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PROSPECTUS
Dated March 01, 2007
Please read Section 60B of the Companies Act, 1956
100% Book Building Issue

PAGE INDUSTRIES LIMITED

(Our company was incorporated on November 15, 1994 as a private limited company with the name as Page Apparel Manufacturing Private Limited under registration number 08-016554 of 1994. On August 23, 2006 name of our company was changed to Page Industries Private Limited and, on September 6, 2006, our Company became a public limited company)

Registered Office: Abbaiah Reddy Industrial Area, Jockey Campus, 6/2 & 6/4, Hongasandra, Begur Hobli, Bangalore 560 068 (with effect from August 16, 1995, registered office of our Company was shifted from 319, Raheja Arcade, Koramanagala, Bangalore 560 095 to Shed C, Jockey Campus, Abbaiah Reddy Industrial Estate, 53, Begur Road, Bommanahalli Bangalore 560 068 and with effect from April 05, 2004 as per the municipal records the address was changed to Abbaiah Reddy Industrial Area, Jockey Campus, 6/2 & 6/4, Hongasandra, Begur Hobli, Bangalore 560 068)

Company Secretary and Compliance Officer: Mr. R. Vijayakumar, Telephone No.: +91 80 2573 2952 Fax: + 91 80 2573 2215, Email: pageipo@jockeyindia.com, Website: www.jockeyindia.com

PUBLIC ISSUE OF 2,804,000 EQUITY SHARES OF THE FACE VALUE RS.10/- EACH AT A PRICE OF RS. 360 PER EQUITY SHARE FOR CASH AT A PREMIUM AGGREGATING RS. 1009.44 MILLION COMPRISING OF A FRESH ISSUE OF 1,412,354 SHARES OF RS. 10 EACH AT A PRICE OF RS. 360 FOR CASH AGGREGATING RS. 508.45 MILLION AND AN OFFER FOR SALE OF 1,391,646 SHARES OF RS. 10 EACH AT A PRICE OF RS. 360 FOR CASH AGGREGATING RS. 500.99 MILLION BY THE SELLING SHAREHOLDERS. THE FRESH ISSUE AND OFFER FOR SALE ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "OFFER".

15,000 EQUITY SHARES OF RS. 10 EACH FOR CASH AT A PRICE OF RS. 360 PER EQUITY SHARE AGGREGATING TO RS. 5.40 MILLION WERE RESERVED IN THE OFFER FOR SUBSCRIPTION BY ELEGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION") AND THE OFFER OF EQUITY SHARES OTHER THAN THE EMPLOYEE RESERVATION PORTION i.e. 2,789,000 EQUITY SHARES IS HEREINAFTER REFERRED TO AS THE "NET OFFER".

THE OFFER SHALL CONSTITUTE 25.14% OF THE POST ISSUE PAID-UP CAPITAL OF OUR COMPANY. THE NET OFFER WILL CONSTITUTE 25.00% OF OUR POST-OFFER CAPITAL.

OFFER PRICE : Rs. 360/- PER EQUITY SHARE OF FACE VALUE Rs.10/- EACH

THE OFFER PRICE IS 36 TIMES OF THE FACE VALUE

In case of revision in the Price Band, the Bidding Period shall be extended for three additional working days after such revision, subject to the Bidding Period not exceeding 10 working days. Any revsion in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE), by issuing a press release and by indicating the change on the website of the Book Running Lead Manager ("BRLM") and the terminals of the syndicate member.

The Offer is being made through the 100% book building process wherein upto 50% of the Net Offer Size shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"); wherein 5% of the QIB portion shall be available for allocation on a proportionate basis to Mutual Funds only. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Offer price.

RISK IN RELATION TO FIRST OFFER

This being the first Offer of Equity Shares of our Company, there has been no formal market for its Equity Shares. The face value of the shares is Rs 10/- and the Offer price is 36 times of the face value. The Offer Price (as determined by our Company and Selling Shareholders in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares by way of Book building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing. **We have not opted for grading of this Offer.**

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Offer 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 Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page x of this Prospectus.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company and the Selling Shareholders, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares Offerd through this Prospectus are proposed to be listed on Bombay Stock Exchange Limited ("BSE") and the National Stock Exhange of India Limited ("NSE"). Our Company has received the in-principle approvals from these Stock Exchanges for the listing of the Equity Shares pursuant to letters dated January 18, 2007 and January 22, 2007 respectively. Bombay Stock Exchange Limited shall be the Designated Stock Exchange for the purpose of this Offer.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER
IL&FS INVESTSMART INDIA'S FINANCIAL MULTIPLEX **IL&FS Investsmart Limited** The IL&FS Financial Centre, Plot C-22, G-Block, Bandra-Kurla Complex, Bandra - (E), Mumbai - 400 051. Tel.: +91 22 2653 3333 Fax: +91 22 6693 1862 Website: www.investsmartindia.com E-mail: page.ipo@investsmartindia.com	**Sharepro Services (India) Pvt. Ltd** Satam Estate, 3rd Floor, Above Bank of Baroda, Chakala, Andheri (East), Mumbai – 400 099 Tel.: +91 22 2821 5060 Fax: +91 22 2832 7834 Website: www.shareproservices.com, E-mail: sharepro@vsnl.com

BID / OFFER SCHEDULE

BID/ OFFER OPENED ON FEBRUARY 23, 2007	BID/ OFFER CLOSED ON FEBRUARY 27, 2007

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SECTION I - GENERAL

DEFINITION AND ABBREVIATIONS

Term	Description
“Page Industries Limited”, “Page”, “our Company”,	Page Industries Limited, a public limited company incorporated under the Companies Act, 1956.
“we”, “us” and “our”	Unless the context otherwise requires, refers to, Page Industries Limited
“Selling Shareholders”	Mr. Sunder Genomal, Mr. Ramesh Genomal and Mr. Nari Genomal

Offer-Related Terms

Terms	Description
Allotment/ Allocation / Transfer	Unless the context otherwise requires, Allotment and transfer of Equity Shares pursuant to this Offer.
Allottee	The successful Bidder to whom the Equity Shares are being/have been allotted
Banker(s) to the Offer	The banks, which are clearing members and registered with SEBI as Banker(s) to the Offer, at which the Escrow Account will be opened and for the purpose of this Offer will be HDFC Bank Limited, Standard Chartered Bank, UTI Bank, Hong Kong and Shanghai Banking Corporation Bank and Citibank N.A.
Bid	An indication to make an offer, made during the Bidding Period by a prospective investor to subscribe to Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid in the Offer
Bid/Offer Closing Date	The date after which the members of the Syndicate will not accept any Bids for the Offer, which shall be notified in a widely circulated English national newspaper and Hindi national newspaper and a regional newspaper.
Bid/Offer Opening Date	The date on which the members of the Syndicate shall start accepting Bids for the Offer, which shall be the date notified in an English national newspaper and a Hindi national newspaper and a regional newspaper.
Bid-cum-Application Form/ Bid Form	The form in terms of which the bidder shall make an offer to purchase the Equity Shares of our Company and which will be considered as the application for allotment of the Equity Shares in terms of the Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus.
Bidding/Offer Period	The period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Book Building Process/ Method	Book building route as provided under Chapter XI of the SEBI (DIP) Guidelines, in terms of which this Offer is made.
BRLM/Book Running Lead Manager	Book Running Lead Manager to this Offer, in this case being IL&FS Investsmart Limited.
CAN/ Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares in the Book Building Process.

Terms	Description
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted.
Cut-off Price	Any price within the Price Band finalised by the Company and Selling Shareholders, in consultation with the BRLM. A Bid submitted at Cut-off Price is a valid Bid at all price levels within the Price Band.
Designated Date	The date on which funds are transferred from the Escrow account(s) to the Public Offer Account after the Prospectus is filed with the RoC, following which the Board will allot/transfer Equity Shares to successful bidders.
Designated Stock Exchange	Bombay Stock Exchange Limited.
Draft Red Herring Prospectus/DRHP	Means the Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and the size of the Offer. It carries the same obligations as are applicable in case of a prospectus
Eligible Employees	Permanent Employees of Page industries Limited, who are on our payroll as on November 30, 2006.
Employee Reservation Portion	The portion of the Offer being up to 15,000 Equity Shares available for allocation to Eligible Employees.
Eligible NRI	NRI from such jurisdiction outside India where it is not unlawful to make an Offer or invitation under the Offer.
Equity Shares	Equity Shares of our Company of face value of Rs.10/- each.
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidder will issue Cheques or Drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement dated February 15, 2007 entered into amongst our Company, Selling Shareholders, the Registrar, the Escrow Collection Bank(s) and the BRLM for collection of the Bid Amounts and refunds (if any) of the amounts collected to the Bidders.
Escrow Collection Bank(s)	The banks in which the Escrow Account of our Company will be opened.
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form.
Floor Price	The lower end of the Price Band, Rs. 360 per Equity Share in the Offer, below which the Offer Price will not be finalised and below which no Bids will be accepted
Fresh Issue	Issue of 1,412,354 Equity Shares by our Company.
Issuer	Page Industries Limited.
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, which may range between 10% to 100% of the Bid Amount.
Mutual Funds	Means mutual funds registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	5% of the QIB Portion or 69,725 Equity Shares available for allocation for mutual funds only, out of the QIB Portion.
Members of the Syndicate	The BRLM and the Syndicate Members.
Net Offer	Offer of Equity Shares other than Equity Shares included in the Employee Reservation Portion, aggregating 2,789,000 Equity Shares.

Terms	Description
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders who have bid for amount more than Rs. 100,000/-
Non-Institutional Portion	The portion of the Offer being a minimum of 418,350 Equity Shares available for allocation to Non-Institutional Bidders.
Non-Residents	All eligible bidders, including NRIs, FIIs and FVCIs registered with SEBI, who are not persons resident in India.
Offer	Collectively fresh issue of 1,412,354 Equity Shares and Offer for Sale of 1,391,646 Equity Shares of Rs. 10/- each aggregating to 2,804,000 Equity Shares.
Offer Account	Account opened with the Banker to the Offer to receive monies from the Escrow Accounts on the Designated Date.
Offer for Sale	Offer for sale of 1,391,646 Equity shares by the Selling Shareholders in this Offer.
Offer Price	The final price at which the Equity Shares will be allotted in the Offer as determined by our Company and the Selling Shareholders in consultation with the BRLM on the pricing date.
Pay-In-Date	Bid/Offer Closing Date or the last date specified in the CAN sent to Bidders, as applicable.
Pay-in-Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Offer Opening Date and extending until the Bid/Offer Closing Date, and (ii) With respect to QIBs whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Offer Opening Date and extending until the closure of the Pay-in Date, as specified in the CAN.
Price Band	Being the price band of a minimum price of Rs. 360 per Equity Share (Floor Price) and the maximum price of Rs. 395 per Equity Share (Cap Price) (both inclusive), which was advertised by our Company prior to the Bid Opening Date, including revisions thereof
Pricing Date	Means the date on which our Company in consultation with the BRLM finalises the Offer Price.
Promoters	Mr. Sunder Genomal, Mr. Ramesh Genomal, Mr. Nari Genomal and Fortis Ventures Ltd.
Prospectus	The Prospectus, filed with the RoC containing, inter-alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information.
Public Offer Account	In accordance with Section 73 of the Companies Act, 1956, an account opened with the Banker(s) to the Offer to receive monies from the Escrow Account for the Offer on the Designated Date.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount that QIBs are required to pay at the time of submitting their Bid.
QIB Portion	The portion of the Offer being upto 1,394,500 Equity Shares available for allocation to QIBs including a reservation of 5 %, being 69,725 Equity Shares, to Mutual Funds.

Terms	Description
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million.
Red Herring Prospectus/RHP	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are issued and size of the Offer. The Red Herring Prospectus would be filed with the RoC at least three days before the opening of the Bid/ Offer and will become a Prospectus after filing with the RoC after pricing date.
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means funds through ECS, Direct Credit, NEFT and RTGS as applicable.
Refund Account	Account opened with an Escrow Collection Bank from which refunds, if any, shall be made.
Refund Banker	In this case being HDFC Bank Limited.
Registrar/Registrar to the Offer	Registrar to the Offer being Sharepro Services (India) Pvt. Ltd.
RoC / Registrar of Companies	The Registrar of Companies, Karnataka.
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who apply or bid for Equity Shares of or for a value of not more than Rs. 1,00,000 in any of the bidding options in the Offer.
Retail Portion	The portion of the Offer being a minimum of 976,150 Equity Shares available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
Stock Exchanges	BSE and NSE.
Syndicate	BRLM and the Syndicate Member.
Syndicate Agreement	Agreement dated February 15, 2007 between the Syndicate and our Company.
Syndicate Member(s)	Intermediaries registered with SEBI and eligible to act as Underwriters. Syndicate Member are appointed by the BRLM.
Transaction Registration Slip/TRS	The slip or document issued by the Syndicate Members to the Bidder as proof of registration of the Bid.
Underwriters	The BRLM and the Syndicate Member.
Underwriting Agreement	Agreement dated March 01, 2007 among the Syndicate and our Company to be entered into on the Pricing Date.

Company Related Terms

Terms	Description
10s Box	Bulk Box for 10 pieces
WRAP	World Wide Responsible Apparel Production
RoO	Return on Opportunities

Abbreviation of General Terms

Abbreviation	**Full Form**
A/c	Account
AGM	Annual General Meeting of the shareholders
Articles/Articles of Association	Articles of Association of our Company.
APES	Apparel Park for Exports Scheme
AQL	Accepted Quality Level
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
AT&T	Additional Excise Duty on Textiles and Textile Articles
ATDC	Apparel Training and Design Centres
Auditors	The Statutory auditors of our Company, being M/s Haribhakti & Co., Chartered Accountant
Beneficiary Account	The demat account of the successful allottee to whom the shares are allocated
BIFR	Board for Industrial and Financial Reconstruction
BSE	Bombay Stock Exchange Limited
CAD	Computer Aided Designing
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CIF	Cost, Insurance and Freight
CAGR	Compounded Annual Growth Rate
CLCS	Credit Linked Capital Subsidy
CLRA	Contract Labour (Regulation & Abolition) Act, 1970
Companies Act/Act	The Companies Act, 1956, as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	Depositories Act, 1996, as amended from time to time
DP/Depository Participant	A Depository Participant as defined under the Depositories Act
DEPB	Duty Entitlement Pass Book
DP ID	Depository Participant's identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EBO	Exclusive Brand Outlet
ECS	Electronic Clearing Services
EGM/ EOGM	Extraordinary General Meeting
EIA	Environment Impact Assessment
EPCG	Export Promotion Capital Goods
EPS	Earnings Per Equity Share

ERP	Enterprise Resource Planning
FCNR	Foreign Currency in Rupee
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FIPB	Foreign Investment Promotion Board
FIs	Foreign Investors
FOB	Freight on Board
FTA	Free Trade Agreement
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder
FII	Foreign Institutional Investors (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India
FY / Fiscal / Financial Year	Period of twelve months ending March 31 unless otherwise stated
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign venture capital Investor) Regulations, 2000
GATT	General Agreement on Tariff and Trade
Government/ GOI	The Government of India
HNI	High Net-worth Individual
HP	Horse Power
HRD	Human Resource Department
HUF	Hindu Undivided Family
I.T.Act	The Income Tax of India, 1961, as amended from time to time
KIADB	Karnataka Industrial Areas Development Board
KVA	Kilo Volt Ampere
KW	Kilo Watt
KWh	Kilo Watt Hour
LC	Letter of Credit
LIBOR	London Inter Bank Offer Rate
LIFO	Last In First Out
LTA	Long-Term Agreement / Leave Travel Assistance
MBO	Multi Brand Outlets
MFA	Multi Fiber Agreement
MRP	Maximum Retail Price
Memorandum/Memorandum of Association	The Memorandum of Association of Page Industries Limited
NAV	Net Asset Value
NIFT	National Institute of Fashion Technology
NRE Account	Non-Resident External Account

NRI	Non-Resident Indians
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NTxP / NTP	New Textile Policy
Non-Resident Indians	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
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 FEM (Deposit) Regulations, 2000 as amended from time to time.
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after Tax
PhP	Philippine Peso
POP	Point of Purchase
QA	Quality Assurance
R&D	Research and Development
RBI	Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rs.	Indian Rupees
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI (DIP) Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended from time to time.
SSI	Small Scale Industries
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TUFS	Technology Upgradation Fund Scheme
USA	United States of America
USD/US$	United States Dollar
w.e.f.	With effect from
WTO	World Trade Organization
YOY	Year on Year

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Unless stated otherwise, the financial data in this Prospectus is derived from our financial statements prepared and restated in accordance with Indian Accounting Standards, the Companies Act, 1956 and SEBI Guidelines, disclosed in the section titled 'Financial Information'. Our fiscal year commences on April 1 and ends on March 31. In this Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

For additional definitions, see the section titled 'Definitions and Abbreviations' on page i of this Prospectus.

Market data

Unless stated otherwise, industry data used throughout this Prospectus has been obtained from industry publications and internal Company reports. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes market data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by our Company to be reliable, have not been verified by any independent source.

Currency Presentation

In this Prospectus, all references to "Rupees" and "Rs." and "Indian Rupees" are to the legal currency of the Republic of India. All reference to "Peso" and "Php" and "Phlippine Peso" are to Philipine Peso, the official currency of Republic of Philippines.

FORWARD-LOOKING STATEMENTS

We have included statements in this Prospectus that contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results 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, among others:

- General economic and business conditions in India and other countries;
- Changes in the value of the Rupee and other currencies;
- Changes in laws and regulations that apply to our industry in which we operate;
- The occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Changes in political conditions in India; and
- Changes in the foreign exchange control regulations in India;
- Potential mergers, acquisitions or restructuring;
- The loss or shut down of operations of our Company at any times due to strikes or labour unrest
- Our ability to successfully implement our strategy, growth and expansion plans and technological initiatives.
- Raw Material Costs
- Our ability to anticipate trends in and suitably expand our current business line.

For further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors” beginning on page x of this 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. Our Company, the Selling Shareholders, the members of the Syndicate and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, Selling Shareholders and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges in respect of the Equity Shares allotted in this Offer.

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the sections entitled "Our Business" beginning on page 45 of this Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 108 of this Prospectus as well as the other financial and statistical information contained in this Prospectus. If the following risks occur, our business, results of operations and financial condition could suffer, and the price of our Equity Shares and the value of your investment in our Equity Shares could decline.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned hereinunder:

INTERNAL RISK FACTORS AND RISKS RELATING TO OUR BUSINESS

1. **Pending litigation in respect of payment of excise duty**

   We are party to a legal proceeding before the Customs Excise and Service Tax Appellate Tribunal, Bangalore (CESTAT). The dispute pertains to payment of excise duty by the Company. The amount in dispute is approximately, Rs. 106,240/-. The same is presently pending adjudication. In the event that an unfavourable order is passed, the same may affect our operations to the extent of amount and the interest and penalty that would be levied. For further details, please refer to the section titled 'Outstanding Litigations and Material Developments' on page 120 of this Prospectus.

2. **Pending litigation in respect of Income Tax**

   Assistant Commissioner of Income Tax, Circle 12(2) Bangalore has issued a demand notice on December 30, 2006 raising demand of Rs. 1,437,575 by disallowing the deductions claimed by our Company under Sections 80HHC, 80IB and 80JJA. Our Company has preferred an appeal against the said order. For further details, please refer to the section titled 'Outstanding Litigations and Material Developments' on page 120 of this Prospectus.

3. **Certain restrictive covenants in our trademark license agreement with Jockey International Inc. may affect our business and revenues**

   Pursuant to Trademark License Agreeement ("Agreement") dated January 1, 2005 entered into between Jockey International Inc., and us we have been licensed to manufacture certain products and to use certain trademarks. This Agreement is terminable at the option of Jockey International Inc., in the event of we, our suppliers, contractors and subcontractors violating any of the obligations and warranties under the Agreement including our failure to make payment of royalty, when due. In the event of target sales as prescribed under the Agreement not being met by us on the completion of the second and fourth quarters of each License Year, then we are obliged to pay Jockey International Inc., the difference between the royalties paid and target sales for the previous two quarters. The Agreement is also terminable in the event of our shareholders, selling or transferring shares resulting in the present management ceasing to control more than 50% of voting power of our Company. Further, our Company's inability to carry out production for a period of 60 days consecutively may also result in the termination of the Agreement. For detailed discussion on the salient features of the Agreement, please refer to page 64 of this Prospectus.

4. **Failure to renew the Trademark License Agreement with Jockey International Inc. may affect our business and revenues**

   Our Trademark License Agreement with Jockey International Inc. expires on December 31, 2010, which is renewable by us till December 31, 2019 through 2 successive five year terms upon written notice being furnished to Jockey International Inc, provided a) the parties agree on setting Target Sales and royalties and b) notice is given not later than December 31, 2009 for the first renewal option and December 31, 2014 for the second renewal option and c) we are in compliance with the terms and conditions of such Agreement. For detailed discussion on the salient features of the Agreement, please refer to page 64 of this Prospectus.

