the Company.	Auditors
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	Capital
	(e) *“The Company” shall mean VINNY OVERSEAS LIMITED	
	(f) “Executor” or “Administrator” means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under Section 31 of the Administrator General Act, 1963.	Executor or Administrator
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	Legal Representative
	(h) Words importing the masculine gender also include the feminine gender.	Gender

Sr. No	Particulars	
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	In Writing and Written
	(j) The marginal notes hereto shall not affect the construction thereof.	Marginal notes
	(k) "Meeting" or "General Meeting" means a meeting of members.	Meeting or General Meeting
	(l) "Month" means a calendar month.	Month
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of Section 96 of the Act.	Annual General Meeting
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	Extra-Ordinary General Meeting
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	National Holiday
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	Non-retiring Directors
	(q) "Office" means the registered Office for the time being of the Company.	Office
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	Ordinary and Special Resolution
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	Person
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	Proxy
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	Register of Members
	(v) "Seal" means the common seal for the time being of the Company.	Seal
	(w) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	Singular number
	(x) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	Statutes
	(y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	These presents
	(z) "Variation" shall include abrogation; and "vary" shall include abrogate.	Variation
	(aa) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	Year and Financial Year



Sr. No	Particulars	
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	Expressions in the Act to bear the same meaning in Articles
	CAPITAL	
3.	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	Authorized Capital.
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	Increase of capital by the Company how carried into effect
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	New Capital same as existing capital
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premium, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	Non Voting Shares
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	Redeemable Preference Shares
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	Voting rights of preference shares
9.	On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;	Provisions to apply on issue of Redeemable Preference Shares

Sr. No	Particulars	
	<p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to Section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	
10.	<p>The Company may (subject to the provisions of Sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	Reduction of capital
11.	<p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p>	Debentures
12.	<p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that Sections and rules framed thereunder.</p>	Issue of Sweat Equity Shares
13.	<p>The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option</p>	ESOP



Sr. No	Particulars	
	Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	
14.	Notwithstanding anything contained in these articles but subject to the provisions of Sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.	Buy Back of shares
15.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-Section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	Consolidation, Sub-Division And Cancellation
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	Issue of Depository Receipts
17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	Issue of Securities
	MODIFICATION OF CLASS RIGHTS	
18.	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this Section shall apply to such variation.	Modification of rights
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected,	New Issue of Shares not to affect rights attached to existing shares of that class.

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	abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	
19.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	Shares at the disposal of the Directors.
20.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-Section (1) of Section 62 subject to compliance with Section 42 and 62 of the Act and rules framed thereunder.	Power to issue shares on preferential basis.
21.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	Shares should be Numbered progressively and no share to be subdivided.
22.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	Acceptance of Shares.
23.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	Directors may allot shares as full paid-up
24.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	Deposit and call etc.to be a debt payable immediately.



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25.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	Liability of Members.
26.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	Registration of Shares.
	RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT	
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	CERTIFICATES	
28.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director.	Share Certificates.

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	<p>Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
29.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<p>Issue of new certificates in place of those defaced, lost or destroyed.</p>
30.	<p>(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.</p>	<p>The first named joint holder deemed Sole holder.</p>



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	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	Maximum number of joint holders.
31.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	Company not bound to recognise any interest in share other than that of registered holders.
32.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	Installment on shares to be duly paid.
	UNDERWRITING AND BROKERAGE	
33.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	Commission
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	Brokerage
	CALLS	
35.	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.	Directors may make calls
36.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	Notice of Calls
37.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names	Calls to date from resolution.

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	appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	
38.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	Calls on uniform basis.
39.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	Directors may extend time.
40.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	Calls to carry interest.
41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	Sums deemed to be calls.
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	Proof on trial of suit for money due on shares.
43.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his	Judgment, decree, partial payment motto proceed for forfeiture.



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	shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	
44.	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	Payments in Anticipation of calls may carry interest
	LIEN	
45.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	Company to have Lien on shares.
46.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such	As to enforcing lien by sale.

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	notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	
47.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	Application of proceeds of sale.
	FORFEITURE AND SURRENDER OF SHARES	
48.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	If call or installment not paid, notice may be given.
49.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	Terms of notice.
50.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or	On default of payment, shares to be forfeited.



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	any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	
51.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	Notice of forfeiture to a Member
52.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	Forfeited shares to be property of the Company and may be sold etc.
53.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	Members still liable to pay money owing at time of forfeiture and interest.
54.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	Effect of forfeiture.
55.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company has been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	Evidence of Forfeiture.
56.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	Title of purchaser and allottee of Forfeited shares.
57.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	Cancellation of share certificate in respect of forfeited shares.
58.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture	Forfeiture may be remitted.