5. **We are dependent on external suppliers for fabric, which constitutes the largest component of our material costs**

   We are dependent on external suppliers for many of our inputs, especially fabric, which constitutes about 63% of our raw material cost. Fabric procurement constitutes a significant part of our total lead time. Any delays or non- conformance to quality requirements by our suppliers can impact our ability to meet our customer's requirements and thus impact our business.

6. **Our inability to correctly identify and understand evolving fashion trends and changing customer tastes and preferences may adversely affect our business.**

   We strive to keep up with the changing fashion trends and also introduce new designs periodically to enhance our existing business. Our inability to identify and understand contemporary and evolving fashion trends could adversely affect our business.

7. **Failure to comply with the conditions of TUFS shall make us ineligible for interest or capital subsidy.**

   We propose to avail rupee term loan of Rs. 25.2 million under Technology Upgradation Fund Scheme (TUFS). This loan is eligible for 5 % interest subsidy subject to conditions stipulated therein. The main terms and conditions of the scheme are that the subsidy is available for setting up of specified machineries and the said machineries should not be sold/transferred for a period of 5 years. If we fail to comply with the conditions stipulated under TUFS, the interest subsidy may be denied to us making our operations less cost effective due to increased cost of borrowing.

8. **Dependence on Key Management Team**

   Our growth and success is highly dependant on the continuance and performance of our team of key managers. Competition for senior management in the industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our Promoters could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition. Our failure to attract and retain talented professionals or the resignation or loss of key management personnel may have an adverse impact on our business and financial performance.

9. **All our existing manufacturing facilities are in the leased premises**

   Our existing manufacturing facilities, located at Abbaiah Reddy industrial area, are leased from various parties since inception of our company. Our current lease has commenced from 18th December 2006 and is valid for a period of 5 years. Failure to renew these lease agreements may adversely affect our operations.

10. **Our insurance coverage may not adequately protect us against certain operating hazards**

    We maintain general liability insurance in relation to our assets and stocks. However, we cannot assure that such coverage will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a large deductible or co-insurance requirement, could adversely affect our results of operations.

11. **We operate in a highly labour intensive industry**

    One of the key nuances of our business is need of skilled tailors. Slow and sub-optimal availability of skilled manpower could lead to delay in our achieving the growth targets.

12. **Our Company is operating in a highly competitive environment**

    Innerwear industry in India is highly fragmented and there are several players in both organised and unorganised sectors. The industry is also attracting a lot of attention from several International players. Several apparel brands have recently launched their product offerings in this segment. The market place is getting highly competitive. For details refer section on 'Our Business" starting on page 45.

13. **Two of our Group Companies have incurred losses**

    M/s Page Garment Exports Private Limited, Bangalore and M/s Trigen Apparel Private Limited, Bangalore are our Group Companies and have incurred a loss of Rs. 2.62 million and Rs. 2.27 million respectively for the financial year ended March 31, 2006. For further details, please refer to page 101 of this Prospectus.

14. We may continue to be controlled by our Promoters after this Offer.

After the completion of this Offer, our Promoters and Promoter Group will collectively hold approximately 72% of the paid-up equity capital. As a result, the Promoters and the Promoter Group will have ability to control our business including matter relating to any sale of assets and undertakings, dividends and appointment of officers and directors. So long as Promoter and Promoter Group continue to exercise significant control over our company, they may influence material policies, which may conflict with the interest of other shareholders.

15. Conflict of interest within our Group Companies

A few constituents of our Group companies are engaged in businesses similar to that of our Company i.e. manufacturing of innerwear.However our company is the sole licensee of "Jockey" in India. For details, please refer to the section titled 'Our Promoters' on page no. 75 of this Prospectus.

16. As on September 30, 2006, our Company has not provided for the contingent liabilities and outstanding guarantees as under:

(Rs.in million)

Particulars	As at September 30, 2006	As at March 31, 2006
i. Disputed tax demands	0.28	0.28
ii. Corporate Guarantees to related parties	15.00	7.50
iii. Counter Guarantees in respect of Bank	9.05	9.05
iv. Estimated amount of liability on contracts on capital account	16.35	13.60
Total	**40.68**	**30.43**

17. Three of the ten leasehold immovable properties of our company have not been registered with the jurisdictional Sub-Registrar of Assurances

The leased immovable properties situated at No.87/4, Katha No. 266, Viratnagar. Begur Road, Bommanahalli, No. 543/6, Survey no. 62/1, Katha No.442 Devarachikkanahalli Road, Bommanahalli and at Survery No. 63/5, Bommanahalli village, Begur Hobli, Bangalore South Taluk have not been registered in accordance with the provisions of the Registration Act, 1908 and are insufficiently stamped. Consequently, we may not be able to effectively enforce our rights in respect of the said leased premises.

18. There are certain restrictive covenants in the agreements that we have entered into with the Canara Bank

Restrictive covenants in the agreements that we have with Canara Bank require us to seek the prior permission of the said bank for various activities, including amongst others, entering into any scheme of expansion, taking any new activity, invest or lend money except in the normal course of business, confining our Company's entire banking with the lender, investing by way of share capital, change in the management, change in capital structure etc.Our failure to obtain required consents will affect us adversely.

Project-related risks

19. The project has not been appraised by any Bank/Financial Institution

Our total fund requirement has been estimated by our management and the project has not been appraised by any Bank/Financial Institution.

20. More than 25% of the issue proceeds will be used for brand building, which is an intangible asset.

21. We are yet to receive statutory permissions for our expansion project

We require various statutory permissions and utility connections in relation to the expansion of our production facilities. These include building sanctions, labour licenses, power, water and telephone connections, etc. If any of such permissions, licenses or utility connections are not received or delayed it may adversely affect implementation of the expansion plans and our profitability.

22. We have not placed orders for certain plant and machinery, equipment etc. required for the purpose of our expansion project

The net proceeds of the issue are proposed to fund the expansion project as explained in the section titled 'Objects of the Offer' beginning on page no 22 of this Prospectus. In respect of plant and machinery we have placed orders amounting to Rs 18.56 million, which translates into 16% of total cost of plant and machinery. We are yet to place orders for procuring plant and machinery to the tune of Rs. 89.81 million which constitutes 84% of total cost of the plant and machinery for which we have not entered into purchase agreements. Any delay in placing the orders or procurement of plant and machinery, equipment etc. may delay our implementation schedule. Such delays may also lead to increase in prices of these equipment, further affecting our cost, revenue and profitability.

23. We are yet to identify the property for planned new stores

We intend to set up new stores, for which we propose to enter into definitive long-term lease, leave and licence, and any other arrangement with the property owners. We have not yet identified the properties for the new stores.

24. We are yet to identify the property for proposed office premises

We intend to purchase new premises for our coporate office. We have shortlisted some properties in Bangalore and are in the process of negotiating with the builders.

EXTERNAL RISK FACTORS

1. We are subject to various Indian taxes and we avail certain benefits offered by the Government of India

Taxes and other levies imposed by the Government of India and/or the State governments that may affect the textile industry include: Income Tax; Customs Duties; Excise Duty; Central and State Sales Tax and other levies; Value Added Tax; Entry Tax; Turnover Tax; Service Tax; and other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time. We currently take advantage of excise duty exemption provided to textile industry, the withdrawal of which may impact our business.

2. There may be changes in the regulatory framework that could affect our business

The statutory and regulatory framework for the Indian textile industry may see changes in the next few years. We presently do not know what the nature or extent of the changes will be and cannot assure you that such changes will not have an adverse impact on our financial condition and results of operations. For a discussion on the regulatory framework of the textile industry in India, see the section titled 'Regulations and Policies' on page 56 of this Prospectus.

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

The prices of the Equity Shares on the Indian Stock Exchanges may fluctuate after this Offer, as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors, and the perception in the market about investments in the textile sector; adverse media reports about us or the Indian textile sector; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalisation and deregulation policies; and significant developments in India's fiscal regulations. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Offer. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Offer, or that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Offer.

4. There is no existing market for the Equity Shares, and we do not know if one will develop to provide you with adequate liquidity

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. The Offer Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Offer. The market price of the Equity Shares after the Offer may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the textile sector in India, and volatility in the Indian Stock Exchanges and securities markets elsewhere in the world.

5. **Shareholders will bear the risk of fluctuation in the price of Equity Shares**

   The market price of the Equity Shares may be affected by fluctuations in the share markets and it is impossible to predict whether the price of the Equity Shares will rise or fall. Trading prices of the Equity Shares will be influenced by, among other things, our financial position, the results of operations and political, economic, financial and other factors.

6. **Future issues or sales of our Equity Shares may significantly affect the trading price of our Equity Shares**

   Future issue of Equity Shares /convertible instruments by us or the disposal of Equity Shares by any of the major shareholders or the perception that such issues or sales may occur may significantly affect trading price of our Equity Shares. Other than the lock-in of pre-issue capital as prescribed under SEBI Guidelines or the Shareholders' ability to dispose of their Equity Shares, and there can be no assurance that any shareholder will not dispose of, encumber, or pledge, its shares.

Notes :

i. The net worth of our Company as of March 31, 2006 was Rs. 125.21 million and as on September 30, 2006 was Rs 174.35 million based on audited financial statements of our Company.

ii. Offer of 2,804,000 Equity Shares of the face value Rs.10/- each at a price of Rs. 360 per Equity Share for cash at a premium aggregating Rs. 1009.44 million, comprising of fresh issue of 1,412,354 shares of Rs. 10 each at a price of Rs. 360 for cash aggregating Rs. 508.45 million and an Offer for sale of 1,391,646 shares of Rs. 10 each at a price of Rs. 360 for cash aggregating Rs. 500.99 million by the Selling shareholders.

iii. The average cost of acquisition of Equity Shares by our Promoters is as follows:

Name of the Promoter	Average cost of acquisition
Mr. Sunder Genomal	Rs. 2.50
Mr. Ramesh Genomal	Rs. 2.50
Mr. Nari Genomal	Rs. 2.50

iv. The book value per Equity Share as on March 31, 2006 was Rs. 514.13 (Face value of Rs. 100 per share) and as on September 30, 2006 was Rs. 17.90 (face value of Rs. 10/- per Equity Share).

v. Except as disclosed in this Prospectus, none of our Directors have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.

vi. Investors may contact the BRLM or the Compliance Officer for any complaints, information or clarifications pertaining to the Offer.

vii. Investors are advised to refer to the section titled "Basis for Offer Price" on page 32 of this Prospectus.

viii. We have entered into various related party transactions with related party including Promoter and Group Companies aggregating to Rs. 105.04 million, for the half year ended September 30, 2006 and Rs. 93.85 million, Rs. 62.28 million and Rs. 47.05 million, for the financial year ended March 31, 2006, March 31, 2005, March 31, 2004 respectively.

   For related party transaction, refer to the notes to our financial statements relating to related party transactions in the section titled "Related Party Transactions" beginning on page 98 of this Prospectus.

ix. All information shall be made available by the BRLM and the Company 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.

SECTION III - INTRODUCTION

SUMMARY OF "INDUSTRY OVERVIEW" AND "BUSINESS OVERVIEW"

This is only a summary and does not contain all the information that you should consider before investing in the Equity Shares. You should read the entire Prospectus, including the information contained in the sections entitled ''Risk Factors'', ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' and ''Financial Information'' in this Prospectus and related notes.

Industry Overview

Data used in this section has been sourced from - Images Business of Fashion, edition October 2006, a Magazine published by Images Multimedia Pvt. Ltd.

The Indian apparel market, currently valued at Rs.883.4 billion, is likely to witness higher growth. Value growth, which was slightly subdued in 2004 (12.1 per cent as against 13.1 percent during 2003), had accelerated to 13.6 percent during 2005. In terms of volumes, the growth rate had increased from 4.2 per cent in 2003 to 4.3 per cent in 2004 and further accelerated to 4.7 percent during 2005.

Menswear has the lion's share of the overall apparel market (36.9 per cent) in value terms followed by women's wear (32.1 per cent) and then kidswear. The innerwear market in India, as per the IMAGES-KSA Technopak India Apparel Report 2006, is estimated at Rs**.** 88 billion, constituting about 10 per cent share of the Indian apparel market.

Business Overview

Our Company was set up in the year 1995 with the key objective of bringing the innerwear brand "JOCKEY" to India. Our promoters had then been associated with Jockey International Inc. for 46 Years as their sole licensee in Philippines. In the early 1990s, when globalisation was just unfolding in India, innerwear was a low involvement category for consumers. There was no organised international quality innerwear brand retailed in India. Further to this there was a void in the market for quality premium innerwear.

We identified this need and introduced a wide range of quality products for men, women and children as well as innovative marketing concepts such as display modules aimed at enhancing the consumer's involvement with the purchase.

Our Company commenced operations in the year 1995 in Bangalore with the manufacturing, distribution and marketing of Jockey products. Jockey has the distinction of being the only innerwear brand in the country which has been recognised as "Superbrand". The "Superbrand" is accredited by Superbrand Organisation which is an independent arbiter on branding. Jockey is retailed in over 14,000 stores in over 1100 cities and towns spanning the entire length and breadth of the country. Our revenue has grown from Rs.71.1 million in FY 1997 to Rs 1011.9 million in FY 06.

Our Company was awarded the "best licensee of the year" award in the year 2005 from Jockey International Inc., as recognition of our contribution in establishing and strengthening the Jockey brand in India. In one of the recent communication from Jockey International Inc., the chairperson and owner Ms. Debra Waller has acknowledged the long term relationship with our promoters since 1959 and has applauded the efforts of our Company and promoters in taking the Jockey brand to new heights in India.

Our Goals

- To become the largest and most respected Indian manufacturer of quality innerwear by carrying forward the group's unremitting legacy of excellence and quality.
- To take full advantage of our strengths and core comptencies in order to attain undisputed leadership in the Indian innerwear industry.
- To further strengthen and enhance the Lifestyle imagery and the aspirational positioning of the brand.
- Continue to aggressively invest in innovation in manufacturing processes, products, packaging and marketing aimed at offering the best brand experience to consumers.
- To continue to be guided by our five core values – integrity, people emphasis, innovation, customer focus and quality.
- To maintain high standards of investor relations, corporate governance and work place practices.

Our Competitive Strengths

We believe that the following are our principal competitive strengths, which differentiate us from other players in the industry:

Globally successful brand with lineage

Jockey is a 130 years old brand with presence world over. Jockey's core value of innovation has led to strategies that have given the brand international success. Across the markets Jockey has a singular positioning of Comfort. Jockey's international success is a derivative of its consumer centric strategies and commitment to quality and value. Jockey's culture of collaboration across over 43 licensees and associates around the globe ensures a gamut of international learning and experience sharing with us.

Superbrand status- revalidation of high brand equity

Jockey is the only brand in innerwear market to be recognised as a "Superbrand". This is a testimony of the consumer trust and respect for the brand. The "Superbrand" is accredited by Superbrand Organisation which is an independent arbiter on branding.

Over four decades of business experience by our promoters

Our promoters have been associated with Jockey since the last 46 years as their sole licensee in Philippines. The promoters have experience of not only being one of the flag-bearers of the Jockey brand but also understand the nuances of the innerwear market in Asia and rest of the world.

Excellent Consumer connectivity and loyalty

Jockey enjoys high consumer loyalty. Our commitment to quality and honest brand disposition has enabled the brand to be emotionally connected with our consumers. We have top of the mind recall amongst our target segment. To our consumer Jockey represents quality and comfort.

Satisfied consumers across the market continuum

Jockey's products besides being of international quality are value priced to ensure a wider consumer base. Our pricing strategy is aimed at offering the elements of "value", "ownership pride" and "the best in comfort" to our consumers. This strategy ensures a wide spectrum of consumers for Jockey across several-socio-economic classifications.

Product Innovation

Jockey invests resources in understanding the consumer behaviour and formulates strategies aimed at fulfilling the evolving and ever expanding consumer need of Comfort. We are driven by the value of RoO (Return on Opportunities) wherein we evaluate the evolving opportunities and plan to maximise the returns on these opportunities. Emanating from this value is continuous innovation in our products ensuring newness in styles, fashion and fabrics aimed at keeping the product portfolio fresh and in tune with the international trends.

Distribution

Our sophistication of the distribution channel is the key strength in ensuring the brand availability to the consumer. Jockey is retailed through 144 distributors in India. These distributors are segmented geographically and also on the basis of the product range (Men innerwear, Women innerwear and leisurewear being the key segments). Our distributors cater to over 14,000 retail outlets spread across 5 retail formats:

- Chain stores (large format stores)
- Multi Brand Outlets (MBOs)
- Hosiery stores
- Multi-purpose stores
- Exclusive JOCKEY Brand Outlets (EBOs)

Innerwear in India is largely sold through the hosiery outlets and small multi purpose stores. However, we also have presence in the Multi Brand Outlets and Chain Stores. Besides our retail network, we also have garnered retail space (inside the store) though exclusive display modules.

Corporate culture

Democratic and partnership-oriented corporate culture is the driving force of our success. We are driven by the culture of trust and freedom of thought. With business associates we work as partners in growth and believe in incorporating Jockey International Inc's 'best practices' of operations.

As a recognition of our corporate 'best practices', we are certified by the USA based WRAP (World Wide Responsible Apparel Production). WRAP is awarded to companies who adhere to the principles covering Labour & Human Relations and applicable local laws pertaining to Industrial Production.

Strong Management Team and Motivated and Efficient Work Force

Our Company is managed by a team of experienced and professional managers exclusively focused on different aspects of the innerwear industry including design, merchandising, manufacturing, sourcing, sales, marketing, quality control and finance. Our promoters and management have substantial experience in the garment/innerwear industry. We have also successfully built a second layer of key executives who are capable of creating and facing the challenges of growth within our company. Our Company's human resource policy revolves around a commitment to create an organization that nurtures talents and motivate and empowers its work force.

Integrated inhouse operations from "cut-to-pack"

We have a manufacturing set up across 8 adjacent factories in a single location engaged in the totally integrated garmenting processes from cutting of the fabric to the packing of the finished product.

The integrated in house manufacturing capability ensures achieving high levels of manufacturing efficiencies and flexibity besides the competitive advantage of "speed to market".Our quality assuarance systems are implemented with almost zero defect philosophy.

Research and Deveoplement back-up from across the Jockey fraternity

Our corporate value of innovation is a derivative of excellent Research & Development culture. We have access to pool of research and know-how in the innerwear industry across the globe through Jockey International Inc. and the 43 licensees and associates.

Quality assurance system

We follow stringent norms of quality assuarance at various levels of manufacturing through 100% in-line quality checks after every process.This is followed by a 100% final in-line quality check on all products before packing and transferring to the finished goods warehouse. In addition, an independent final audit is conducted with an AQL of 2.5 for workmanship and an AQL of 2.5 for label & packaging. With an in-house quality assurance team that reports directly to the Managing Director and behaves as external quality auditors, there are stringent procedures in place at all stages of production, with an emphasis on preventing defects.

Partnering with vendors ensuring excellent supply chain

In our supply chain we have dedicated vendors at every stage. These vendors are the best in their respective fields. Right from the spinning mills, the knitters, the dyers and the accessory suppliers we work closely with our vendors ensuring that the benefit of latest in raw material technology and research accrues to our products.

Our Strategy

Expansion of the existing range of products through innovation

Men's Innerwear **-** Our product range in the Men's innerwear category falls in the middle to premium price band. We intend to expand our product portfolio into the Super premium category. Our products in this category will use innovative fabric and constructions, employing the latest technologies.

Since Jockey has strong emotional connect with the young consumer, our fashion forward and aspirational imagery shall be strengthened with the augmentation of fashion innerwear range.

Women's Innerwear **-** We aim to capitalise on our strong presence in the women (lowers) category, by widening of our product portfolio through the Jockey (uppers) range. We aim to strengthen the brand presence in the uppers business and also exploit the untapped potential in the lingerie category.

We aim to carry forward the culture of offering innovative products to our women consumers. We shall be further strengthening our presence in the super premium segment of the women's innerwear.

Leisure wear / Sports wear **-** We shall be expanding our range and our retail presence in the leisure wear category in tune with our brand's essence and positioning. Our leisure wear/ sports wear range presently has T shirts, knit shorts, Gym wear, sports and dress socks. "Jockey Relax" shall be extended into sleepwear and loungewear.

Accelerating the Brand Building efforts

Jockey is positioned as an aspirational brand. Our strategies are aimed at establishing Jockey as a lifestyle brand. Achieving the lifestyle positioning is a 360 degree marketing initiative. Our products in the leisure wear segment, our brand essence projected by the EBOs and our lifestyle advertising shall be instrumental in establishing the desired positioning. We shall be employing all communication media for furthering our positioning initiative**.**

Renewed multi-pronged distribution strategy

We intend to strengthen and enhance our retail presence by expanding the display space allotted to the brand and renewing the display infrastructure and PoP (Point of Purchase) material in our best retail outlets.

In addition to this we aim at accelerating the implementation of the 'retail initiative' called Jockey Comfort Zone (shop in shop) in the MBOs (Multi Brand Outlets) and chain stores.

We have strategised and implemented the Exclusive Brand Outlet model (EBOs). The retail opportunities coupled with the brands 'international and lifestyle' image is perfectly suited for the EBO model. Thus we plan to expand our EBO base.

Exploring the export initiative

With the production sophistication and discipline that we have, we are currently working with Jockey International Inc. for development and possible supply of innovative innerwear products to Jockey International Inc. USA and other licensees across the world.

Exploiting the unprecedented retail growth in India

The retail revolution that India is witnessing has various dimensions. One of the promising dimensions is of "Value Retailing". Hypermarkets shall be one of the strong retail sub segments and we are well poised to exploit this opportunity. We shall be launching separate sub-brands for the hypermarket retail formats. This strategy of launching a separate sub-brand for the hypermarkets immunises us from any brand equity dilution possibility from brand Jockey perspective.

Invest in further strengthening manufacturing infrastructure

We believe that we have managed growth on the back of our own infrastructure, which ensured quality and consistency. With our firm brand building and brand enhancing strategies we intend to expand and strengthen our manufacturing capabilities. We plan to increase production capacities by increasing the number of machines at the current facilities, by setting up additional manufacturing facility, by converting the present single shift to two shifts and by automating the cutting department.

Our promise of delivering the quality product demands excellent skill of the workforce. In our endeavour to adopt and enhance the HR best practices, we plan to set up a training institute aimed at upgrading the skills of our existing and new employees.

SUMMARY FINANCIAL AND OPERATING DATA

The following tables set forth summary financial information derived from our restated financial statements as of and for the years ended March 31, 2006, 2005, 2004, 2003 and 2002 and half year ended September 30, 2006. These financial statements have been prepared in accordance with Indian Accounting Standards, the Companies Act and the SEBI Guidelines and are presented in the section titled "Financial Statements" beginning on page 80. The summary financial information presented below should be read in conjunction with our restated financial statements, the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 108.

(Rs. in million)

STATEMENT OF RESTATED ASSETS & LIABILITIES

PARTICULARS		AS AT 30.9.2006	AS AT 31.3.2006	AS AT 31.3.2005	AS AT 31.3.2004	AS AT 31.3.2003	AS AT 31.3.2002
A Fixed Assets							
Gross Block		175.37	158.22	128.80	106.51	87.25	53.85
Less: Depreciation		48.79	43.52	35.27	31.40	24.02	16.89
Net Block		126.58	114.70	93.53	75.11	63.23	36.96
Capital Work in progress		33.88	8.05	4.70	2.99	0.09	1.72
Total Fixed Assets	**(A)**	**160.46**	**122.75**	**98.23**	**78.10**	**63.32**	**38.68**
B Investments	**(B)**	**5.00**	**7.00**	**3.00**	**3.00**	**0.01**	**0.02**
C Current Assets, Loans and Advances							
Inventories		281.70	233.86	192.52	131.31	121.86	65.50
Sundry Debtors		77.00	58.98	49.91	45.98	51.70	43.14
Cash and Bank balances		1.34	0.28	0.37	0.62	0.33	6.55
Other Current Assets		1.22	0.54	0.45	0.44	0.29	0.83
Loans & Advances		76.80	30.41	20.98	22.03	24.39	28.94
TOTAL CURRENT ASSETS	**(C)**	**438.06**	**324.07**	**264.23**	**200.38**	**198.57**	**144.96**
D LIABILITIES & PROVISIONS							
Secured Loans		181.39	131.92	131.72	106.53	84.73	49.66
Unsecured Loans		-	-				
Current Liabilities and Provisions		235.78	184.96	154.78	112.88	116.73	94.21
Deferred Tax Liability		12.00	11.73	12.24	10.21	6.33	3.13
TOTAL	**(D)**	**429.17**	**328.61**	**298.74**	**229.62**	**207.79**	**147.00**
E Networth (A+B+C-D)		**174.35**	**125.21**	**66.72**	**51.86**	**54.11**	**36.66**
Represented By							
Share Capital		**97.42**	**24.35**	**24.35**	**24.35**	**24.35**	**24.35**
Reserves and Surplus		**76.93**	**100.86**	**42.37**	**27.52**	**29.79**	**12.35**
Less : Revaluation reserve		**-**	**-**				
Reserves Net of Revaluation Reserve		**76.93**	**100.86**	**42.37**	**27.52**	**29.79**	**12.35**
TOTAL		**174.35**	**125.21**	**66.72**	**51.87**	**54.14**	**36.70**
Less : Miscellaneous Expenditure (To the extent not written off or adjusted)		**-**	0.00	0.00	0.01	0.03	0.04
Networth		**174.35**	**125.21**	**66.72**	**51.86**	**54.11**	**36.66**

STATEMENT OF RESTATED PROFIT & LOSS ACCOUNT

Particulars						**(Rs. In million)**
For the period/year ended on	**30.9.2006**	**31.3.2006**	**31.03.2005**	**31.03.2004**	**31.3.2003**	**31.3.2002**
INCOME						
Sales Products Manufactured by the company	682.94	997.45	729.48	606.87	487.34	368.32
Products Traded by the company	8.66	14.41	16.99	17.73	8.71	7.98
Sub- Total	**691.60**	**1011.86**	**746.47**	**624.60**	**496.05**	**376.30**
Other Income	9.03	9.82	4.42	2.36	2.19	2.71
Profit on sale of Assets/Investments	3.54	(0.04)	(0.31)	(0.01)	(0.13)	(0.44)
Increase (Decrease) in Inventory	37.70	16.14	27.64	14.02	30.66	(1.28)
Total Income	**741.87**	**1037.78**	**778.22**	**640.97**	**528.77**	**377.29**
EXPENDITURE						
Manufacturing Expenses	395.31	548.26	464.32	366.28	302.25	229.80
Personnel Expenses	92.69	127.68	91.26	73.63	58.92	32.04
Administrative and Selling Expenses	103.13	163.98	141.79	111.72	100.73	74.30
Financing Expenses	10.46	15.78	12.99	11.23	14.98	12.50
Depreciation	5.31	8.36	7.21	7.40	7.29	4.28
Miscellaneous expenditure written off	0.00	0.00	0.01	0.01	0.01	1.21
Total expenditure	**606.90**	**864.06**	**717.58**	**570.27**	**484.18**	**354.13**
Net profit for the year before tax and extraordinary items	**134.97**	**173.72**	**60.64**	**70.70**	**44.59**	**23.16**
Less : Prior period expenses /(income)	(0.18)	(0.34)	(0.03)	0.48	0.12	(0.04)
Net profit before taxation and extraordinary items	**134.79**	**173.38**	**60.61**	**71.18**	**44.71**	**23.12**
Less :						
Provision for Income tax -Current year	(46.40)	(59.00)	(16.16)	(14.59)	(9.56)	(2.43)
Provision for income tax earlier years	2.10	1.31	0.00	0.00	(0.77)	0.00
Provision for Deferred taxes	(0.28)	0.51	(2.02)	(3.87)	(3.21)	(3.13)
Provision for Fringe Benefit Tax	(1.11)	(2.27)	0.00	0.00	0.00	0.00
Provison for Wealth Tax	(0.01)	(0.02)	(0.08)	(0.03)	0.00	0.00
Net profit after taxation before extraordinary items	**89.09**	**113.91**	**42.35**	**52.69**	**31.17**	**17.56**
Less : Extra ordinary items (Net of tax)	0	0	0	0	0	**0.00**
Net profit after extraordinary items	**89.09**	**113.91**	**42.35**	**52.69**	**31.17**	**17.56**
Profit Available for Appropriation	**89.09**	**113.91**	**42.35**	**52.69**	**31.17**	**17.56**
Appropriations						
Interim dividend	36.53	48.71	24.35	48.71	12.18	9.80
Tax on interim dividend	3.42	6.71	3.15	6.24	1.56	1.00
Amount transferred to general reserve	10.00	17.00	6.00	5.39	3.80	1.90
Surplus carried to balance sheet	39.14	41.49	8.85	(7.65)	13.63	4.86
Total	**89.09**	**113.91**	**42.35**	**52.69**	**31.17**	**17.56**
Earning per Share (Basic & Diluted)	**35.99**	**467.75**	**173.85**	**216.32**	**128.00**	**88.87**

STATEMENT OF RESTATED CASH FLOW						(Rs. In Million)
As On	**30.09.2006**	**31.03.2006**	**31.03.2005**	**31.03.2004**	**31.03.2003**	**31.03.2002**
FUND FLOW FROM OPERATING ACTIVITIES						
Profit before tax	134.79	173.38	60.61	71.18	44.71	23.12
Adjustment for						
Depreciation	5.28	8.36	3.87	7.39	7.12	4.20
Other amortisations	0.00	0.00	0.00	0.00	0.00	0.00
Interest expenses	10.46	15.78	13.00	11.23	14.98	12.66
Interest income	1.19	2.22	0.01	0.00	0.42	0.48
Preliminary expenses w/o	0.00	0.00	0.01	0.01	0.01	1.21
Income from Investments	0.12	0.00	0.00	0.00	0.00	0.00
(Profit) / Loss on disposal of fixed assets / long-term investments	3.61	0.00	0.01	0.00	(0.13)	(0.44)
Operating profit before working capital changes	**155.45**	**199.74**	**77.51**	**89.81**	**67.11**	**41.23**
Adjustments for changes in :						
Sundry Debtors	(34.00)	(9.07)	(3.93)	5.73	(8.57)	(12.95)
Inventories	(47.84)	(41.34)	(61.21)	(9.45)	(56.36)	(10.36)
Other assets	(0.70)	(0.09)	(2.87)	(2.24)	0.00	0.00
Loans and advances	(30.40)	(9.43)	0.00	0.00	0.32	(5.68)
Sundry creditors and other Current liabilities	50.82	30.18	44.10	(2.32)	28.92	21.57
Cash generated from operations	**93.33**	**169.99**	**53.60**	**81.53**	**31.42**	**33.81**
Direct Taxes Paid	45.43	59.97	16.16	14.59	10.33	2.46
Miscellaneous / Deferred / Extraordinary Expenditure	(4.91)	(2.23)	(0.10)	(0.01)	(0.29)	(0.01)
Net cash flow from operating activities (A)	**42.99**	**107.79**	**37.34**	**66.93**	**20.80**	**31.34**
CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Investments	2.00	(4.00)	0.00	(2.99)	0.01	0.00
Purchase of Fixed assets (net)	(42.99)	(32.88)	(22.29)	(19.26)	(33.39)	(9.99)
Net cash from Investing activities (B)	**(40.99)**	**(36.88)**	**(22.29)**	**(22.25)**	**(33.38)**	**(9.99)**
FUND FLOW FROM FINANCING ACTIVITIES						
Borrowing from Banks	49.47	0.20	25.20	21.79	35.08	4.30
Dividend paid (Including Tax on Dividend)	(39.95)	(55.42)	(27.51)	(54.95)	(13.74)	(10.80)
Increase in Capital	0.00	0.00	0.00	0.00	0.00	4.75
Reserves & Surplus	0.00	0.00	0.00	0.00	0.00	0.00
Unsecured Loan	0.00	0.00	0.00	0.00	0.00	(6.05)
Interest paid	(10.46)	(15.78)	(12.99)	(11.23)	(14.98)	(12.67)
Net cash from Financing activities (C)	**(0.94)**	**(71.00)**	**(15.30)**	**(44.39)**	**6.36**	**(20.47)**
Total increase/ (Decrease) in cash and cash equivalents during the year (A+B+C)	1.06	(0.09)	(0.25)	0.29	(6.22)	0.88
Cash and cash equivalents at the beginning of the year	0.28	0.37	0.62	0.33	6.55	5.67
Cash and cash equivalents at the end of the year	**1.34**	**0.28**	**0.37**	**0.62**	**0.33**	**6.55**

THE OFFER

Equity Shares offered:	
Through Fresh Issue by the Company	1,412,354 Equity Shares
Through Offer for Sale by the Selling Shareholders Mr. Nari Genomal 463,882 Equity Shares Mr. Sunder Genomal 463,882 Equity Shares Mr. Ramesh Genomal 463,882 Equity Shares	1,391,646 Equity Shares
Total	2,804,000 Equity Shares
Of which	
Employee Reservation portion	Up to 15,000 Equity Shares
Net offer to the Public	2,789,000 Equity shares
Of which*:* Qualified Institutional Buyers portion	Not more than 1,394,500 Equity Shares comprising 50 % of the Net Offer to the Public (allocation on a proportionate basis) out of which 5% i.e. 69,725 Equity Shares will be available for allocation to Mutual Funds and the remaining QIB portion will be available for allocation to QIBs including Mutual Funds.
Non-Institutional portion	A minimum of 418,350 Equity Shares comprising 15% of the Net Offer to the Public (allocation on a proportionate basis).
Retail portion	A minimum of 976,150 Equity Shares comprising 35% of the Net Offer to the Public (allocation on a proportionate basis).
Equity Shares outstanding prior to the Offer	9,741,520 Equity Shares of Rs. 10 each
Equity Shares outstanding after the Offer	11,153,874 Equity Shares of Rs. 10 each
Use of proceeds	Please see section entitled “Objects of the Offer” on page 22 of this Prospectus for additional information.

Undersubscription, if any, in any category shall be allowed to be met with spillover from any of the other categories including from oversubscription at the sole discretion of our Company and Selling Shareholders, in consultation with the BRLM.

The unsubscribed portion in the employee reservation portion, if any, shall be added back to the Net Offer to the Public.

In case of undersubscription in the net offer to the public portion, spillover to the extent of undersubscription shall be permitted from the reserved category to the Net Public Offer portion.

GENERAL INFORMATION

Our Company was incorporated on November 15, 1994 as a private limited company with the name as Page Apparel Manufacturing Private Limited under Registration Number 08-016554 of 1994. On August 23, 2006 name of our Company was changed to Page Industries Private Limited and, on September 6, 2006, our Company became a public limited company

Registered Office

Page Industries Limited
Abbaiah Reddy Industrial Area
Jockey Campus, 6/2 & 6/4
Hongasandra, Begur Hobli
Bangalore 560 068

Our Registration is 08-016554 of 1994. CIN U00267KA1994PTC016554

With effect from August 16, 1995, Registered Office of our Company was shifted from 319, Raheja Arcade, Koramanagala, Bangalore 560 095 to Shed C, Jockey Campus, Abbaiah Reddy Industrial Estate, 53, Begur Road, Bommanahalli, Bangalore 560 068 and with effect from April 05, 2004 as per the municipal records the address was changed to Abbaiah Reddy Industrial Area, Jockey Campus, 6/2 & 6/4, Hongasandra, Begur Hobli, Bangalore 560 068.

Address of the Registrar of Companies

The Registrar of Companies, Karnataka,
2nd Floor, 'E' Wing, Kendriya Sadana,
Koramangala, Bangalore 560 034
Website: www.mca.gov.in

Board of Directors

The Board of Directors of Page Industries Limited comprises of the following persons:

Name of the Directors	Designation
Mr. Sunder Genomal	Managing Director
Mr. Ramesh Genomal	Non-Executive Director
Mr. V Sivadas	Alternate Director to Mr. Ramesh Genomal
Mr. Nari Genomal	Non-Executive Chairman
Mr P. V. Menon	Alternate Director to Mr. Nari Genomal
Mr. Timothy Ralph Wheeler	Non-Executive Director
Mr. Ravi Uppal	Independent Director
Mr. G. P. Albal	Independent Director

Brief details of Chairman and Managing Director

Mr. Sunder Genomal, aged 53 years, Managing Director**,** is one of the founders of our Company and has spent over 25 years in various facets of the textile industry. He is a post-graduate in Industrial Management Engineering, DeLaSalle University, Manila, Philippines where he was ranked among the top 3 students. Mr. Genomal is a member of the Young President's Organisation and the World Presidents Organisation. He received an award during the 125th anniversary of Jockey International in 2001 for his dedicated association with Jockey International. Mr. Sunder Genomal laid the foundation of Page Industries Limited in 1994 and has been the key inspiration for the Company's personnel and his leadership has established strong foundation for our Company's future. As Managing Director, he oversees the entire working and affairs of our Company's management.

Mr. Nari Genomal, aged 66 years, Non-Executive Chairman**,** has over 40 years experience in various facets of the textile industry. Mr. Nari Genomal is a post-graduate in Commerce from the Letran College, Manila, Philippines. In the year 2001 which was the 125th anniversary of Jockey International Inc, he received an award for his dedicated work and association with Jockey International Inc. He has been the chief mentor and key builder of our company's culture and values.

Company Secretary and Compliance Officer

Mr. R. Vijayakumar
Abbaiah Reddy Industrial Area, Jockey Campus
6/2 & 6/4, Hongasandra, Begur Hobli
Bangalore 560 068
Tel : +91 80 2573 2952
Fax : + 91 80 2573 2215
Email: pageipo@jockeyindia.com

Investors can contact the Compliance Officer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders.

Legal Advisors to the Offer

ALMT Legal
Advocates & Solicitors
2, Lavelle Road
Bangalore 560 001
Tel: +91 80 4016 0000
Fax: +91 80 4016 0001
E-mail: bangalore@almtlegal.com

Book Running Lead Manager

IL&FS Investsmart Limited
The IL&FS Financial Centre
Plot C–22, G–Block, Bandra–Kurla Complex
Bandra - (E), Mumbai 400 051
Tel.: +91 22 2653 3333
Fax: +91 22 6693 1862
Website: www.investsmartindia.com
E-mail: page.ipo@investsmartindia.com
Contact person: Mr. Sudhir Salian

Advisors to the Offer

Canara Bank
Merchant Banking Division
Circle Office - Metro
Spencer's Towers
86, M. G. Road
Bangalore 560 001
Tel.: +91 80 2559 1526
Fax No.: +91 80 2558 6074
Email: blrmmbd@canbank.co.in

Syndicate Members

IL&FS Investsmart Limited
The IL&FS Financial Centre,
Plot C–22, G–Block, Bandra–Kurla Complex
Bandra (E), Mumbai 400 051
Tel.: +91 22 2653 3333
Fax: +91 22 6693 1862
Website: www.investsmartindia.com
E-mail: page.ipo@investsmartindia.com
Contact person: Mr. Sudhir Salian

Registrar to the Offer

Sharepro Services (India) Pvt. Ltd.
Satam Estate, 3rd Floor
Above Bank of Baroda, Chakala
Andheri (East), Mumbai – 400 099
Tel.: +91 22 2821 5060
Fax: +91 22 2832 7834
Website: www.shareproservices.com
E-mail: sharepro@vsnl.com
Contact person: Mr. Dilip Sawant

Auditors

M/s Haribhakti & Co.
#42, Free Press House
215, Nariman Point, Mumbai 400 021
Tel.: +91 22 6630 8232
Fax: +91 22 2287 6249
Website: www.haribhaktiandco.com
E-mail: chetandesai@harbhaktiandco.com

Bankers to the Offer and Escrow Collection Bank

HDFC Bank Ltd
26 A, Narayan Properties
Off Saki Vihar Road
Chandivali, Saki Naka,
Andheri (East), Mumbai – 400 072
Tel.: +91 22 2856 9009/2847 4900
Fax: +91 22 2856 9256
Website: www.hdfcbank.com
E-mail: viral.kothari@hdfcbank.com
Contact person: Mr. Viral Kothari

The Hong Kong and Shanghai Banking Corporation Limited
52/60, Mahatma Gandhi Road
Mumbai 400 001
Tel.: +91 22 2268 5568
Fax: +91 22 2262 3890
Website: www.hsbc.co.in
E-mail: zersisirani@hsbc.co.in
Contact person: Mr. Zersis Irani

Citibank N.A.
Global Transaction Services
C-61, Bandra Kurla Complex
6th Floor, Bandra (East)
Mumbai- 400 051
Tel.: +91 22 40001 5646
Fax.: +91 22 4001 5824
Website: www.citibank.co.in
Email: divyesh.dalal@citigroup.com
Contact person: Mr. Divyesh Dalal

Standard Chartered Bank
270 D. N. Road
Fort, Mumbai – 400 001
Tel.: +91 22 2209 2213/2268 3965
Fax: +91 22 2209 6069
Website: www.standardchartered.co.in
E-mail: rajesh.malwade@in.standardchartered.com
Contact person: Mr. Rajesh Malwade

UTI Bank Limited
9 Esquire Centre
M. G. Road, Bangalore
Tel.: +91 80 2537 0633
Fax: +91 80 2555 9444
Website: www.utibank.com
E-mail: rajesh.menon@utibank.co.in
Contact person: Mr. Rajesh Menon

Bankers to our Company
Canara Bank
Venkatadri Complex
No.83, Richmond Road
Bangalore 560 025
Tel.: +91 80 2221 5108
Fax No.: +91 80 2224 0699
Email: blradv2@canbank.co.in

Monitoring Agency
Canara Bank
Project Apprisal Group
Corporate Credit Wing
Head Office, 112, J. C. Road
Bangalore 560 002
Tel.: +91 80 2248 4257
Fax No.: +91 80 2222 2813
Email : mgrblr1927adv@canbank.co.in

STATEMENT OF RESPONSIBILITIES OF THE LEAD MANAGER

The responsibilities of the Book-Running Lead Manager to the Issue viz., IL&FS Investsmart Limited (IIL) are as under:

Sr. No.	Activities	Responsibility & Co-ordination
1.	Capital structuring with the relative components and formalities such as type of instruments, etc.	IIL
2.	Due diligence of the Company's operations / management / business plans/legal etc.	IIL
3.	Drafting & Design of Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLM shall ensure with stipulated requirements and completion of prescribed formalities with Stock Exchanges, Registrar of Companies and SEBI.	IIL
4.	Selection of various agencies connected with the Issue including Registrar, Printers, Advertising Agency, Banker to the Issue etc.	IIL
5.	Company positioning and pre-marketing exercise, finalize media & public relation strategy, drafting and approval of all publicity material other than statutory advertisement as mentioned in (3) above including corporate advertisement, brochure, etc.	IIL
6.	Qualified Institutional Bidder (QIBs) Category: Finalising the list and division of investors for one-to-one meetings, Co-ordinating institutional investor meetings, institutional allocation and finalizing pricing decision	IIL
7.	Non-Institutional and Retail Marketing of the Issue, which will cover *inter alia*: ● Formulating marketing strategy ● Preparation of publicity budget ● Finalise Media and Public Relation strategy ● Finalising centers for holding conferences for brokers, press, etc. ● Follow-up on distribution of publicity and issue material including bid-cum-application form prospectus and deciding on the quantum of the issue material.	IIL

Sr. No.	Activities	Responsibility & Co-ordination
8.	Appointment of Syndicate Members	IIL
9.	Running the Book, interaction & co-ordination with Stock Exchanges for book-building software, bidding terminals and mock trading	IIL
10.	Finalisation of Prospectus and RoC Filing etc.	IIL
11.	The post bidding activities including, management of escrow accounts, co-ordinate non-institutional allocation, intimation of allocation, dispatch of refund orders to Bidders etc.	IIL
12.	The post issue activities for the Issue will involve essential follow up steps, which include the finalisation of listing of Equity Shares and dispatch of allotment advice and refund orders, with the various agencies connected with the work such as the Registrars to the Issue, Bankers to the Issue and the bank handling refund business.	IIL

Even if many of these activities will be handled by other intermediaries, the BRLM shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge this responsibility through suitable agreements with our Company.