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	thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	
59.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	Validity of sale
60.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	Surrender of shares.
	TRANSFER AND TRANSMISSION OF SHARES	
61.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	Execution of the instrument of shares.
62.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;	Transfer Form.
63.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register	Transfer not to be registered except on production of instrument of transfer.



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	the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	
64.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;	Directors may refuse to register transfer.
65.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	Notice of refusal to be given to transferor and transferee.
66.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	No fee on transfer.
67.	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with Section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	Closure of Register of Members or debentureholder or other security holders..
68.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	Custody of transfer Deeds.
69.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	Application for transfer of partly paid shares.
70.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	Notice to transferee.

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71.	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	Recognition of legal representative.
72.	<p>The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.</p>	Titles of Shares of deceased Member
73.	<p>Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.</p>	Notice of application when to be given
74.	<p>Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such</p>	Registration of persons entitled to share otherwise than by transfer. (transmission clause).



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	shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	
75.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	Refusal to register nominee.
76.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	Board may require evidence of transmission.
77.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	Company not liable for disregard of a notice prohibiting registration of transfer.
78.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	Form of transfer Outside India.
79.	No transfer shall be made to any minor, insolvent or person of unsound mind.	No transfer to insolvent etc.
	NOMINATION	
80.	i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72	Nomination

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	<p>of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	
81.	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	Transmission of Securities by nominee
	DEMATERIALISATION OF SHARES	
82.	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	Dematerialisation of Securities
	JOINT HOLDER	
83.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	Joint Holders



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84.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	Joint and several liabilities for all payments in respect of shares.
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	Title of survivors.
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	Receipts of one sufficient.
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	Delivery of certificate and giving of notices to first named holders.
	SHARE WARRANTS	
85.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	Power to issue share warrants
86.	<p>(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>	Deposit of share warrants
87.	<p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he</p>	Privileges and disabilities of the holders of share warrant

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	were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.	
88.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	Issue of new share warrant coupons
	CONVERSION OF SHARES INTO STOCK	
89.	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	Conversion of shares into stock or reconversion.
90.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	Transfer of stock.
91.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	Rights of stock holders.
92.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.	Regulations.
	BORROWING POWERS	
93.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	Power to borrow.



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94.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	Issue of discount etc. or with special privileges.
95.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	Securing payment or repayment of Moneys borrowed.
96.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	Bonds, Debentures etc. to be under the control of the Directors.
97.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	Mortgage of uncalled Capital.
98.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	Indemnity may be given.
	MEETINGS OF MEMBERS	
99.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	Distinction between AGM & EGM.
100.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	Extra-Ordinary General Meeting by Board and by requisition

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	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	When a Director or any two Members may call an Extra Ordinary General Meeting
101.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	Meeting not to transact business not mentioned in notice.
102.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	Chairman of General Meeting
103.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	Business confined to election of Chairman whilst chair is vacant.
104.	<p>a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>d) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>	Chairman with consent may adjourn meeting.
105.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	Chairman's casting vote.
106.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	In what case poll taken without adjournment.



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107.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	Demand for poll not to prevent transaction of other business.
	VOTES OF MEMBERS	
108.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	Members in arrears not to vote.
109.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-Section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	Number of votes each member entitled.
110.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	Casting of votes by a member entitled to more than one vote.
111.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	Vote of member of unsound mind and of minor
112.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	Postal Ballot
113.	A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once.	E-Voting
114.	a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint	Votes of joint members.

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	<p>holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	
115.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	Votes may be given by proxy or by representative
116.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	Representation of a body corporate.
117.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	Members paying money in advance.
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	Members not prohibited if share not held for any specified period.
118.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased or insolvent members.
119.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	No votes by proxy on show of hands.



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120.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Appointment of a Proxy.
121.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105.	Form of proxy.
122.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	Validity of votes given by proxy notwithstanding death of a member.
123.	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.	Time for objections to votes.
124.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	Chairperson of the Meeting to be the judge of validity of any vote.
	DIRECTORS	
125.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	Number of Directors
126.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	Qualification shares.
127.	<p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such</p>	Nominee Directors.

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	<p>nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	
128.	<p>The Board may appoint an Alternate Director to act for a Director (hereinafter called “The Original Director”) during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.</p>	Appointment of alternate Director.
129.	<p>Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.</p>	Additional Director
130.	<p>Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.</p>	Directors power to fill casual vacancies.
131.	<p>Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.</p>	Sitting Fees.
132.	<p>The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.</p>	Travelling expenses Incurred by Director on Company's business.
	PROCEEDING OF THE BOARD OF DIRECTORS	
133.	<p>(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.</p>	Meetings of Directors.