Credit Rating

This being an Offer of Equity Shares credit rating is not applicable.

Trustees

This being an Offer of Equity Shares, Trustees are not required.

IPO Grading

We have not opted for grading of this Offer.

Appraisal of the Project

The project has not been appraised.

Book-Building Process

Book building refers to the process of collection of Bids, on the basis of the Red Herring Prospectus within the Price Band. The Offer Price is fixed after the Bid Closing Date/Offer Closing Date.

The principal parties involved in the Book building Process are:

- The Company;
- Selling Shareholders;
- Book Running Lead Manager;
- Syndicate Member who is an intermediary registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. Syndicate Member is appointed by the BRLMs;
- Escrow Collection Bank(s); and
- Registrar to the Offer.

The SEBI Guidelines have permitted an issue of securities to the public through the 100% Book Building Process, wherein up to 50% of the Issue (Net Offer) shall be allocated to QIBs on a proportionate basis. Out of the portion available for allocation to the QIBs, 5% shall be allocated proportionately to mutual funds. Mutual fund applicants shall also be eligible for proportionate allocation under the balance available for the QIBs. Further, not less than 15% of the Issue (Net Offer) shall be available for allotment on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue (Net Offer) shall be available for allotment on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. We will comply with the SEBI Guidelines for this Offer. In this regard, we have appointed the BRLM to manage the Offer and to procure subscriptions to this Offer.

Pursuant to amendments to the SEBI Guidelines, QIB Bidders are not allowed to withdraw their Bid(s) after the Bid Closing Date/Offer Closing Date and for further details see the section titled "Terms of the Offer" on page 131 of this Prospectus.

Investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Offer.

Illustration of Book Building and Price Discovery Process (Investors should note that this example is solely for illustrative purposes and is not specific to the Offer)

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 Equity Shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below shows the demand for the shares of our Company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1000	23	1,500	50.00%
1500	22	3,000	100.00%
2000	21	5,000	166.67%
2500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e. Rs. 22 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut off price, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken for bidding:

- Check eligibility for bidding, see the section titled "Offer Procedure - Who Can Bid?" on page 137 of this Prospectus;
- Ensure that the Bidder has a demat account; and
- Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form.

Withdrawal of the Offer

Our Company and Selling Shareholders, in consultation with the BRLM, reserves the right not to proceed with the Offer at any time after the Bid/Offer Opening Date but before allotment without assigning any reason therefor.

Bid/ Offer Programme

Bidding Period / Offer period

BID/OFFER OPENED ON	**FEBRUARY 23, 2007**
BID /OFFER CLOSED ON	**FEBRUARY 27, 2007**

Bids and any revision in Bids shall be accepted only between **10 a.m. and 3 p.m. (Indian Standard Time)** during the Bidding Period/Offer Period as mentioned above at the bidding centres mentioned on the Bid-cum-Application Form except that on the Bid Closing Date, the Bids shall be accepted only between **10 a.m. and 3 p.m. (Indian Standard Time)** and uploaded till such time as permitted by the BSE and NSE.

We reserve the right to revise the Price Band during the Bidding Period/Offer Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

In case of revision in the Price Band, the Bidding Period/Offer Period will be extended for three additional days after revision of Price Band subject to the Bidding Period/Offer Period not exceeding 10 days. Any revision in the Price Band and the revised Bidding Period/Offer Period, if applicable, will be widely disseminated by notification to BSE and NSE by issuing a press release, and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Offer Price and allocation of our Equity Shares but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that its Syndicate Member does not fulfil its underwriting obligations.

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

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. million)
IL&FS Investsmart Limited The IL&FS Financial Centre Plot No.C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400051 Tel: 91 22 26533333 Fax: 91 22 66931862 Email: page.ipo@investsmartindia.com	2,804,000	1,009.44

The above-mentioned amount is indicative underwriting and this would be finalized after pricing and actual allocation. The above Underwriting Agreement is dated March 01, 2007.

In the opinion of the Board of Directors (based on a certificate given by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the Securities and Exchange Board of India Act, 1992 or registered as brokers with the Stock Exchange(s).

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement will also be required to procure/subscribe to the extent of the defaulted amount.

Disclaimer by the Selling Shareholders

Notwithstanding anything stated in this Prospectus, all information disclosed and statements made by Selling Shareholders in this Prospectus are only contained in sections titled ‘Terms of this offer’, ‘Offer Structure’ and ‘Offer Procedure’ and the Promoters’ & Selling Shareholders’ responsibility under this Prospectus is limited to the statements made by them in the above mentioned sections.

CAPITAL STRUCTURE

Share capital of our Company as at the date of filing of the Prospectus with RoC is as set forth below:

	Share Capital	Face Value (Rs.)	Aggregate Value at face value (Rs.)	Aggregate Value at Issue Price (Rs.)
(A)	**Authorized Share Capital**			
	12,000,000 Equity Shares	10	120,000,000	
(B)	**Issued, Subscribed and Paid-Up Capital before the Issue**			
	9,741,520 Equity Shares	10	97,415,200	97,415,200
(C)	**Present Offer in terms of the Prospectus**			
	2,804,000 Equity Shares	10	28,040,000	1,009,440,000
	Of which			
	Fresh Issue 1,412,354 Equity Shares	10	14,123,540	508,447,440
	Offer for Sale 1,391,646 Equity shares	10	13,916,460	500,992,560
(D)	**Employee Reservation Portion**			
	15,000 Equity Shares	10	150,000	5,400,000
(E)	**Net Offer**			
	2,789,000 Equity Shares	10	27,890,000	1,004,040,000
(F)	**Paid-up Equity Capital after the Offer**			
	11,153,874 Equity Shares	10	111,538,740	4,015,394,640
(G)	**Share Premium Account**			
	Before the Offer		0	
	After the Offer			494,323,900

Offer for Sale by the Selling Shareholders

The details of Equity Shares being offered in the Offer for Sale by each of the Selling Shareholders are as follows:

Name of the Shareholder	Number of Equity Shares offered	% of Post-Offer equity capital
Mr. Sunder Genomal	463,882	4.16
Mr. Ramesh Genomal	463,882	4.16
Mr. Nari Genomal	463,882	4.16
Total	**1,391,646**	

Details of Increase and change in Authorised Share Capital of Our Company

Date of Change	Authorised Capital pursuant to increase / change
Incorporation	100,000 Equity Shares of Rs. 100/- each aggregating to Rs. 10 million
February 20, 1998	Increased to 130,000 Equity Shares of Rs. 100/- each aggregating to Rs. 13 million
January 10, 2000	Increased to 200,000 Equity Shares of Rs. 100/- each aggregating to Rs. 20 million
June 8, 2001	Increased to 250,000 Equity Shares of Rs. 100/- each aggregating to Rs. 25 million
May 31, 2006	Increased to 1,200,000 Equity Shares of Rs. 100/- each aggregating to Rs. 120 million
September 5, 2006 *	Changed to 12,000,000 Equity Shares of Rs. 10/- each aggregating to Rs. 120 million

*****At the Annual General Meeting of the Company held on September 5, 2006, our shareholders approved the subdivision of 1 Equity Share of Rs. 100/- each into 10 Equity Shares of Rs. 10/- each. Consequently, our authorised capital was altered from Rs. 120 million comprising 1,200,000 Equity Shares of Rs. 100/- each to 12,000,000 Equity Shares of Rs. 10/- each.

Notes to the Capital Structure:

1. Share Capital History of our Company

Date of allotment of Equity Shares	No. of Shares	Cumulative No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	Cumulative Paid-up Capital (Rs.)	Share Premium (Rs.)	Cumulative Share Premium (Rs.)	Nature of payment of Consideration	Reasons for allotment
November 15, 1994	20	20	100	100	2,000	0	0	Cash	Subscription to Memorandum
February 27, 1995	42,000	42,020	100	100	4,202,000	0	0	Cash	Further Allotment
July 26, 1995	28,000	70,020	100	100	7,002,000	0		Cash	Further Allotment
February 20, 1998	30,000	100,020	100	100	10,002,000	0	0	Cash	Further Allotment
March 30, 1998	25,200	125,220	100	100	12,522,000	0	0	Cash	Further Allotment
March 18, 2000	70,800	196,020	100	100	19,602,000	0	0	Cash	Further Allotment
March 20, 2002	47,518*	243,538	100	100	24,353,800	0	0	Cash	Further Allotment
September 05, 2006	0	24,35,380	10	10	24,353,800	0	0	Sub division	Sub division **
September 29, 2006	7,306,140	97,41,520	10	10	97,415,200	0	0	Bonus (3:1)	Bonus issue

* Pursuant to the approval granted by RBI on October 03, 2001, the Loan given to our Company by the Promoters was converted into Equity shares and the same were allotted to the respective Promoters. The said approval has stipulated a lock-in period of 8 (Eight) years ending on February 09, 2007.

** On September 5, 2006 our Company, vide resolution passed by the shareholders' subdivided the face value of Equity Shares from Rs. 100/- per Equity Share to Rs. 10/- per Equity Share.

2. Promoters' Contribution and Lock-in

Name of promoter	Date of acquisition	Nature of Allotment	No. of shares	Face Value	Issue Price	% of post Offer paid-up equity capital	Lock in Period from the date of Allotment in this Offer
Mr. Sunder Genomal	September 29, 2006	Bonus	743,592	10	7,435,920	6.667	3 years
Mr. Ramesh Genomal	September 29, 2006	Bonus	743,592	10	7,435,920	6.667	3 years
Mr. Nari Genomal	September 29, 2006	Bonus	743,592	10	7,435,920	6.667	3 years
Total			**2,230,776**		**22,307,760**	**20.00**	

3. Lock in of pre-Offer share capital of our Company

In terms of clause 4.14.1 of the SEBI Guidelines, in addition to the lock-in of 20% of post-Offer shareholding of our Company held by the Promoters for three years, as specified above, the entire pre-Offer issued equity share capital of our Company will be locked-in for a period of one year from the date of Allotment in this Offer as follows:

	No. of shares	% of Post issue
A. Promoters		
Mr. Sunder Genomal	1,946,046	17.447
Mr. Ramesh Genomal	1,946,166	17.448
Mr. Nari Genomal	1,946,166	17.448
Fortis Ventures Limited	Nil	Nil
Total A	**5,838,378**	**52.343**

	No. of shares	% of Post issue
B. Promoter's Relatives and Friends		
Ms. Madhuri Genomal	120	0.001
Mr. Shamir Genomal	200	0.002
Mr. Sanjeev Genomal	200	0.002
Mr. Shahendar Genomal	200	0.002
Total B	**720**	**0.007**
Others		
Gulu Mahataney (HUF)	280,000	**2.510**
Total A+B	**6,119,098**	**54.860**

The Promoters have given their approval for lock- in of their shareholding as specified above for a period of three years vide their letter dated December 18, 2006. The lock-in is on a LIFO basis i.e. Shares issued last shall be locked-in first. Other than the shares being offered for sale in this Offer, the entire pre-issue capital, other than that locked-in as minimum promoters' contribution shall be locked-in for a period of one year from the date of allotment. The lock-in shall start from the date of allotment in the Offer and the last date of the lock- in shall be reckoned as three years from the date of allotment in the Offer or one year from the date of allotment in the Offer, as the case may be.

The shares locked-in by the Promoters are not pledged to any party. The Promoter may pledge the Equity Shares with Banks or FIs as additional security for loan whenever availed by him from banks/FIs.

Shares held by the persons other than the promoters, prior to Initial Public Offering, which are subject to lock-in as per extant SEBI (DIP) Guidelines, may be transferred to any other person holding shares which are locked-in, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable.

Shares held by promoter(s) which are locked in as per the relevant provisions of Chapter IV of the SEBI (DIP) Guidelines, may be transferred to and amongst promoter/promoter group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

4. Shareholding pattern of our Company

Category	Equity shares held Pre-Offer		Equity shares held Post-Offer	
	Number of Shares	%	Number of Shares	%
Promoters				
Mr. Sunder Genomal	3,153,520	32.372	2,689,638	24.114
Mr. Ramesh Genomal	3,153,640	32.373	2,689,758	24.115
Mr. Nari Genomal	3,153,640	32.373	2,689,758	24.115
Fortis Ventures Limited	Nil	Nil	Nil	Nil
Sub Total (A)	**9,460,800**	**97.118**	**8,069,154**	**72.344**
Promoter Group				
Mr. Shamir Genomal	200	0.002	200	0.002
Mr. Shahendar Genomal	200	0.002	200	0.002
Mr. Sanjeev Genomal	200	0.002	200	0.002
Ms. Madhuri Genomal	120	0.001	120	0.001
Sub Total (B)	**720**	**0.007**	**720**	**0.007**
Others				
Gulu Mahataney (HUF)	280,000	2.875	280,000	2.510
TOTAL PRE OFFER CAPITAL (A+B)	**9,741,520**	**100.000**		
Fresh Issue (C)			**1,412,354**	12.662
Offer for Sale (D)			**1,391,646**	12.477
Public Offer (E) = (C+D)			**2,804,000**	**25.139**
TOTAL POST-OFFER CAPITAL (A+B+E)			**11,153,874**	**100.00**

5. The list of top ten shareholders of our Company and the number of Equity Shares held by them is as under:

(a) Top ten shareholders of our Company as on date of filing this Prospectus with RoC, are as follows:

Sr. No.	Shareholder	No. of Shares (Rs.10 each)	% of Shareholding
1.	Mr. Ramesh Genomal	3,153,640	32.373
2.	Mr. Nari Genomal	3,153,640	32.373
3.	Mr. Sunder Genomal	3,153,520	32.372
4.	Mr. Gulu Mahtaney (HUF)	280,000	2.875
5.	Mr. Shamir Genomal	200	0.002
6.	Mr. Shahendar Genomal	200	0.002
7.	Mr. Sanjeev Genomal	200	0.002
8.	Ms. Madhuri Genomal	120	0.001
	Total	**9,741,520**	**100.00**

(b) Top ten shareholders of our Company ten days prior to filing this Prospectus with RoC are as follows:

Sr. No.	Shareholder	No. of Shares (Rs.10 each)	% of Shareholding
1.	Mr. Ramesh Genomal	3,153,640	32.373
2.	Mr. Nari Genomal	3,153,640	32.373
3.	Mr. Sunder Genomal	3,153,520	32.372
4.	Gulu Mahtaney (HUF)	280,000	2.875
5.	Mr. Shamir Genomal	200	0.002
6.	Mr. Shahendar Genomal	200	0.002
7.	Mr. Sanjeev Genomal	200	0.002
8.	Ms. Madhuri Genomal	120	0.001
	Total	**9,741,520**	**100.00**

(c) Top ten shareholders 2 years prior to the date of filing of this Prospectus with RoC are as follows:

Sr. No.	Shareholder	No. of Shares (Rs.100 each)	% of Shareholding
1.	Mr. Ramesh Genomal	78,846	32.375
2.	Mr. Nari Genomal	78,846	32.375
3.	Mr. Sunder Genomal	78,843	32.374
4.	Gulu Mahtaney (HUF)	7000	2.875
5.	Ms. Madhuri Genomal	3	0.001
	Total	**243,538**	**100.00**

Except as detailed herein below, our Promoters have not purchased or sold any Equity Shares during a period of six months preceding the date on which this Prospectus has been filed with ROC.

Transferor	Transferee	Date on which Equity Shares purchased or sold	No. of Equity Shares	Par value (Rs.)	Nature of payment	Purchase/ Sale Price (Rs.)
Mr. Sunder Genomal	Shamir Genomal	July 12, 2006	5	Rs.100/-	Cash	Rs. 100
Mr. Ramesh Genomal	Shahendar Genomal	July 12, 2006	5	Rs.100/-	Cash	Rs. 100
Mr. Nari Genomal	Sanjeev Genomal	July 12, 2006	5	Rs.100/-	Cash	Rs. 100

6. Our Company, its promoters, our Directors and the BRLM have not entered into any buy-back and/or stand by arrangements for purchase of Equity Shares from any person.

7. We have not granted any options or issued any shares under any employee stock option or employees stock purchase scheme.

8. The Offer is being made through a 100% Book-Building Process wherein up to 50% of the Net Offer will be allocated to Qualified Institutional Buyers ("QIBs") on a proportionate basis. Out of the portion available for allocation to the QIBs, 5% will be available for allocation on a proportionate basis to Mutual Funds. Mutual Fund applicants shall also be eligible for proportionate allocation under the balance available for the QIBs. Further, at least 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Net Offer will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Offer Price.

9. An investor cannot make a Bid for more than the number of Equity Shares offered through the Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

10. Except as disclosed in this Prospectus, none of our Directors and key managerial employees holds any Equity Shares in our Company.

11. There would 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 submission of this Prospectus with SEBI until the Equity Shares to be issued pursuant to the Offer have been listed.

12. We presently do not intend or propose to alter our capital structure for a period of six months from the date of opening of the Offer, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise except that if we enter into acquisitions or joint ventures, we may, subject to necessary approvals and in line with the relevant statutes/ regulations, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures with the consent of the shareholders, if applicable.

13. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

14. The equity shares offered though this public offer will be fully paid-up and may be forfeited within 12 months from the date of allotment in the manner specified in clause 8.6.2. of the SEBI (DIP) Guidelines.

15. As on December 18, 2006 the total number of shareholders of Equity Shares in our Company was 8 (eight).

16. We have not raised any bridge loans against the proceeds of the Offer.

17. We have not revalued any of our Fixed Assets. We have not issued any Equity Shares out of revaluation reserves.

18. Save and except the issuance of bonus shares and as disclosed in the Prospectus, we have not issued any equity shares for consideration other than cash.

19. As of the date of this Prospectus, there are no outstanding financial instruments or warrants or any other right that would entitle the existing Promoters or Shareholders, or any other person any option to receive Equity Shares after the offering.

20. Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion on competitive basis. Bid/Application by Eligible Employees can be made also in the "Net Offer to the Public" and such bids shall not be treated as multiple Bids.

21. Undersubscription, if any, in the Employee Reservation Portion will be added back to the Net Offer. In case of

undersubscription in the Net Offer, spillover to the extent of undersubscription shall be permitted from the Employee Reservation Portion.

22. An over-subscription to the extent of 10% of this Offer size can be retained for the purpose of rounding off while finalizing the basis of allotment.

23. There are certain restrictive covenants in the agreements that we have entered into with the Canara Bank. These restrictive covenants require us to seek the prior permission of the said bank for various activities, including amongst others, entering into any scheme of expansion, taking any new activity, invest or lend money except in the normal course of business, confining our Company's entire banking with the lender, investing by way of share capital, change in the management, change in capital structure etc.

OBJECTS OF THE OFFER

The objects of this Offer are to raise capital for our expansion plans which envisage brand building and expansion of our physical infrastructure to meet the increased demands. We propose to expand our existing manufacturing facilities of garments, socks, accessories like elastics, setting up new facilities for manufacturing of our products at Bommasandra, Bangalore, modernisation of the production process, implementation of new generation ERP software (SAP), purchase of corporate head office in central location in Bangalore city, general corporate purposes and to meet the expenses of this Offer. We believe that listing of our shares will enhance our Company's visibility and brand status.

The main object clause of our Memorandum of Association and objects incidental to the main objects enable us to undertake our existing activities and the activities for which funds are being raised by us through this Offer.

The objects of this Offer are:

1. Brand building
2. Expansion of garment manufacturing capacity in our existing facility
3. Setting up of new garment manufacturing facility at Bommasandra, Bangalore
4. Expansion of our elastic manufacturing facility
5. Expansion of our Socks manufacturing facility
6. Corporate head office in the Central Business District
7. Implementation of new generation ERP software (SAP)
8. Modernisation of production process
9. General Corporate Purposes and
10. To meet the expenses of this issue

Our assessment of requirement of funds and deployment is based on internal management estimates and has not been appraised by any bank or financial institution or any other independent organisation. Our capital expenditure plans are subject to a number of variables, including possible cost overruns, construction/development delays or defects, receipt of approvals, and changes in management's views of the desirability of current plans, among others. In case of any variations in the actual utilisation of funds earmarked for the above activities, the difference, if any, may be adjusted against the availability / requirement of funds in the areas identified as part of the expansion plan and/or increased fund deployment for a particular activity. The shortfall, if any, may be met with by surplus funds, if any available in the other areas and/or our Company's internal accrual, and/or working capital loans that may be availed from the banks.

Funds Requirement

The total estimated fund requirement is as follows:

(Rs. in Million)

S. No.	Particulars	Cost
A	Brand Building	233.50
B	Expansion of garment manufacturing capacity at the existing location	46.58
C	Setting up a new manufacturing facility at Bommasandra, Bangalore	152.05
D	Expansion of Elastic manufacturing facility	5.77
E	Expansion of Socks manufacturing facility	10.65
F	Purchase of Corporate office premises	75.00
G	Implementation of new generation ERP software (SAP)	5.00
H	Modernisation of production process	6.00
I	General Corporate purposes	1.82
J	Issue Expenses	83.63
	Total	620.00

Means of Finance

The above requirement of funds of Rs. 620.00 million is proposed to be financed through:

(Rs. In million)

Source of Finance	Amount
Equity	508.45
Debt	52.50
Internal accruals*	59.00
Total	620.00

* Out of our total reserves, our free reserves aggregating Rs. 76.94 million on September 30, 2006 are available as internal accruals.

For the proposed expansion we have been sanctioned a rupee term loan of Rs. 52.5 million from Canara Bank at an interest of 10.5% p.a. (floating) repayable in 66 monthly installments commencing from April 2007.We confirm that firm arrangements of finance through verifiable means towards 75% stated means of finance excluding amount to be raised through the proposed fresh issue has been made.

DETAILS OF USE OF ISSUE PROCEEDS

A) BRAND BUILDING

Jockey is the only inner wear brand with the accreditation of **"Superbrand"** in India by Superbrand Organisation which is an independent arbiter on branding. This is the testimony of the excellent consumer loyalty and brand equity that Jockey has established over the last decade.

Our brand strategies are aimed at following objectives:

1. Establish Lifestyle positioning attributes
2. Retain the Retail Advantage in relation to area the brand occupies in the store and the quality of brand representation in the retail stores
3. Strengthen "Marketing innovation" initiatives like: aggressive Exclusive Brand Outlets openings, larger format of Flagship stores.

To fuel the growth of the brand and to achieve the earmarked objectives, additional funds will be required. We propose to spend an amount of Rs. 160 million (over a period of 3 years commencing April 2007) in addition to the marketing spend that is part of the normal budget.

The break up of additional fund requirement is as under:

Particulars	Amount (Rs. In million)
Brand building :	
a) Advertising in TV/ Advertising in Lifestyle magazines/ Advertising in Lifestyle supplements of news papers/billboards	96.00
b) Retail store modules/ consumer promotions/ brand ambassador	64.00
Sub -Total (A+B)	**160.00**
Opening of EBOs and Flagship Stores	73.50
Total	**233.50**

Opening of Flagship Stores

We propose to open 2 flagship stores each year in the next three financial years. The total cost of setting up these stores is estimated at Rs. 42 million.

Year Ending	Number of Stores	Location	Total Area (sq. ft.)
March 31, 2008	2	Key cities	3000
March 31, 2009	2	Key cities	3000
March 31, 2010	2	Key cities	3000
TOTAL			**9,000**

Setting up additional stores will enable us to expand our reach, display our entire product portfolio and help us position our brand so as to serve additional customers in existing and new geographies, and help us with our growth plans.

We intend to enter into definitive long-term lease, leave and licence, and any other arrangement with the property owners for all the planned new stores. We are yet to identify the property for these locations.

We do not own any of our current stores premises and do not plan to own any of the planned new stores premises. As the stores will be acquired under leave and license, long-term lease or under any arrangement, deposits will be payable by us on entering into the commercial agreement with the property owner.

Opening of EBO (Exclusive Jockey Brand Outlets)

We propose to open EBOs every year for the next three years in addition to the existing 18 EBOs opened by our Company. This would be set up by selected franchisees at selected areas and our company would support them with minimum guarantee of sales and PoP materials. Our contribution for setting up the EBOs is estimated at Rs. 31.5 million. We are yet to identify locations of setting up the EBOs.

B) EXPANSION OF EXISTING GARMENT MANUFACTURING CAPACITY

We propose to expand our existing capacity of 33 million pieces per annum, by installing new sewing machines for which our Company has already occupied additional floors on the existing buildings at Abbaiah Reddy Industrial Area, Bangalore. The proposed expansion of our facility will increase the capacity to 47 million pieces per annum. The detailed break-up is as given below:

(Rs. In million)

Particulars	Amount
Plant and Machinery	33.34
DG compressor and factory furniture	13.24
Total	**46.58**

We propose to add 440 sewing machines as per the details given below. Out of these 440, we have received delivery of the following 169 machines :

A. PLANT AND MACHINERY

(Rs. In million)

Sr. No	Particulars of Machine	Units	Total Cost	Supplier
1	Pegasus Sewing Machines	14	1.73	Pegasus, Singapore
2	Pegasus Sewing Machine	7	1.36	Pegasus, Singapore
3	Pegasus Sewing Machine	9	2.29	Pegasus, Singapore
4	Brother	13	2.86	Brother Intl., Singapore
5	Kaulin Sewing Machine	100	6.01	Kaulin Mfg. Co., Ltd., Taiwan
6	Racing Technology Attachments	3	0.56	Racing Technology Co. Ltd, Taiwan
7	Brother	20	1.07	Brother Intl., Singapore
8	Kauling Sewing Machines	2	0.20	Kauling Mfg. Co Ltd., Taiwan
9	Eastern Cutting Machines	1	0.33	Eastern Cutting Machines Ltd., Taiwan
	Total	**169**	**16.41**	

B. DG COMPRESSOR

Sr. No	Particulars of Machine	Units	Total Cost	Supplier
1	Compressor	1	0.39	Equipment & Spares, India
	Total	**1**	**0.39**	

We are yet to place order for the machinery as are mentioned below:

(Rs. In million)

Sr. No	Particulars of Machine	Units	Total Cost	Date of Quotation	Quotation received from
1	Single Needle Machines	10	0.35	10th Nov 2006	Kaulin manufacturing Co. Ltd, Taiwan
2	Over-lock Machines	150	4.98	30th Oct, 2006	Pegasus Sewing Machine PTE Ltd., Singapore
3	Zig Zag Machines	6	0.81	6th Dec, 2006	Juki Singapore PTE Ltd.
4	Bar Tack Machines	7	1.12	18th Oct, 2006	Brother International Singapore PTE Ltd.
5	Button Hole Machines	1	0.22	18th Oct, 2006	Brother International Singapore PTE Ltd.
6	Button Stitch Machines	1	0.19	18th Oct, 2006	Brother International Singapore PTE Ltd.
7	Flat Lock Machines	90	8.69	2nd Sept, 2006	Kaulin manufacturing Co. Ltd, Taiwan
8	Flat Seamer	6	0.58	29th Sept, 2006	Pegasus Sewing Machine PTE Ltd., Singapore
	Total	**271**	**16.94**		

The cost of the DG set, compressor and factory furniture is based on management estimates

Schedule of Implementation

Activity	Start Date	End Date
Additonal Floor space		Already acquired
Delivery & Installation of Machines	November, 2006	Jan, 2007
Trial & Commercial Production	January, 2007	Jan, 2007
Additonal Floor space	February, 2007	April, 2007
Delivery & Installation of Machines	February, 2007	April, 2007
Trial & Commercial Production	May, 2007	May, 2007

C) SETTING UP A NEW MANUFACTURING FACILITY AT BOMMASANDRA, BANGALORE

We are in the process of constructing a new facility with an area of 98500 sq.ft. on a plot owned by our Company at site no. 13-A Bommasandra Industrial Area, Bangalore. These new premises will house our additional facilities for manufacture of garments.

(Rs. In million)

Particulars	Amount
Building in two stages	56.00
Roads and Compound Wall	4.00
Plant and Machinery	51.35
DG compressor and factory furniture	28.70
Electrification	12.00
Total	**152.05**

Plant and Machinery

The plant and machinery for the expansion at the new premises is estimated as per the table below

(Rs. In million)

Sr. No	Particulars of Machine	Units	Total Cost
1	Single Needle Machines	92	3.2
2	Over-lock Machines	423	14.63
3	Zig Zag Machines	17	2.30
4	Bar Tack Machines	21	3.32
5	Button Hole Machines	4	0.89
6	Button Stitch Machines	4	0.75
7	Flat Lock Machines	255	24.62
8	Flat Seamer	17	1.64
	Total		**51.35**

The cost of the above plant and Machinery, DG set, compressor and factory furniture is based on management estimates. We are yet to place orders for the above plant and machinery.

Schedule of Implementation

Activity	Start Date	End Date
Construction of Building (60000 sq. ft.)	May 2006	April 2007
Delivery & Installation of Machines	April 2007	May 2007
Trial & Commercial Production	June 2007	June 2007
Construction of Building (38,500 sq. ft.)	June 2007	March 2008
Delivery & Installation of Machines	February 2008	April 2008
Trial & Commercial Production	May 2008	May 2008

D) EXPANSION OF MANUFACTURING FACILITY FOR ELASTIC

We propose to increase the manufacturing facility for elastic by adding 6 looms at our existing manufacturing capacity in addition to the present four looms, which will increase the total installed capacity to 60 lacs metre per annum. The expansion shall include installation of additional 6 nos. of Needle Looms costing approx. Rs. 5.28 million and others equipments costing Rs. 0.49 million. The setting up of this additional looms is proposed to be carried out at our existing plant situated No. 543/6, Survey No. 62/1, Katha No.442 Devarachikkanahalli Road, Bommanahalli.

Plant & Machinery

The details of plant and machinery for which orders have been placed are mentioned below:

(Rs. In million)

Sr. No	Particulars of Machine	Units	Total Cost	Date of Purchase Order	Expected Date of Delivery	Supplier
1	Vb Jeb 6/45/120 Needle Looms	2	1.76	December 05, 2006	March 31, 2007	S. K. Overseas

We are yet to place order for the said machinery as mentioned below:

(Rs. In million)

Sr. No	Particulars of Machine	Units	Total Cost	Date of Quotation	Quotation received from
1	Vb Jeb 6/45/120 Needle Looms	4	3.52	December 4, 2006	S. K. Overseas
2	Others		0.49		Management Estimate
	Total		**4.01**		

Schedule of implementation

The implementation schedule of the Garter expansion plant is as under:-

Activity	Start Date	End Date
Delivery of 2 machines already ordered	December 2006	March 2007
Installation of those machines	April 2007	April 2007
Trial & Commercial Production	April 2007	April 2007
Order of additional 4 (four) Machines	February 2007	March 2007
Delivery of 4 Machines	May 2007	May 2007
Installation of Machines	June 2007	June 2007
Trial & Commercial Production	June 2007	June 2007

E) EXPANSION OF MANUFACTURING FACILITY FOR SOCKS

We propose to increase the existing manufacturing capacity of 504,000 pairs of socks per annum to 1,176,000 pairs per annum, by adding 8 knitting machines at our existing manufacturing capacity in addition to the present 6 knitting machines. The setting up of this additional knitting machines is proposed to be carried out at our existing plant situated No. 543/6, Survey No. 62/1, Katha No.442 Devarachikkanahalli Road, Bommanahalli, Bangalore 68.

Plant & Machinery

We are yet to place any order for the machinery as are mentioned below:

(Rs. In million)

Sr. No	Particulars of Machine	Units	Total Cost	Date of Quotation	Quotation received from
1	Socks machines sports - MACC "G54JSL Open Toe	4	5.10	20th November, 2006	M/s Lonati, Italy
2	Socks Machines Dress - Macchina "L462 Goal' Mot. Lyra	4	4.55	20th November, 2006	M/s Lonati, Italy
3	Electrical equipment/DG set		1.00		Management Estimate
	Total		**10.65**		

Schedule of Implementation:

The implementation schedule of the Socks expansion plant is as under:-

Activity	Start Date	End Date
Order of Machines	January 2007	January 2007
Delivery & Installation of Machines	May 2007	May 2007
Trial & Commercial Production	June 2007	June 2007

F) PURCHASE OF CORPORATE OFFICE PREMISES

With a view to consolidate our business and operations, we propose to purchase a new corporate office admeasuring approximately 6000 square feet in central location in Bangalore city at an estimated cost of Rs. 75 million. We have shortlisted some properties and are in the process of negotiating with the builders.

Schedule of Implementation:

The implementation schedule is as under:-

Activity	Start Date	End Date
Payment of Installment	January 2007	June 2008
Possession & furnishing	June 2008	September 2008
Occupation of the office premises	September 2008	September 2008

G) IMPLEMENTATION OF NEW GENERATION ERP SOFTWARE (SAP)

We plan to implement next generation ERP software. The cost of the project is estimated at Rs. 5 million. The implementation will commence in March 2007 and will be concluded by September 2007.

ERP system will provide support to our business at all stages starting from sales, planning to operations and documentation, accounts and customer services. The system will help in enforcing procedures and maintaining an error free workflow process.

H) MODERNISATION OF PRODUCTION PROCESS

We propose to buy automatic laying and cutting machine at an estimated cost of Rs. 6 million for the existing manufacturing facility at Abbaih Reddy Industrial Area. This will enable us to reduce the cost of labour due to automation of the process. As per the management estimate, it is expected to cost Rs.6 million. We are yet to identify the supplier and place orders for the cutting machines.

Schedule of implementation

Activity	Start Date	End Date
Order of Machines	June 2007	June 2007
Delivery & Installation of Machines	September 2007	September 2007
Trial & Commencement	October 2007	November 2007

I) GENERAL CORPORATE PURPOSES

The excess funds, if any, would be utilized for general corporate purpose of the Company which includes but is not restricted to, working capital requirements, towards Research & Development, expanding the existing facilities within India, acquisition of businesses related to the current business of the Company etc.

J) OFFER RELATED EXPENSES

Issue related expenses includes underwriting and Issue management fees, selling commission, distribution expenses, legal fees, printing and stationery costs, advertising expenses and listing fees payable to the Stock Exchanges etc. The total expenses for the Offer are estimated at Rs. 83.63 mn., which is 8.28% of the Offer size. All the Issue related expenses shall be met out of the proceeds of the Offer.

The break-up of the same is as follows

(Rs. in Million)

Particulars	Expenses	As a % of the Issue size	As a % of the total issue expenses
Management fees, Underwriting Commission and Brokerage and Selling expenses	39.66	47.42	3.93
Fees of Legal Advisors, Auditors etc.	1.80	2.15	0.18
Marketing and advertisement expenses	24.06	28.77	2.38
Stationery, printing and registrar expenses	13.22	15.81	1.31
Other Miscellaneous expenses	4.89	5.85	0.48
Total	**83.63**	**100.00**	**8.28**

No part of the issue proceeds will be paid-by us as consideration to our Promoters, Directors, key management personnel or companies promoted by our Promoters.

FUNDS DEPLOYED

Our statutory auditors M/s Haribhakti & Co., Chartered Accountants, Mumbai have vide their certificate dated February 05, 2007 certified that our Company has spent Rs. 52.24 million as on February 02, 2007 for our expansion project funded out of our internal accruals.

DETAILS OF BALANCE FUND DEPLOYMENT

The details of balance deployment of funds are as under:

(Rs. In million)

Particulars	Already Incurred	2006-07	2007-08	2008-09	Total
Expansion of Elastic Manufacturing		0.00	5.77	0.00	5.77
Socks Expansion		0.00	10.65	0.00	10.65
Garment Expansion (existing)	16.79	3.27	26.52	0.00	46.58
Bommasandra Project	35.45	2.54	61.12	52.94	152.05
Brand Building Support		90.08	90.08	53.33	233.49
SAP Software		0.00	5.00	0.00	5.00
Cutting Room Automation		0.00	6.00	0.00	6.00
Purchase of Bangalore Office		18.40	39.80	16.80	75.00
General Corporate Purposes		0.00	1.82	0.00	0.00
Issue Expenses		83.63	0.00	0.00	0.00
Total	**52.24**	**197.92**	**246.76**	**123.07**	**619.99**

INTERIM USE OF PROCEEDS

Pending utilization of the proceeds amount of Fresh Issue for the purpose described above, we intend to temporarily deposit the amount in a scheduled commercial bank as Fixed Deposit. Such investments would be in accordance with the investment policies approved by the Board from time to time.

Monitoring of Utilisation of Funds

The appointment of Monitoring Agency was not required in accordance with Clause 8.17 of SEBI (DIP) Guidelines, 2000. However, we have appointed Canara Bank as monitoring agency for the purpose of monitoring the utilisation of the issue proceeds. The monitoring by Canara Bank shall be carried out as follows:

1. Opening of a separate account with the Bank for the purpose of pooling the IPO money and to utilise the funds for the project activities only.
2. Appointment of Chartered Engineers/Auditors to assist the Bank in monitoring the execution of the project envisaged in the project report/appraisal report.
3. Field inspection by the Bank and Chartered Engineers/Auditors nominated by the Bank to enable them to carry out the inspection on a montly basis and submission of the reports.

We will disclose the utilisation of proceeds from the Fresh issue under a separate head in our balance sheet for the fiscal, 2007 clearly specifying the purpose for and the extent to which such proceeds have been utilised. No part of the fresh issue proceeds, will be paid by us as a consideration to Promoters, Directors, Compnay's Key managerial personnel or companies promoted by the promoters.

BASIC TERMS OF OFFER

The present Offer of 2,804,000 Equity Shares of Rs. 10/- each at a price of Rs. 360 for cash, aggregating Rs. 1009.44 million comprising a Fresh Issue of 1,412,354 Equity Shares by our Company and an Offer For Sale of 1,391,646 Equity shares by the Selling Shareholders is being made through the Book Building Process. Our Company undertakes that the Offer to the public shall not be less than 25% of the total post Offer paid up capital of our Company. The Offer is being made through a 100% Book Building Process.

	Employees	**QIBs**	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares*	Up to 15,000 Equity Shares	Up to 1,394,500 Equity Shares.	Minimum of 418,350 Equity Shares or Net Offer less allocation to QIB Bidders and Retail Individual Bidders.	Minimum of 976,150 Equity Shares or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Offer size available for Allocation	Up to 0.53% of the Offer	Upto 50% of the Net Offer or the Net Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders. However, upto 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Minimum of 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders.	Minimum of 35% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allocation if Respective Category is Oversubscribed	Proportionate	Proportionate as follows: (a) 69,725 Equity Shares shall be allocated on a proportionate basis to Mutual Funds in the Mutual Funds Portion; (b) 1,324,775 Equity Shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate.	Proportionate.
Minimum Bid	15 Equity Shares and thereafter in multiple of 15 Equity Shares.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of 15 Equity Shares.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of 15 Equity Shares.	15 Equity Shares and in multiples of 15 Equity Shares
Maximum Bid	Not exceeding 15,000 Equity Shares	Such number of Equity Shares not exceeding the Net Offer, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Offer subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Bid lot	15 Equity Shares and in multiples of 15 Equity Shares	15 Equity Shares and in multiples of 15 Equity Shares	15 Equity Shares and in multiples of 15 Equity Shares	15 Equity Shares and in multiples of 15 Equity Shares
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply**	Eligible Employees as on November 30, 2006	Public Financial institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, Mutual Funds, foreign institutional investors registered with SEBI, multilateral and bilateral development financial institutions, and State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum	Resident Indian individuals, NRIs, HUF (in the name of Karta), companies, bodies corporate, scientific institutions societies and trusts.	Individuals, including NRIs and HUF (in the name of Karta), such that the Bid Amount does not exceed Rs. 100,000.

	Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
		corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law		
Terms of Payment	Margin Amount applicable to Employees Bidders shall be payable at the time of submission of Bid-cum-Application Form to the members of the Syndicate	Margin Amount applicable to QIB Bidders shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate.	Margin Amount applicable to Non-Institutional Bidders shall be payable at the time of submission of Bid-cum-Application Form to the members of the Syndicate.	Margin Amount applicable to Retail Individual Bidders shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate.
Margin Amount	Full Bid Amount on bidding.	At least 10% of the Bid Amount on bidding.	Full Bid Amount on bidding.	Full Bid Amount on bidding.