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	(b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	
134.	<p>a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.</p> <p>b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.</p>	Chairperson
135.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	Questions at Board meeting how decided.
136.	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.	Continuing directors may act notwithstanding any vacancy in the Board
137.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	Directors may appoint committee.
138.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	Committee Meetings how to be governed.
139.	<p>a) A committee may elect a Chairperson of its meetings.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>	Chairperson of Committee Meetings
140.	<p>a) A committee may meet and adjourn as it thinks fit.</p> <p>b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present,</p>	Meetings of the Committee

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	and in case of an equality of votes, the Chairperson shall have a second or casting vote.	
141.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	Acts of Board or Committee shall be valid notwithstanding defect in appointment.
	RETIREMENT AND ROTATION OF DIRECTORS	
142.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	Power to fill casual vacancy
	POWERS OF THE BOARD	
143.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	Powers of the Board
144.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	Certain powers of the Board
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	To acquire any property , rights etc.
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	To take on Lease.



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	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	To erect & construct.
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	To pay for property.
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	To insure properties of the Company.
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	To open Bank accounts.
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	To secure contracts by way of mortgage.
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	To accept surrender of shares.
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	To appoint trustees for the Company.
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound	To conduct legal proceedings.

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	and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	Bankruptcy & Insolvency
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	To issue receipts & give discharge.
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	To invest and deal with money of the Company.
	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	To give Security by way of indemnity.
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	To determine signing powers.
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	Commission or share in profits.
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	Bonus etc. to employees.
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or	Transfer to Reserve Funds.



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	<p>debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.</p>	
	<p>(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p>	<p>To appoint and remove officers and other employees.</p>
	<p>(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think</p>	<p>To appoint Attorneys.</p>

Sr. No	Particulars	
	fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	To enter into contracts.
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	To make rules.
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	To effect contracts etc.
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	To apply & obtain concessions licenses etc.
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	To pay commissions or interest.
	(26) To redeem preference shares.	To redeem preference shares.
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	To assist charitable or benevolent institutions.
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.	



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	(29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
	<p>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other</p>	

Sr. No	Particulars	
	<p>Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
	MANAGING AND WHOLE-TIME DIRECTORS	
145.	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	Powers to appoint Managing/ Wholetime Directors.
146.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	Remuneration of Managing or Wholetime Director.
147.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors</p>	Powers and duties of Managing Director or Whole-time Director.



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	<p>as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	
	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer	
148.	<p>a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may 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;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>	Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer
	THE SEAL	
149.	(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time	The seal, its custody and use.

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	<p>to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	
150.	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	Deeds how executed.
	Dividend and Reserves	
151.	<p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	Division of profits.
152.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	The company in General Meeting may declare Dividends.
153.	a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.	Transfer to reserves



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	b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	
154.	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.	Interim Dividend.
155.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	Debts may be deducted.
156.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	Capital paid up in advance not to earn dividend.
157.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	Dividends in proportion to amount paid-up.
158.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	Retention of dividends until completion of transfer under Articles .
159.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.
160.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	Effect of transfer of shares.
161.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	Dividend to joint holders.
162.	a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	Dividends how remitted.
163.	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.	Notice of dividend.

Sr. No	Particulars	
164.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	No interest on Dividends.
	CAPITALIZATION	
165.	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	Capitalization.
166.	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the</p>	Fractional Certificates.



Sr. No	Particulars	
	<p>application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	
167.	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	Inspection of Minutes Books of General Meetings.
168.	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	Inspection of Accounts
	FOREIGN REGISTER	
169.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	Foreign Register.
	DOCUMENTS AND SERVICE OF NOTICES	
170.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	Signing of documents & notices to be served or given.
171.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	Authentication of documents and proceedings.
	WINDING UP	

Sr. No	Particulars	
172.	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	
	INDEMNITY	
173.	<p>Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.</p>	Directors' and others right to indemnity.
174.	<p>Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the</p>	Not responsible for acts of others



Sr. No	Particulars	
	duties of his office or in relation thereto, unless the same happens through his own dishonesty.	
	SECRECY	
175.	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	Secrecy
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	Access to property information etc.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus to be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Behind International Hotel, Narol-Isanpur Road, Narol, Ahmedabad, Gujarat-382405, India from date of filing the Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Material Contracts

1. Issue Agreement dated August 14, 2018 between our Company and the LM.
2. Registrar Agreement dated August 14, 2018 between our Company and Bigshare Services Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated August 14, 2018 between our Company and Underwriter viz. LM
4. Market Making Agreement dated August 14, 2018 between our Company, Market Maker and the LM.
5. Bankers to the Issue Agreement dated August 25, 2018 between our Company, the LM and Banker to the Issue and the Registrar to the Issue.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated [●], 2018.
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated [●], 2018.

Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company along with certificates of incorporation as amended from time to time.
2. Resolutions of the Board of Directors dated August 07, 2018 in relation to the Issue and other related matters.
3. Special resolution of the Shareholders' passed at the Annual General meeting dated August 14, 2018 authorizing the Issue.
4. Statement of Tax Benefits dated August 13, 2018 issued by our Peer Reviewed Auditor, KPSJ & Associates LLP, Chartered Accountants.
5. Report of the Peer Reviewed Auditor, KPSJ & Associates LLP, Chartered Accountants dated August 13, 2018 on the Restated Financial Statements for financial years ended as on March 31, 2018, 2017, 2016, 2015 & 2014 of our Company.
6. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Reviewed Auditors, Banker to the Company, Legal Advisor to the Issue, the Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Bankers to the Issue, Refund Banker to the Issue and Syndicate Member to the Issue to act in their respective capacities.
7. Copy of In Principle approval from Emerge Platform of National Stock Exchange of India Limited *vide* letter dated [●], to use the name of National Stock Exchange of India Limited in this Issue document for listing of Equity Shares on Emerge Platform of National Stock Exchange of India Limited.

None of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, Securities Contracts (Regulation) Act, 1956, The Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

Signed by all the Directors, Chief Financial Officer and Company Secretary and Compliance Officer of our Company's.

Name and designation	Signature
Hiralal Parekh <i>Managing Director</i> DIN: 00257758	
Latadevi Parekh <i>Whole time Director</i> DIN: 02973048	
Vandani Chowdhary <i>Non-Executive Director</i> DIN: 03048990	
Nishita Shah <i>Whole Time Director</i> DIN: 07197925	
Jyotindra Adeshra <i>Independent Director</i> DIN: 07894849	
Tarunkumar Mankad <i>Independent Director</i> DIN: 07905172	

Signed by Chief Financial Officer and Company Secretary and Compliance Officer of the Company

Mularam Prajapati
Chief Financial Officer

Pushpendra Singh
Company Secretary & Compliance Officer

Place: Ahmedabad

Date: August 29, 2018



Annexure A

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Innovators Façade Systems Limited	40.76	72.00	May 24, 2018	72.00	-13.19% (2.96%)	-18.13% (10.45%)	Not Applicable
2.	Shree Vasu Logistics Limited	9.29	45.00	June 4, 2018	48.00	24.00% (0.67%)	Not Applicable	Not Applicable
3.	Affordable Robotic & Automation Limited	22.79	85.00	June 4, 2018	90.05	35.29% (1.05%)	Not Applicable	Not Applicable
4.	Latteys Industries Limited	8.07	66.00	June 5, 2018	68.00	0.68% (1.67%)	Not Applicable	Not Applicable
5.	Nakoda Group of Industries Limited	6.43	35.00	June 6, 2018	36.00	5.43% (1.12%)	Not Applicable	Not Applicable
6.	ShreeOswal Seeds and Chemicals Limited	11.90	26.00	June 20, 2018	27.00	4.42% (1.72%)	Not Applicable	Not Applicable
7.	Priti International Limited	5.25	75.00	June 21, 2018	81.00	31.33% (2.51%)	Not Applicable	Not Applicable
8.	Accuracy Shipping Limited	35.76	84.00	June 22, 2018	88.00	9.52% (2.43%)	Not Applicable	Not Applicable
9.	Ganga Forging Limited	5.00	21.00	July 11, 2018	21.10	0.00% (4.77%)	Not Applicable	Not Applicable
10.	Ushanti Colour Chem Limited	11.56	60.00	August 02, 2018	64.20	Not Applicable	Not Applicable	Not Applicable

Sources: All share price data is from www.bseindia.com and www.nseindia.com

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.



SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30th Calendar day from listing date			Nos of IPOs trading at discount on 180th Calendar day from listing date			Nos of IPOs trading at premium on 180th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between n 25-50%	Less than 25%	Over 50%	Between n 25-50%	Less than 25%
15-16	*9	54.01	-	-	1	3	2	3	-	1	1	4	3	-
16-17	**24\$	204.56	-	-	5	5	3	8	-	1	5	10	1	6
17-18	***30\$\$	610.90	-	-	4	10	7	9	-	2	6	12	2	8
18-19	****17\$\$\$#	272.30	-	-	3	1	2	9	-	-	-	-	-	-

*The scripts of Filtra Consultants and Engineers Limited, Ambition Mica Limited, Jiya Eco Products Limited, M.D. Inducto Cast Limited, Majestic Research Services and Solutions Limited, Mangalam Seeds Limited, Sri Krishna Constructions (India) Limited, Patdiam Jewellery Limited and Vidli Restaurants Limited were listed on April 15, 2015, July 14, 2015, July 16, 2015, July 16, 2015, July 16, 2015, August 12, 2015, October 01, 2015, October 16, 2015 and February 15, 2016 respectively.

**The scripts Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos (India) Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016 December 14, 2016, January 16, 2017, February 06, 2017, March 28, 2017, March 28, 2017, March 31, 2017 and March 31, 2017 respectively.

***The scripts Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited, Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited, Jigar Cables Limited, Vaishali Pharma Limited, Lexus Granito (India) Limited, Worth Peripherals Limited, R M Drip and Sprinklers Systems Limited, Shree Tirupati Balajee FIBC Limited, Innovative Tyres and Tubes Limited, Poojawestern Metaliks Limited, Airo Lam Limited, Goldstar Power Limited, IRIS Business Services Limited, Tirupati Forge Limited, Beta Drugs Limited, One Point One Solutions Limited, Astron Paper & Board Mill Limited, Shree Ram Proteins Limited and Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited,



Sintercom India Limited, Mohini Health & Hygiene Limited, South West Pinnacle Exploration Limited and Macpower CNC Machines Limited were listed on April 05, 2017, April 12, 2017, April 25, 2017, May 10, 2017 July 11, 2017, July 12, 2017, July 18, 2017, July 28, 2017, August 22, 2017, August 23, 2017, September 27, 2017, October 04, 2017, October 05, 2017, October 05, 2017, October 05, 2017, October 06, 2017, October 10, 2017, October 11, 2017, October 12, 2017, October 12, 2017, December 26, 2017, December 29, 2017, February 05, 2018, February 08, 2018, February 09, 2018, February 12, 2018, February 15, 2018, February 16, 2018, February 19, 2018 and March 22, 2018 respectively.

****The scripts of Benara Bearings and Pistons Limited, Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Mahickra Chemicals Limited, Akshar Spintex Limited, Softtech Engineers Limited, Innovators Façade Systems Limited, Shree Vasu Logistics Limited, Affordable Robotic & Automation Limited, Latteys Industries Limited, Nakoda Group of Industries Limited, ShreeOswal Seeds and Chemicals Limited, Priti International Limited, Accuracy Shipping Limited, Ganga Forging Limited and Ushanti Colour Chem Limited were listed on April 3, 2018, April 12, 2018, April 12, 2018, April 12, 2018, April 26, 2018, May 11, 2018, May 11, 2018, May 24, 2018, June 4, 2018, June 4, 2018, June 5, 2018, June 6, 2018, June 20, 2018, June 21, 2018, June 22, 2018, July 11, 2018, August 02, 2018 respectively.

\$. As on 30th trading day the closing price of the scripts Ruby Cables Limited and Shashijit Infraprojects Limited were at par with the issue price. Hence, they are not considered for counting the number of IPOs trading at discount and premium.

\$\$ The script of Macpower CNC Machines Limited has not completed 180 Days from the date of listing.

\$\$\$ The scripts of Benara Bearings and Pistons Limited, Soni Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Mahickra Chemicals Limited, Akshar Spintex Limited, Softtech Engineers Limited, Innovator Façade Systems Limited, Shree Vasu Logistics Limited, Affordable Robotic & Automation Limited, Latteys Industries Limited, Nakoda Group of Industries Limited, ShreeOswal Seeds and Chemicals Limited, Priti International Limited, Accuracy Shipping Limited, Ganga Forging Limited and Ushanti Colour Chem Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days and 30 Days respectively from the date of listing.

As on 30th trading day the closing price of the script, Ganga Forging Limited was at par with the issue price. Hence, it is not considered for counting the number of IPOs trading at discount and premium.

Note: *Majestic Research Services and Solutions Limited and Ambition Mica Limited are Further Public Offerings lead managed by Pantomath Capital Advisors Private Limited in the Financial Years 2016-17 and 2017-18 respectively and the same have not been included in the above mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.*