* Subject to valid bids being received at or above the Offer Price. Undersubscription, if any, in any portion, would be allowed to be met with spillover from any other portions at the discretion of our Company and Selling Shareholders, in consultation with BRLM.

Under subscription, if any, in the Employee reservation Portion would be included in the Net Offer and allocated in accordance with the description in Basis of Allocation.

However, if the aggregate demand by Mutual Funds is less than 69,725 Equity Shares (assuming QIB Portion is 50% of the Net Offer size, i.e. 1,394,500 Equity Shares), the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, would be allowed to be met with spillover from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM.

** In case the Bid-cum-Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

BASIS FOR OFFER PRICE

The issue price has been determined by our Company in consultation with the BRLM on the basis of assessment of market demand on the basis of the following qualitative and quantitative factors for the equity shares offered by way of Book-Building Process.

Investors should read the following summary with the Risk Factors included starting from page x and the details about our Company and its financial statements included in the Prospectus on page 80. The trading price of the Equity Shares of our Company could decline due to these risks and you may lose all or part of your investment.

Qualitative Factors

1. **Innerwear Industry in an upbeat mode**

   The innerwear market is evolving rapidly in terms of size and importance particularly in the middle and premium segment. With the widening of the base of these segments the brand 'Jockey' shall further strengthen its current position.

2. **Jockey brand is well poised in the innerwear market to exploit the evolving retail environment**

   With the evolving retail sophistication (increase in the share of the organized retail) the brand 'Jockey' with its international imagery fortified with the aspirational and lifestyle positioning is best placed in exploiting the changed retail environment. With the implemented strategies of Exclusive Brand Outlets (EBOs), Customised Display stands of Jockey in Multi Brand Outlets (MBOs), and 'Jockey Comfort Zone' 'shop-in-shop initiative', the brand is determined to maximise the benefits emerging out of the ever evolving retail environment.

3. **Strong Consumer connect enables the brand to expand product offerings beyond innerwear**

   Over the years Jockey has been a consistent provider of quality and comfortable innerwear to the consumers. The loyalty and the consumer respect that the brand enjoys, has enabled it to expand the product offerings. Jockey has a wide range of product offerings that includes innerwear and Leisurewear (T shirts, Pyjamas, Loungewear, Gymwear). Hence, the brand 'Jockey' can be positioned as a lifestyle brand.

4. We are an existing profit making Company in operations for more than a decade in the readymade garments / undergarments industry. Our restated Profit after Tax for last 3 years and for the six month period ended September 30, 2006 is given below:

Rs. in Million

Particulars	March 31, 2004 (12 Months)	March 31, 2005 (12 Months)	March 31, 2006 (12 Months)	September 30, 2006 (6 Months)
Net Profit after tax	52.69	42.35	113.91	89.09

5. **Strong Brand Image**

   That Jockey is the only innerwear brand in India which is recognised as "Superbrand". The "Superbrand" is accredited by Superbrand Organisation which is an independent arbiter on branding. This endorsement by the consumers is a testimony of the strong brand image. Our brand positioning has been consistent for the last 11 years and has evolved with the consumers. Our entire brand building efforts has resulted in a strong consumer base.

6. **Our company has good processes**

   Our Company not only has integrated manufacturing facilities but also exceptional quality maintenance procedures. We also have close and long standing relationship with our vendors, that ensures availability of best quality raw materials at right time.

7. **Quality assurance system**

   We adhere to stringent quality parameters as prescribed in our licence agreement. We follow stringent norms of quality assuarance at various levels of manufacturing through 100% in-line quality checks after every process.This is followed by a 100% final in-line quality check on all products before packing and transfer to the finished goods warehouse. In addition, an independent final audit is conducted with an AQL of 2.5 for workmanship and an AQL of 2.5 for label & packaging. With an in-house quality assurance team that reports directly to the Managing Director and behaves as external quality auditors, there are stringent procedures in place at all stages of production, with an emphasis on preventing defects.

8. **Our sophisticated Distribution Chain**

   Our sophistication of the distribution channel is the key strength in ensuring the brand availability to the consumer. Jockey is retailed through 144 distributors in India. These distributors are segmented geographically and also on the basis of the product range (Men innerwear, Women innerwear and leisure wear being the key segments). Our distributors cater to over 14,000 retail outlets in over 1100 cities and towns.

9. Research and Deveoplement back-up from across the Jockey fraternity

Jockey is a 130 years old brand with presence the world over. Our corporate value of innovation is a derivative of excellent Research & Development culture. We have access to pool of research and knowhow in the innerwear industry across the globe through Jockey International Inc. and the 43 licensees and associates.

For further details please refer to "Our Competitive Strengths" under the Section "Our Business" on page 46 of this Prospectus.

Quantitative Factors

Information presented in this section is derived from the Company's restated, financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Restated Earnings Per Share

Year	EPS (Rs.)	Weight
2003-04*	216.32	1
2004-05*	173.85	2
2005-06*	467.75	3
Weighted average	**327.88**	

*Face Value of Rs. 100 per Equity Share

2. Price/Earning Ratio (P/E) in relation to Issue Price of Rs. 360/- per share

Particulars	
• Based on 2005-06 EPS	7.70
• Based on weighted average EPS	10.98

Industry P/E	
i. Maxwell Industries Limited	30.0

Source: Capital Markets Volume XXI/24, January 29– Febary 11, 2007

3. Return on Net Worth

Year	RONW %	Weight
2003-04	101.60%	1
2004-05	63.47%	2
2005-06	90.98%	3
Weighted average	**83.58%**	

- Minimum Return on Total Net Worth to maintain pre-issue EPS is 28.40**%**

4. Net Asset Value

a) As on March 31, 2006	Rs. 514.13 *
b) After Issue	Rs. 56.81
c) Issue Price	Rs. 360

* NAV of Equity Share of face value of Rs.100/-

5. **Accounting Ratios of some of the Companies in the same Industry group:**

Particulars	EPS (Rs)	P/E	RONW (%)	NAV (Rs.)
Page Industries Limited#	71.98*	NA	102.19%*	17.90
Maxwell Industries Ltd	1.40	30.0	20.7%	11.90

Source: Capital Markets Volume XXI/24, January 29-February 11, 2007

*# Figures are as on September 30, 2006 * Annualised*

6. The face value of our Equity Shares is Rs.10/- per Equity Share and the Offer Price of Rs. 360/- is 36 times of the face value of our Equity Shares. The final price would be determined on the basis of the demand from the investors.

7. The Book Running Lead Manager believes that the Offer Price of Rs. 360/- per Equity Share is justified in view of the above qualitative and quantitative parameters. The investors may also want to peruse the risk factors and our financials as set out in the Auditors Report in the Prospectus to have a more informed view about the investment proposition.

STATEMENT OF TAX BENEFITS

The Board of Directors
Page Industries Limited
Abbaiah Reddy Industrial Area, Jockey Campus
6/2 & 6/4, Hongasandra, Begur Hobli
Bangalore – 560 068

We hereby confirm that the enclosed annexure, prepared by the Company, states the possible tax benefits available to Page Industries Limited (formerly Page Apparel Manufacturing Private Limited), ('the Company') and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.

The benefits discussed in the Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws and the fact that the Company will not distinguish between the shares offered for subscription and the shares offered for sale by the selling shareholders, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force 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, where applicable have been/would be met.

For Haribhakti & Co.
Chartered Accountants

Sd/-

(Sunil B. Choudhary)
Partner
M.No.046379

Place:Mumbai

Date : 15th December, 2006

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE BENEFITS AVAILABLE TO PAGE INDUSTRIES LIMITED (FORMERLY KNOWN AS PAGE APPAREL MANUFACTURING PRIVATE LIMITED) AND ITS SHAREHOLDERS

I. BENEFITS AVAILABLE UNDER DIRECT TAXES:

1. UNDER THE INCOME TAX ACT, 1961 ('ACT')

A. Benefits available to the Company:

a) The Company will be entitled to claim depreciation at the prescribed rates on specified tangible and intangible assets under Section 32 of the Income Tax Act 1961.

Unabsorbed depreciation if any, for an Assessment Year can be carried forward and set off against any source of income in subsequent Assessment Year as per section 32 subject to the provisions of sub-section (2) of section 72 and sub-section (3) of Section 73 of the Act

b) Dividends (whether interim or final) declared, distributed or paid by the Company on or after April 1, 2003 are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act.

c) By virtue of Section 10(35) of the Income Tax Act, the following income shall be exempt in the hands of the Company.

(i) Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or

(ii) Income received in respect of units from the Administrator of the specified undertaking; or

(iii) Income received in respect of units from the specified company; Provided that this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a Mutual Fund, as the case may be.

For this purpose, (i) "Administrator" means the Administrator as referred to in Section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) "Specified Company" means a company as referred to in Section 2(h) of the said Act.

d) In terms of Section 10(38) of the Income Tax Act, any long-term capital gain arising to the Company from the transfer of a long-term capital asset being an equity share in a company or a unit of an equity oriented fund on or after 1st October 2004, where such transaction is chargeable to securities transaction tax, would not be liable to tax in the hands of the Company.

For this purpose, "equity-oriented fund" means-

(i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than fifty per cent of the total proceeds of such fund; and

(ii) Which has been set up under a scheme of a Mutual Fund specified under Section 10(23D) of the Income Tax Act.

e) Preliminary Expenditure:

As per Section 35D, the Company is eligible for deduction in respect of specified preliminary expenditure incurred by the Company in connection with extension of its industrial undertaking or in connection with setting up a new industrial unit for an amount equal to 1/5th of such expenses over 5 successive Assessment Years subject to conditions and limits specified in that section

f) Carry forward of business loss

Business losses if any, for any Assessment Year can be carried forward and set off against business profits for eight subsequent Assessment Years

g) MAT Credit

As per Section 115JAA(1A), the Company is eligible to claim credit for Minimum Alternate Tax ("MAT") paid for any Assessment Year commencing on or after April 1, 2006 against normal income tax payable in subsequent Assessment Years. MAT credit shall be allowed for any Assessment Year to the extent of difference between the tax computed as per the normal provisions of the Act for that Assessment Year and the MAT which would be payable for that Assessment Year. Such MAT credit will be available for set-off up to 5 years succeeding the Assessment Year in which the MAT credit initially arose

h) In terms of Section 111A of the Income Tax Act, any short term capital gain arising to the Company from the transfer of a short term capital asset being an Equity Share in a company or unit of an equity-oriented fund on or after 1st October 2004, where such transaction is chargeable to Securities Transaction Tax, would be subject to tax only @ 10 per cent (plus applicable surcharge and Education Cess)

i) As per the provisions of Section 54EC of the Act and subject to the conditions specified therein, capital gains arising to an assessee on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the bonds are transferred or converted into money.

B. <u>Benefits available to resident shareholders</u>

a) Under Section 10(32) of the Income Tax Act, any income of minor children clubbed in the total income of the parent under Section 64(1A) of the IT Act will be exempt from tax to the extent of Rs. 1,500 per minor child.

b) In accordance with Section 10(23D) of the Income Tax Act, all Mutual Funds registered under the Securities and Exchange Board of India Act or set up by public sector banks or a public financial institution or authorised by the Reserve Bank of India, subject to the conditions specified therein are eligible for exemption from income tax all their income, including income from investment in the shares of the Company.

c) Dividends exempt under Section 10(34) read with Section 115-O

Dividends (whether interim or final) declared, distributed or paid by the Company on or after April 1, 2003 are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act.

d) As per the provisions of Section 112(1)(b) of the Act, long-term capital gains would be subject to tax @ 20 per cent (plus applicable surcharge / educational cess). However, as per the proviso to Section 112(1) if the long term capital gains resulting on transfer of listed securities or units, calculated @ of 20 per cent with indexation benefit exceeds the gains computed at the rate of 10 per cent without indexation benefit, then such gains are chargeable to tax at a lower rate of 10 per cent (plus applicable surcharge / educational cess). For this purpose, Indexation Benefit would mean the substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

e) Long-term capital gains arising from transfer of a long-term capital asset, being an Equity Share in a Company is exempt from tax under Section 10 (38) of the Act, provided such a transaction is chargeable to Securities Transaction Tax.

f) In terms of Section 111A of the Income Tax Act, any short term capital gain arising from the transfer of a short term capital asset being an equity share in a company or unit of an equity oriented fund on or after 1st October 2004, where such transaction is chargeable to Securities Transaction Tax, would be subject to tax only @ of 10 per cent (plus applicable surcharge and Education Cess)

g) As per the provisions of Section 54EC of the Act and subject to the conditions specified therein, capital gains arising to an assessee on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the bonds are transferred or converted into money.

h) As per the provisions of Section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long-term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long-term capital gains in the year in which such residential house is transferred.

i) From 1st October 2004 onwards, Section 88E of the Act allows a rebate for an assessee, upon fulfilling certain conditions, where his total income includes any income which is chargeable under the head "Profits and gains of business or profession" arising from taxable securities transactions, of an amount equal to the securities transactions tax paid by him.

C. Benefits available to Non-Resident Indian shareholders

a) Income of a minor exempt up to certain limit

Under Section 10(32) of the Income Tax Act, any income of minor children clubbed in the total income of the parent under Section 64(1A) of the Income Tax Act will be exempt from tax to the extent of Rs.1, 500 per minor child.

b) Dividends exempt under Section 10(34)

Dividends (whether interim or final) declared, distributed or paid by the Company on or after April 1, 2003 are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act.

c) Capital gains tax - Options available under the Act

Where shares have been subscribed in convertible foreign exchange-Option of taxation under Chapter XII-A of the Act.

- Non-Resident Indians [as defined in Section 115C(e) of the Act], being shareholders of an Indian Company, have the option of being governed by the provisions of Chapter XII-A of the Act, which inter alia entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange.
- As per the provision of Section 115D read with Section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of an Indian company's shares will be subject to tax @ of 10 per cent (plus applicable surcharge), without indexation benefit.
- As per the provisions of Section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of, six months in any specified asset or savings certificates referred to in Section 10 (4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.
- Further, if the specified asset or savings certificates in which the investment has been made is transferred within a period of three year from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.
- As per the provisions of Section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their only source of income is income from investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- Under Section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
- As per the provisions of Section 115I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

d) Where the shares have been subscribed in Indian Rupees

As per the provisions of Section 112(1)(b) of the Act, long-term gains as computed above would be subject to tax @ of 20 percent (plus applicable surcharge). However, as per the proviso to Section 112 (1), if the long-term capital gains resulting on transfer of listed securities or units, calculated @ of 20 percent with indexation benefit exceeds the gains computed @ of 10 per cent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 per cent (plus applicable surcharge & Education cess).

e) Exemption of capital gain from income tax

- Long-term capital gains arising from transfer of a long-term capital asset, being an equity share in a company is exempt from tax under Section 10 (38) of the Act, provided such a transaction is chargeable to Securities Transaction Tax.
- As per the provisions of Section 54EC of the Act and subject to the conditions specified therein, capital gains arising to an assessee on transfer of a long-term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the bonds are transferred or converted into money.
- As per the provisions of Section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

  Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long-term capital gains in the year in which such residential house is transferred.

f) Provisions of the Act vis-à-vis provisions of the tax treaty

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident.

D. <u>Benefits available to other Non-residents</u>

a) Income of a minor exempt up to certain limit

Under Section 10(32) of the Income Tax Act, any income of minor children clubbed in the total income of the parent under Section 64(1A) of the Income Tax Act will be exempt from tax to the extent of Rs.1, 500 per minor child.

b) Dividends exempt under Section 10(34)

Dividends (whether interim or final) declared, distributed or paid by the Company on or after April 1, 2003 are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act.

c) Exemption of capital gains from Income tax

Long-term capital gains arising from transfer of a long-term capital asset, being an equity share in a company is exempt from tax under Section 10 (38) of the Act, provided such a transaction is chargeable to Securities Transaction Tax.

As per the provisions of Section 54EC of the Act and subject to the conditions specified therein, capital gains arising to an assessee on transfer of a long-term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the bonds are transferred or converted into money.

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d) Provisions of the Act vis-à-vis provisions of the tax treaty

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident.

E. <u>Benefits available to Foreign Institutional Investors ('FIIs')</u>

a) Taxability of capital gains

As per the provisions of Section 115AD of the Act, FIIs will be taxed on the capital gains income at the following rates:

Sr. No.	Nature of Income	Rate of Tax
1	Long-Term Capital Gain	10%
2	Short-Term Capital Gain	10%

The above tax rates would apply in cases where Securities Transaction Tax is paid. Short-term capital gains are taxed at 30%, provided such a transaction is not chargeable to Securities Transaction Tax.

The above tax rates would be increased by the applicable surcharge. The benefits of indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not available to a FII.

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident

b) Exemption of capital gain from Income tax

Long-term capital gains arising from transfer of a long-term capital asset, being an Equity Share in a Company is exempt from tax under Section 10 (38) of the Act, provided such a transaction is chargeable to Securities Transaction Tax.

As per the provisions of Section 54EC of the Act and subject to the conditions specified therein, capital gains arising to an assessee on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the bonds are transferred or converted into money.

F. <u>Benefits available to Mutual Funds</u>

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds setup by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India would be exempt from income tax, subject to the Conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

G. <u>Benefits available to Venture Capital Companies / Funds</u>

As per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Companies / Funds registered with the Securities and Exchange Board of India, would be exempt from income tax, subject to the conditions specified.

2. UNDER THE WEALTH TAX ACT, 1957

Shares in a company held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of Wealth Tax Act, 1957; hence Wealth Tax is not leviable on shares held in a company

3. UNDER THE GIFT TAX ACT, 1957

Gift of shares of the Company made on or after October 1, 1998 are not liable to Gift Tax.

Notes :

a) All the above benefits are as per the current tax law and will be available only to the sole/ first named holder in case the shares are held by joint holders

b) In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement (DTAA), if any, between India and the country in which the non-resident has fiscal domicile.

c) In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information presented in this section has been obtained from publicly available documents from various sources, industry websites/publications and company estimate. Industry websites/publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry, market and other data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company estimates, while believed by us to be reliable, have not been verified by any independent agencies.

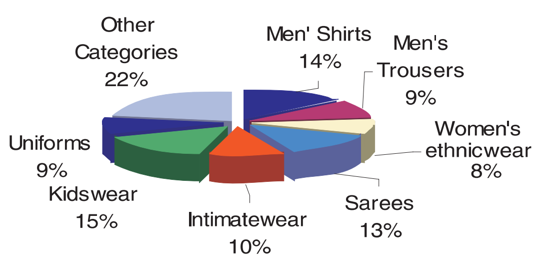
(Data used in this section has been sourced from - Images Business of Fashion, edition October 2006) , a Magazine published by Images Multimedia Pvt. Ltd.

The Indian apparel market, currently valued at Rs.883.4 billion, is likely to witness higher growth than what was normally anticipated till a couple of months back. Value growth, which was slightly subdued in 2004 (12.1 per cent as against 13.1 per cent during 2003), had accelerated to 13.6 per cent during 2005. In terms of volumes, the growth rate had increased from 4.2 per cent in 2003 to 4.3 per cent in 2004 and further accelerated to 4.7 per cent during 2005. Going by present indications, 2006 may witness about 15 per cent and 5 per cent and 5 per cent growth in value and volume terms respectively.

Mens wear has the lion’s share of the overall apparel market (36.9 per cent) in value terms followed by women’swear (32.1 percent) and kidswear. Growth, however, has been faster in the relatively less developed women’swear segment resulting in a steady decline in the market share of men’s segment (from 38.1 per cent in 2002 to 36.9 per cent in 2005) and a similar decline in the market share of kids’ segment (from16.2 per cent in 2002 to 14.8 per cent in 2005). This decline was more pronounced in 2005 as a result of a sharp increase in the market share of womenswear (from 31.7 per cent in 2004 to 32.1 per cent in 2005) and uniforms (from 8.2 per cent to 8.7 per cent).

The innerwear market in India, as per the IMAGES-KSA Technopak India apparel Report 2006, is estimated at Rs.88 billion, constituting 10 per cent share of the Indian apparel market. Underwear and lingerie (Rs.60 billion) comprise more than 68 per cent of this innerwear market.

India Apparel Market 2005 : Share of major categories (in value terms)



In volume terms innerwear accounts for 20.47 per cent of the total apparel sales in the country, though in value terms this translates to just 9.99 per cent of the market share.

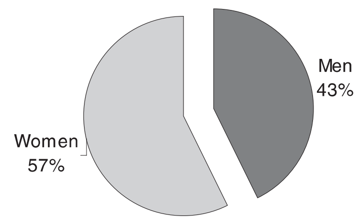
For the last three successive years, volume growth in innerwear has remained higher than industry average: in 2003, the growth was 5.4 per cent as compared to 4.2 per cent in apparel and two year later in 2005 the growth rate remains constant at 5.4 per cent as against 4.7 per cent in apparel as a whole. Value appreciation has also been consistent and faster than the industry average. In 2003 the apparel market appreciated @ of 13.1 per cent while the innerwear market grew 12.9 per cent. But while the industry growth dipped to 12.1 per cent in 2004, value appreciation in innerwear soared @ of 13.2 per cent and continued the trend through to 14.2 per cent in 2005, again higher than the industry growth of 13.6 per cent.

The innerwear market has thus been experiencing tremendous value addition and this demonstrates that the organized branded segment is fast increasing its share in the innerwear segment and also in the overall apparel market.

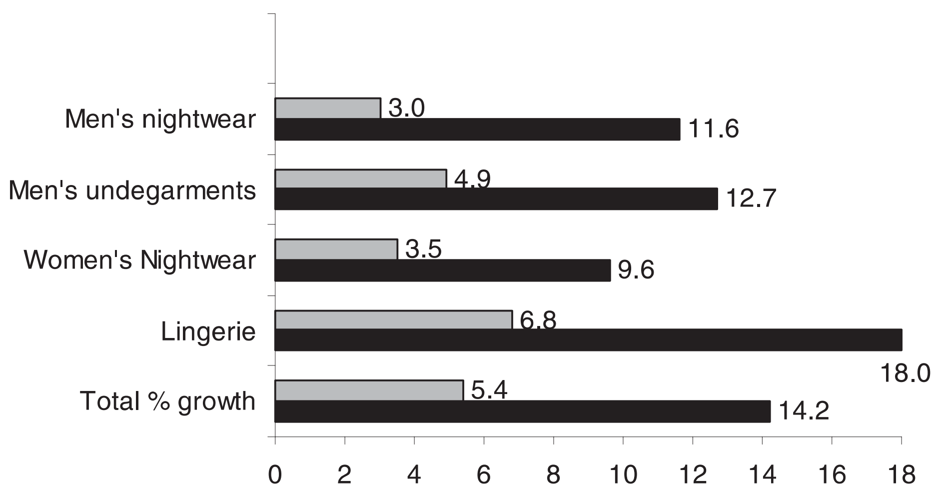
Of all the common apparel categories, innerwear is one where the women’s segment dominates the market, contributing 59 per cent in value terms as compared to 41 per cent market share to the men’s segment. But there is a rather dismal side of the picture too - hardly 10 per cent of women’s innerwear comes from the branded/organised sector whereas about 65 per cent of men’s comes from the orgainsed sector. On the whole, just about one-thirds of the domestic innerwear market is organised / branded - leaving plenty of room to be explored by brands in the women’s segment

Lingerie recorded the highest volumes (6.8 per cent) and value (18 per cent) growth in 2005. The corresponding growth on men’s undergarments was 4.9 per cent and 12.7 per cent respectively.

Innerwear market share 2005 (in value terms)



Innerwear market growth in 2005



Growth in innnerwear market (all figures as % annual growth)

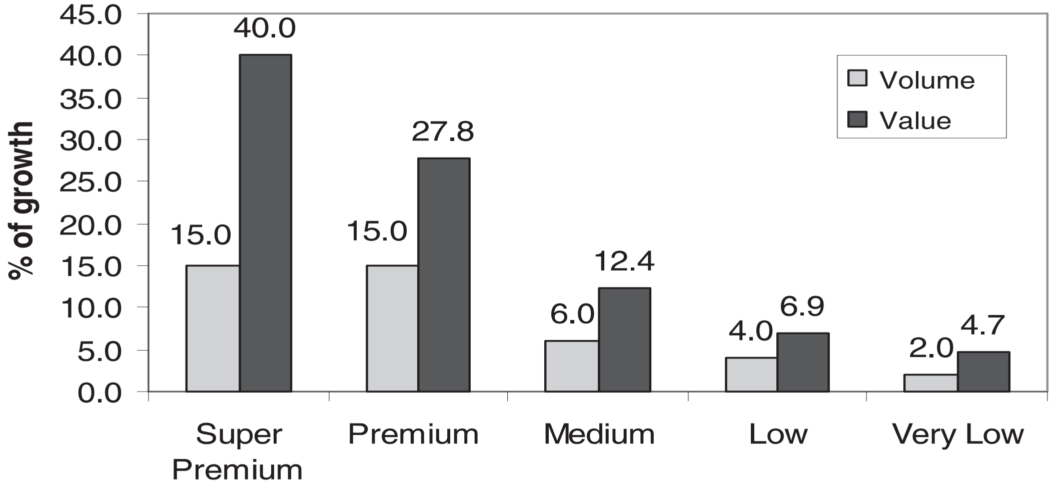
Year	2003		2004		2005	
Category	**Volume**	**Value**	**Volume**	**Value**	**Volume**	**Value**
Men’s nightwear (including kurta-pyjama)	1.8	10.5	1.8	11.7	3.0	11.6
Men’s undergarments	4.2	9.9	4.3	10.1	4.9	12.7
Women’s nightwear	3.4	10.8	3.4	10.2	3.5	9.6
Lingerie	7.1	16.8	7.2	17.1	6.8	18.0
Total	**5.1**	**12.9**	**5.2**	**13.2**	**5.4**	**14.2**

Men’s innerwear have witnessed remarkable changes over the past few years with more and more consumers opting for hosiery underwear as against tailor-made woven innerwear.

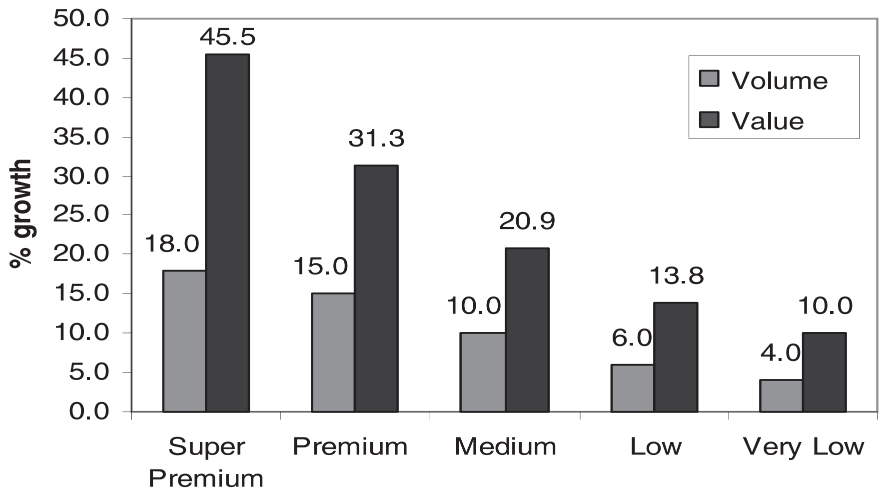
The men’s innerwear market is poised for significant growth, especially in the medium to super premium ranges. Both the super premium and premium ranges recorded 15 per cent growth in volumes in 2005. While the value appreciation was as high as 40 per cent in the former, it was nearly 28 per cent in the premium range. The medium ranges too recorded impressive growth in volumes and value.

Growth in 2005

Men's innerwear



Women's innerwear (Lingerie)



Women's Innerwear

The Rs.28.37 billion women's apparel segment constitutes 32.1 per cent share of the Indian apparel market in value terms. In volume terms, the market share of womenswear is one per cent higher than that of men'swear but in value terms its share is five per cent lower because branded segment in womenswear was practically non-existent till a few years back. Today it is fastest growing segment. During 2005, volumes grew 5.5 per cent while value appreciation was a high 15 per cent.

In the innerwear segment, the over 45 per cent value appreciation in the super premium segment, more than 31 per cent in the premium, and nearly 21 per cent in the medium segment - demonstrates the scope that the lingerie category offers in the market place. A lot many national brands have entered this category and are gearing up to face the competition from global players. There is also a 13.8 per cent value appreciation at the low end, and 10 per cent at the very low mass range.

Most of the lingerie brands have also come up with nightwear offerings whereby the premium ranges have shown value appreciation of 50 to 88 per cent against increase of 12 to 16 per cent in volumes during 2005. Growth was impressive even in the mass to medium ranges.

OUR BUSINESS

Overview

Our company was set up in the year 1995 with the key objective of bringing the innerwear brand “JOCKEY” to India.

Our promoters had been associated with Jockey International Inc. for 46 Years as their sole licensee in Philippines. Because of the immensely successful relationship with our promoters, when Jockey International Inc., decided to tap the Indian market, they proposed that our promoters take up the India license and set up operations in the country catering to the markets in India, Bangladesh, Nepal and Sri Lanka.

The core values of the brand include youthfulness, fun, quality, value, confidence and innovation. Jockey, has not just pioneered the underwear industry but has continued to influence worldwide markets for over 130 years. Its success has stemmed from revolutionary Jockey inventions, such as the world’s first ever brief in 1934, the bikini brief, the string bikini, box packaging and a host of underwear fashion and fabric innovations.

In the early 1990s, when globalisation was just unfolding in India, innerwear was a low involvement category for consumers. There was no organized international quality innerwear brand retailed in India. Further to this there was a void in the market for quality premium innerwear.

We identified this need and introduced a wide range of quality products for men, women and children as well as innovative marketing concepts such as display modules aimed at enhancing the consumer’s involvement with the purchase.

Our company commenced operations in the year 1995 in Bangalore with the manufacturing, distribution and marketing of Jockey products. We have over the last 11 years grown from 3 factories to 8 factories and 249 employees to over 3300 employees (as on November 30,2006) and have also achieved recognition amongst innerwear brands in India. We also have the distinction of being the only innerwear brand in the country which has been awarded the “Superbrand” status.The “Superbrand” is accredited by Superbrand Organisation which is an independent arbiter on branding.

The existing manufacturing facilities are loacated at Abbaiah Reddy Industrial Area, Jockey Campus, 6/2 & 6/4 Hongasandra, Begur Hobli, Bangalore 560 068. We propose to expand our existing manufacturing facilities and set up new manufacturing facilities at 13, Bommasandra Industrial Area, Bangalore. Various machines and technology employeed in our procees are:

Sewing Machines:

Types of Machines: Lock-stitch, Flat lock hemming & gartering, Chain-Stitch, Over-lock, Zig Zag, FOA Flat Seamer, Embroidery, Bar Tack, Pattern Tacking, Button Stitch, Button Hole, Seamless Waist Band, Piping, Gartering, Hemming, Multi needle waistband chain stitch & taping. Sock Knitting Machines (Lonati).

Support Machines

Bias Cutting (Pisani), Straight Knife & Band Knife Cutting Machines (Eastman), Pocket Creasing (Ngaishing), CAD/CAM Pattern Design & Lay Marker (Gerber & Tukatech), Vacuum Tables & Steam Irons, Stain Removers, Heat Transfer Press (Impress), Air Compressors (Ingersoll-Rand) & Full-power back up generators

Technology

- Customised ERP System
- Pattern/Marker CAD System
- Fabric/Garment CAD System

From 800 stores in 1996, our products are now being sold in over 14,000 stores in over 1100 cities and towns spanning the entire length and breadth of the country. Our revenue has grown from Rs.71.1 million in FY1997 to Rs. 1011.9 million in FY 06.

Our Company was awarded the best licensee of the year award in the year 2005 as recognition of our contribution in establishing and strengthening the Jockey brand in India. In a recent communication from Jockey International Inc., chairperson and owner Ms. Debra Waller has acknowledged the long-term relationship with our promoters since 1959 and has applauded the efforts of our Company and promoters in taking the Jockey brand to new heights in India.

Our Goals

- To become the largest and most respected Indian manufacturer of quality innerwear by carrying forward the group’s unremitting legacy of excellence and quality.
- To take full advantage of our strengths and core comptencies in order to attain undisputed leadership in the Indian innerwear industry.

- To further strengthen and enhance the lifestyle imagery and the aspirational positioning of the brand.
- Continue to aggressively invest in innovation in the manufacturing processes, products, packaging and marketing aimed at offering the best brand experience to our consumers.
- To continue to be guided by our five core values – integrity, people emphasis, innovation, customer focus and quality
- To achieve and maintain high standards of investor relations, corporate governance and work place practices.

Our Competitive Strengths

We believe that the following are our principal competitive strengths, which differentiate us from other players in the industry.

Globally successful brand with lineage

Jockey is a 130 years old brand with presence world over. Jockey’s core value of innovation has led to strategies that have given the brand international success. Across all markets Jockey has a singular positioning of comfort. Jockey’s international success is a derivative of its consumer centric strategies and commitment to quality and value. Jockey’s culture of collaboration across over 43 licensees and associates around the globe ensures a gamut of international learning and experience sharing with us.

Superbrand status- revalidation of high brand equity

We are the only brand in innerwear market in India to be awarded the Superbrand status. This is a testimony of the consumer trust and respect for our brand. The “Superbrand” is accredited by Superbrand Organisation which is an independent arbiter on branding.

Over four decades of business experience by our promoters

Our promoters have been associated with Jockey since the last 46 years as their sole licensee in Philippines. The promoters have experience of not only being one of the flag bearers of the Jockey brand but also understand the nuances of the innerwear market in Asia and rest of the world.

Excellent Consumer connectivity and loyalty

Jockey enjoys high consumer loyalty. Our commitment to quality and honest brand disposition has enabled the brand to be emotionally connected with our consumers. We have top of the mind recall amongst our target segment. To our consumer Jockey represents quality and comfort.

Satisfied consumers across the market continuum

Jockey’s products besides being of international quality are value priced to ensure a wider consumer base. Our pricing strategy is aimed at offering the elements of “value”, “ownership pride” and “the best in comfort” to our consumers. This strategy ensures a wide spectrum of consumers for Jockey across several socio-economic classifications.

Product Innovation

Jockey invests resources in understanding the consumer behavior and formulates strategies aimed at fulfilling the evolving and ever expanding consumer need of comfort. We are driven by the value of RoO (Return on Opportunities) wherein we evaluate the evolving opportunities and plan to maximise the returns on these opportunities. Emanating from this value is continuous innovation in our products ensuring newness in styles, fashion and fabrics aimed at keeping the product portfolio fresh and in tune with the international trends.

Distribution

Our sophistication of the distribution channel is one of our key strengths. Jockey is retailed through 144 distributors in India. These distributors are segmented geographically and also on the basis of the product range (Men innerwear, Women innerwear and leisurewear being the key segments). Our distributors cater to over 14,000 retail outlets spread across 5 formats:

- Chain stores (large format stores)
- Multi Brand Outlets (MBOs)
- Hosiery stores
- Multi purpose stores
- Exclusive Jockey Brand Outlets (EBOs)

Innerwear in India is largely sold through the hosiery outlets and small multi purpose stores. However, we have a significant and a strong presence in MBO and Chain Stores. We have implemented strategies aimed at garnering significant retail space in these retail segments.

Corporate culture

Democratic and partnership oriented corporate culture is the driving force of our success. We are driven by the culture of trust and freedom of thought with our employees. With business associates we work as partners in growth and believe in incorporating Jockey International Inc.'s 'best practices' of operations.

As a recognition of our corporate 'best practices', we are certified by the USA based WRAP (World Wide Responsible Apparel Production). WRAP is awarded to companies who adhere to the principles covering Labour & Human Relations and applicable local laws pertaining to Industrial Production.

Strong Management Team and Motivated and Efficient Work Force.

Our Company is managed by a team of experienced and professional managers exclusively focused on different aspects of the innerwear industry including design, merchandising, manufacturing, sourcing, marketing, quality control and finance. Our promoters and management have substantial experience in the garment/innerwear industry. We have also successfully built a second layer of key executives who are capable of creating and facing the challenges of growth within our Company. Our Company's human resource policy revolves around a commitment to create an organisation that nurtures talents and motivate and empowers its work force.

Integrated inhouse operations from "cut-to-pack"

We have a manufacturing set up across 8 adjacent factories in a single location engaged in the totally integrated garmenting processes from cutting of the fabric to the packing of the finished product.

The integrated in-house manufacturing capability ensures achieving high levels of manufacturing efficiencies and flexibity besides the competitive advantage of "speed to market".Our quality assuarance systems are implemented with almost zero defect philosophy.

Research and Deveoplement back-up from across the Jockey fraternity

Our corporate value of innovation is a derivative of excellent Research & Development culture. We have access to pool of research and know-how in the innerwear industry across the globe through Jockey International Inc. and its 40 licensees and associates.

Quality assurance system

We follow stringent norms of quality assuarance at various levels of manufacturing through 100% in-line quality checks after every process.This is followed by a 100% in-line quality check on all products before packing and transfer to the finished goods warehouse. In addition, an independent final audit is conducted with an AQL of 2.5 for workmanship and an AQL of 0.25 for label & packaging. With an in-house quality assurance team that reports directly to the Managing Director and behaves as external quality auditors, there are stringent procedures in place at all stages of production, with an emphasis on preventing defects.

Partnering with vendors ensuring excellent supply chain

In our supply chain we have dedicated vendors at every stage. These vendors are the best in their respective fields. Right from the spinning mills, the knitters, the dyers and the accessory suppliers we work closely with our vendors ensuring that the benefit of latest in raw material technology and research accrues to our products.

OUR STRATEGY

Expansion of the existing range of products through innovation

Men's Innerwear - Our product range in the Men's innerwear category falls in the middle to premium price band. We intend to expand our product portfolio into the Super premium category. Our products in this category will use innovative fabric and constructions employing latest technologies.

Since Jockey has strong emotional connect with the young consumer, our fashion forward and aspirational imagery shall be strengthened with the augmentation of fashion innerwear range.

Women's Innerwear - We aim to capitalize on our strong presence in the women lowers category, by widening of our product portfolio through the Jockey women's uppers range. We aim to strengthen the brand presence in the women's uppers business and exploit the untapped potential in this category.

We aim to carry forward the culture of offering innovative products to our women consumers. We shall be further strengthening our presence in the super premium segment of the women's innerwear.

Leisurewear / Sportswear -We shall be expanding our range and our retail presence in the leisure wear category in tune with our brand's essence and positioning. Our leisurewear/ sportswear range presently has T shirts, knit shorts, Gymwear, sports and dress socks. "Jockey Relax" shall be extended into sleepwear and loungewear.

Accelerating the Brand Building efforts

Jockey is positioned as an aspirational brand. Our strategies are aimed at establishing Jockey as a lifestyle brand. Achieving the lifestyle positioning is a 360 degree marketing initiative. Our products in the leisure wear segment, our brand essence projected by the EBOs and our lifestyle advertising shall be instrumental in establishing the desired positioning. We shall be employing all communication media for furthering our positioning initiative.

Renewed multi, pronged distribution strategy

We intend to strengthen and enhance our retail presence by expanding the display space allotted to our products and also by renewing the display infrastructure and point of sale material in best retail outlets.

In addition to this we aim at accelerating the implementation of the 'retail initiative' called Jockey Comfort Zone (shop-in-shop) in the MBOs (Multi Brand Outlets) and Chain Stores.

We have strategized and implemented the Exclusive Brand Outlet model (EBOs). The retail opportunities coupled with the brands 'international and lifestyle' image is perfectly suited for the EBO model. Thus we plan to expand our EBO base.

Exploring the export initiative

With the production sophistication and discipline that we have we are currently working with Jockey International for development and possible supply of innovative innerwear products to Jockey International USA and other licensees.

Exploiting the unprecedented retail growth in India

The retail revolution that India is witnessing has various dimensions. One of the promising dimensions is of Value Retailing. Hypermarkets shall be one of the strong retail sub segments and we are well poised to exploit this opportunity. We shall be launching separate brands for the hypermarket retail formats. This strategy of launching a separate brand for the hypermarkets immunises us from any brand equity dilution possibility from brand JOCKEY perspective.

Invest in further strengthening the manufacturing infrastructure

We believe that we have managed growth on the back of our own infrastructure, which ensured quality and consistency. With our firm brand building and brand enhancing strategies we intend to expand and strengthen our manufacturing capabilities. We plan to increase production capacities by increasing the number of machines by setting up additional manufacturing facility, by converting the present single shift to two shifts and by automating the cutting department.

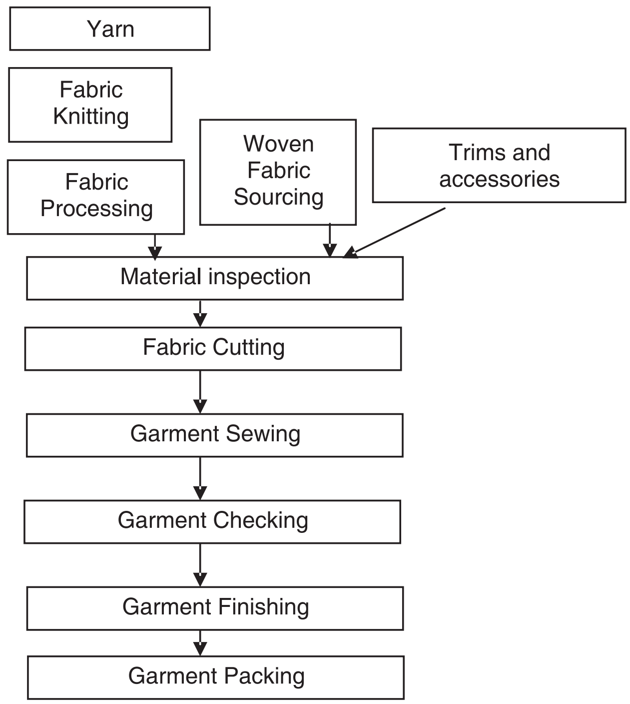
Our promise of delivering the quality product demands excellent skill of the workforce. In our endeavour to adopt and enhance the HR best practices, we plan to set up a training institute aimed at upgrading the skills of our existing and new employees.

Production Capacity and Utilisation

Year	2005-06	2004-05	2003-04
Garments			
Installed capacity (Nos in mn)	13.867	13.867	13.867
Production	17.820	12.890	11.430
Capacity Utilisation	128.50%	92.95%	82.42%
Socks			
Installed capacity (pairs in mn)	0.168	0.168	
Production	0.170	0.080	
Capacity Utilisation	101.19%	47.62%	
Garter			
Installed capacity (Meters in mn.)	0.75		
Production			
Capacity Utilisation			

MANUFACTURING PROCESS

Our manufacturing process as given in the flow chart below is supported by skilled manpower and reputed quality vendors for supply of yarn as well as dedicated fabric knitting and processing vendors.



PRODUCTION PROCESS

Fabric Knitting : From the specified quality yarn procured from our dedicated vendors, the fabric is then knit in factories in Bangalore and Tirupur by our select vendors. This is done under our close technical supervision. All our vendors are equipped with latest knitting technology.

The machine working parameters such as usage of specified consumables like Knitting Oil and Knitting Needles etc. and also the maintenance schedules for these vendors are guided by our technical team. This ensures the manufacture of superior basic fabric which in turn leads to the production of defect free finished fabric that offers least shrinkage and best texture.

Fabric Processing : Under the control of our technical team, the fabric is processed at our vendors. In order to maintain good quality rubbing fastness and light fastness, we use only the quality dyes and chemicals of international repute.

All our vendors are equipped with water treatment plants, effluent treatment plants and a good set-up of dyeing and finishing machines.

Fabric Inspection : Though the finished fabric is manufactured under our strict guidance, yet we physically check every inch of the fabric before it is transferred for cutting. This is done inorder to ensure that the best quality fabric is used in manufacturing our products.

Every Fabric lot is checked in our state of the art lab for:

- Density (Grams / M2)
- Shrinkage – Widthwise & Lengthwise
- Spirality
- Colour Fastness to washing
- Colour Fastness to Perspiration
- Rubbing Fastness
- Colour Fastness to Light

We maintain International Standards specified by BIS / ASTM / ISO. Only after rigorous testing, approved fabric is transferred for cutting.

Fabric Cutting :

- Approved Fabric is spread on the cutting table as per the cutting marker and is cut by straight knife cutting machines.
- Cutting marker is derived from computer aided design system, which provides most economical consumption and consistent/ accurate patterns.
- The cut parts of the garment are checked by a Q.A team for proper measurements.

Garment Sewing : As per the style, the cut fabric parts are assembled with the help of different types of specialized sewing machines such as Single Needle, Overlock, Flat Lock, Zig Zag, Flat Seamers, Pattern Tackers, Bartack, Feed of Arm, Elastic Attaching machines etc. After the various parts of the garment are assembled and it is complete, our labels are transferred to the garment. These labels are non itch and offer the best comfort.

Garment Checking : We have online checking (during production) at every operation by a skilled / experienced QA Team. After the total garment is assembled, the individual garment is once again subjected to through checking by a team of experienced checkers. These checkers are trained to identify various defects of garments and accordingly the garments are classified as 'A' Class; 'B' Class (Seconds with Minor defects); & C class (Seconds with Major defects).

Garment Finishing : After thorough checking of Garments, they are pressed / folded with requisite insert cards and poly bags.

Packing : As per the pre designated packing, singles / twins / three piece packs are prepared and thereafter 10s Box is prepared and same are transferred to warehouse for onward sales proceed.

Quality Audit: Before the goods are transferred to warehouse every Job order is subjected to Quality Audit as per AQL 2.5 standards carried out by an independent QA team.

RAW MATERIAL

Our major raw material is yarn and fabric. The yarn is sourced from reputed spinning mills by our team of technically qualified personnel. These spinning mills spin the yarn to our exact specification by dedicating a set of machines that work exclusively for us. Since the backbone of any garment is the fabric and the yarn from which it is made, immense care is taken in sourcing these raw materials.

In order to produce the yarn to our specifications, our vendors store the desired cotton for the whole season, thereby maintaining uniform quality of yarn without much variation.

Majority of our products are made of 100% Ring Spun combed cotton. However we use blended yarn for Thermalwear. For some of our specialty products we also use 100% combed cotton compact yarn, thereby giving the final product a very soft texture and great lustere. Most of our faric is knitted in 1x1 rib, 2x1 rib and single jersey knit.

ACCESSORIES

We use various accessories in our garments that may or may not be manufactured by us. The accessories that we use are:

- Elastic for Briefs / Trunks / Panties
- Leg Rubber
- Labels

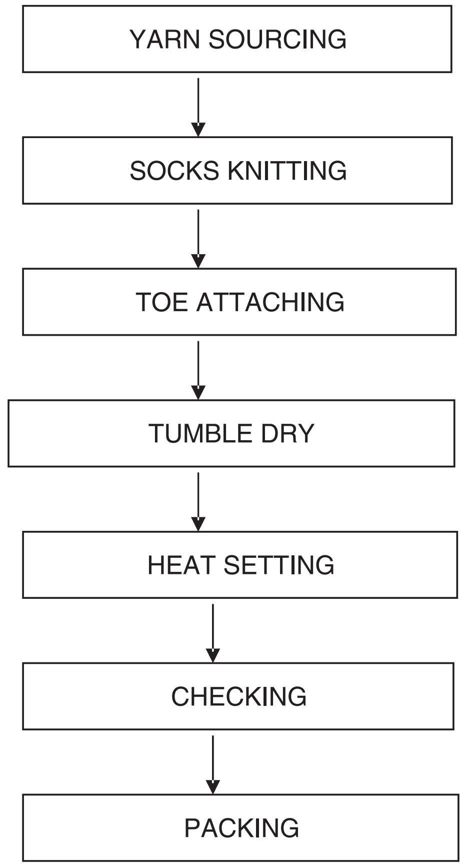
Elastics

We have a backward integration for manufacture of elastics. Different types / designs of elastics can be manufactured at our facility and the process involves the following:

- **Rubber Covering** : As per the requirement of texture / elasticity the elastane is covered with cotton /nylon / polyester.
- **Warping** : As per the requirement of width of the elastic and the design, the nylon / polyester yarns are assembled parallel to each other on a warp beam.
- **Needle Looms with computerised Jacquard** : Warp beams and rubber covered beams are fed to the loom creel. As per the requisite design the elastic is manufactured.
- **Finishing Machine** : After the Elastic is woven, same is heat set with certain chemical treatment to improve softness of the Elastic.

In addition, to the in-house manufacture, we also source our additional requirement from other elastic manufactures in India.

SOCKS MANUFACTURING PROCESS



Sourcing of Yarn : For Socks, we source specialised yarn such as Compact, Mercierised and Dyed. All the raw material is subjected to testing before they are used for our products.

Socks Knitting : We use the latest technology in manufacturing Sports and Dress socks as well as in the further process of toe attaching.

Tumble Dry : Every sock is pressed and Heat set on Automatic BOARDING Machine with preset temp and duration of Heat Setting.

Checking & Packing : Finally the individual socks is checked for total quality and packed in pairs.

GARMENTING :-

The Garmenting Facility is spread over 1,56,000 sq. ft. floor Area, accomodating:

- Raw Material (Yarn)
- Fabric Storage
- Accessory Storage
- Laboratory
- Fabric Inspection
- Cutting
- Computer Aided Design Room
- Garmenting
- Finishing
- Packing
- Warehouse & Offices

IT Infrastructure

Customised business operations software is the backbone of our IT infrastructure. All business functions are well networked within the organisation. Besides this we have an excellent workman efficiency and work-in-process (WIP) tracking system incorporating barcodes that travel with the products through out the production process.

Distribution

We operate through Distributors, who are selected based on their ability to promote the sales aggressively, financial ability to stock and make payment to us in time and the logistic to supply retailers under him. We offer mark-up to our distributors including cash discount. Besides the mark-up, we also offer incentives to Distributors for achieving Targets.

We have fixed MRP for all our products and the products are sold at the same MRP irrespective of the location. We use the following distribution channels:

- Chain stores
- Multi Brand outlets (MBOs)
- Hosiery stores
- Multi purpose stores
- Exclusive Brand Outlets (EBOs)

We have a sales force of 76 sales professionals across the country leading the brand's relationship with 144 distributors and over 14,000 retail stores. These sales professionals are the ambassadors of the brand and are stationed at all the key locations. This team of sales professionals is responsible for:

1. Ensuring the implementation of the sales and marketing systems and methodologies
2. Offering desired sales leadership to the distributors
3. Ensuring the exact implementation of brand's strategies regarding brand display and hygiene in the retail stores.
4. Ensuring optimal and efficient supplies of the merchandise to the retail outlets
5. Ensuring compliance of the financial systems between the company and the distributors and distributors and retailers.

Suppliers

In our supply chain we have dedicated vendors at every stage. These vendors are the best in their respective fields. Right from the spinning mills, the knitters, the dyers and the accessory suppliers we work closely with our vendors ensuring that the benefit of latest in raw material technology and research accrues to our products.

We work closely with our raw material suppliers. The spirit of partnership is paramount in the relationship. With the focus on quality, innovation and R & D, our suppliers have substantially contributed to our growth.

Our Product

Our product mix includes the following:

Innerwear for men	Inner Tees, Vest , Briefs, Trunks
Innerwear for Women.	Brassieres ,Panties, Crop Top / Sport Top, Camisole, Legging, Spagetti top
Socks	Dress, Casual & Sports
Thermalwear	Men and Women
Loungewear/ Relaxwear	Bermudas, Boxers , Jersey Pants
Casualwear	Round Neck 'T' Shirt, Polo Shirts

Collaboration

We have not entered into any technical, marketing or financial collaboration.

Utilities

Power - We meet our electricity requirement by purchasing power from Karnataka State Electricity Board. Our entire power requirement is backed with 750 KVA Capacity Diesel Generator Sets.

Water - Our requirement of water is bare minimum and is used only for drinking and sanitation.

Effluent / Enviornment compliance

There is no effluent generation in Garment Industry. However, we have installed sewage treatment plant for treating sanitary sewage.

We have obtained necessary clearance from Karnataka State Pollution Control Board. We are in compliance with applicable environmental Laws and Regulations:

Competition

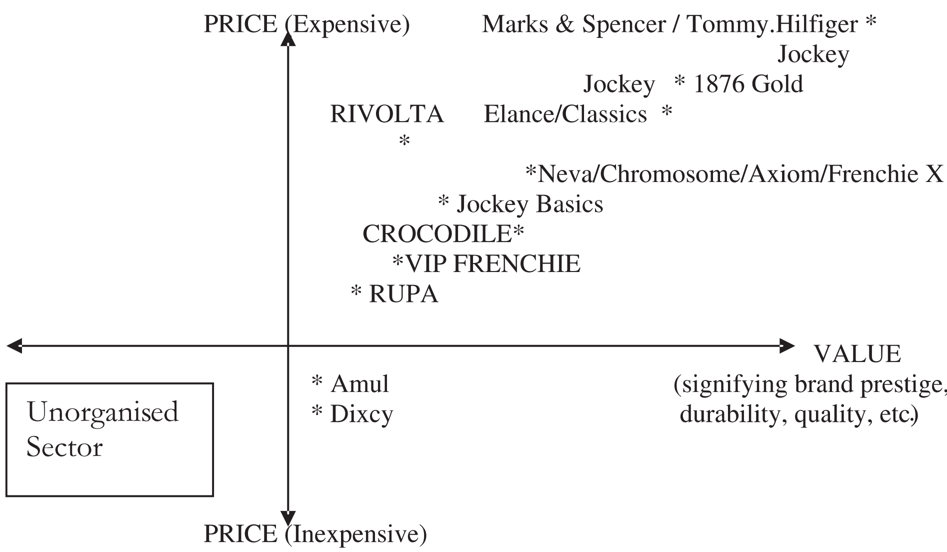
We face competition from all other Indian manufacturers of innerwear both in the organised and unorganised sectors. We also face competition from other foreign innerwear manufacturers across the globe who sell their products in India.

The Indian innerwear industry is very fragmented with a number of players mostly regional in reach and scope. This has been so because hosiery and cotton goods have for long been a reserve of small-scale enterprise with the various state governments giving sops to local units. However a host of players have over the years increased their market networks and have ambitions of being national players.

In the men innerwear category Jockey's presence is in the middle and the premium segment. This segment is approx Rs. 11.46 billion (SOURCE: IMAGES BUSINESS OF FASHION OCTOBER 06.VOL VII)

These 2 segments have witnessed growing competition primarily from following categories:

1. Indian innerwear brands primarily in the lower segment of the market, these brands have launched new ranges in the middle and premium segment
2. Indian apparel brands: these brands have launched innerwear ranges as the brand extensions.



Human Resource

The total number of employees on the roll of our Company as on November 30, 2006 was 3,395. The following table illustrates the departmentwise break-up of our employees.

Sr. No	Department	No. of Employees
1.	Management	9
2.	Sales and Marketing	91
3.	HRD and administration	88
4.	Production, Planning and control	6
5.	Raw material	86

Sr. No	Department	No. of Employees
6.	Finance	11
7.	Cutting section	260
8.	Sewing section	1808
9.	Socks knitting section	46
10.	Finishing section	610
11.	Quality Assurance and garment quality control	117
12.	Maintenance	25
13.	Production (Jockey For Her)	183
14.	Warehouse	55
	Total	**3395**

The garment manufacturing industry is a highly labour intensive. Well motivated workforce that performs up to its potential can make all the difference between a successful organization and one that aspires to be one of the leading garment manufacturers. The policies of our Company are transparent. Our Company focuses and continuously work for the health, safety and welfare of employees. All the manufacturing facilities are subject to compliance audit by "WRAP" on a regular basis. The policy of our Company is in conformity with the various labour welfare legislations in force. The policy addresses *inter alia*, joining formalities, working hours, leave policy and travel policy, wage policy, provident fund, gratuity, bonus and resignation.

Intellectual Property

We do not own any registered intellectual property and use the trademarks licensed to us by Jockey International Inc. under the terms of the Trade Mark License Agreement dated January 1, 2006 as amended on April 27, 2006.

Immovable Property details

Our Company is in possession of the following immovable properties

S.No	Particulars of Property	Nature of Interest
1.	Immovable property extending to 11,799 sq.mtr at Plot No.13 A of Bommasandra Industrial Area, situated at S.No.270 of Bommasandra village, Atiibele Bobli, Anekal Taluk, Bangalore District. The said property was purchased by way of a registered sale deed dated July 19, 2004 from M/s Shemold Castings Karntaka Private Limited having its office at Plot No.13 -A, Bommasnadra Industrial Area, Hosur Road, Bangalore - 58.	Freehold
2.	Unit Nos. 10, 11, 209 and 211in the Great Eastern Galleria Premises Co-operative Society Limited at Plot No.20, Sector 4, Nerul, Navi Mumbai 400 706, Dist Thane.	Freehold
3.	Industrial property measuring around 14,402 sq. ft. of Ground Floor, 1st Floor and partly covered terrace including 99 HP Power situated at 6/2 & 6/4, Hongasandra Village, Begur Hobli, Bangalore.	Leasehold
4.	Industrial property measuring around 11,000 sq. ft. of Ground Floor including 250 KVA Power shared with C Block and around 6,400 Sq. Ft., of 1st Floor, situated at 6/2 & 6/4, Hongasandra Village, Begur Hobli, Bangalore.	Leasehold
5.	Industrial property measuring around 11,000 sq. ft. of Ground Floor including 250 KVA Power shared with C1 Block and around 6,400 Sq. Ft., of 1st Floor, situated at 6/2 & 6/4, Hongasandra Village, Begur Hobli, Bangalore.	Leasehold
6	Industrial property measuring around 14,000 sq. ft. of Ground Floor and 1st Floor including 450 KVA Power shared with D and D2 Blocks situated at 6/2 & 6/4, Hongasandra Village, Begur Hobli, Bangalore.	Leasehold
7.	Industrial property measuring around 27,410 sq. ft. of Ground Floor, 1st Floor and 2nd Floor including 250 KVA Power shared with D and D1 Blocks situated at 6/2 & 6/4, Hongasandra Village, Begur Hobli, Bangalore.	Leasehold

S.No	Particulars of Property	Nature of Interest
8.	Industrial property measuring around 11,000 sq. ft. of Ground Floor and around 7,900 Sq. Ft., of 1st Floor including 450 KVA power shared with D1 and D2 Blocks, situated at 6/2 & 6/4, Hongasandra Village, Begur Hobli, Bangalore.	Leasehold
9.	Industrial property measuring around 14,501 sq. ft. of Ground Floor and 1st Floor including 99 HP Power situated at 6/2 & 6/4, Hongasandra Village, Begur Hobli, Bangalore.	Leasehold
10.	Building consisting of 3,000 sq.ft at premises bearing No.87/4, Katha No. 266, Viratnagar, Begur Road, Bommanahalli, Bangalore 560 068.	Leasehold
11.	Immovable properties situated at No. 543/6, Survey no. 62/1, Katha no.442 Devarachikkanahalli Road, Bommanahalli.	Leasehold
12.	Building situated at Survey no. 63/5, Bommanahalli village, Begur Hobli, Bangalore South Taluk.	Leasehold

The three leased immovable properties situated at 87/4-Katha No. 266, Viratnagar, Begur Road, Bommanahalli, 543/6, Survey no. 62/1, Katha no.442 Devarachikkanahalli Road, Bommanahalli and Survey no. 63/5, Bommanahalli village, Begur Hobli, Bangalore South Taluk have not been registered in accordance with the provisions of the Registration Act, 1908 and are insufficiently stamped. Consequently, we may not be able to effectively enforce our rights in respect of the said leased premises.

We have entered into four Construction Agreements all dated June 27, 2006 with M/s Prestige Estates Projects Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at "Falcon House", No.1, Main Guard Cross Raod, Bangalore - 560 001, in respect of construction of residential apartment Nos. 12085, 12086, 12095 and 12096 at Prestige Shanthiniketan, Survey Nos. 70, 71, 72, 73, 74/1, 74/2 and 77 of Sadramangala Village and Survey No.130 of Hoodi Village, Krishnarajaouram Hobli, Bangalore South Taluk.

The builder has undertaken under the construction agreements to complete the construction of above property within 36 months from July 1, 2005 with a grace time of an additional 3 months.

We have also entered into 4 Agreements to Sell with respect to the properties mentioned above with M/s Prestige Estates Projects Private Limited and M/s Chaitanya Properties Private Limited, a company incorporated under the Companies Act, 1956 having its Registered Office at the "Shantiniketan", Whitefiled Road, Mahadevapura P.O, Bangalore - 560 048.

As on December 10, 2006 an amount of Rs. 11.25 million has been paid to the builders and an amount of Rs. 5.95 million before taking possession, as per the schedule provided in the aforesaid agreements.

Upon the completion of the construction, execution of the sale deed and registration of the same, our Company shall become the absolute owner of the abovementioned premises.

Our Company does not propose to utilise the proceeds of the Offer towards payment of outstanding consideration to the builders and the vendors.

Insurance details

We have insured all moveable and immovable properties of our Company including all stocks, factory premises, plant and machinery. We have also availed of a Loss of Profit Policy. In addition to the same, we also have taken out burglary insurance in respect of our fabrics, Standard Fire and Special Perils Policy for Stocks, buildings, machinery and electrical installations in all our factories and offices.

Various insurance policies obtained by us are in usual course of our business and are currently valid and in force.

REGULATIONS AND POLICIES

Over the past five years, the Indian government has initiated the process of liberalisation of regulatory controls of the Indian textile sector. Some of the important initiatives taken by the Indian Government in the textile sector are as follows:

1. 51% Foreign Direct Investment in "Single Brand" Retail Outlets:

Prior to 1997, there was no specific regulation restricting Foreign Direct Investment (FDI) in the retailing sector. In 1997, it was decided that FDI would not be allowed for mere trading as it would lead to the outflow of foreign exchange, drive out the domestic unorganised retailers from business and increase unemployment.

The Indian Government has recently decided to allow foreign direct investment (FDI) up to 51% in the retail trade of "single brands products" with prior Government approval. This will allow global players an easier access to the Indian markets. However, retailing of multiple brands has not been allowed under this new relaxation, even if such multiple brands are produced by the same manufacturer.

The relaxation in FDI norms for the retail sector will facilitate our Company to raise funds in future via the FDI route to establish different retail outlets exclusively for its different brands. This may further augment the prospects of our Company.

2. 100% Foreign Direct Investment in the Textile Sector:

The Indian Government has allowed foreign equity participation 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" as also export trading through the automatic route, without seeking prior Government approval.

3. Announcement of New Textile Policy:

One of the main objectives of the New Textile Policy (NTxP 2000) announced in November, 2000 is to facilitate the Indian textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. The policy endeavours to achieve the target of textile and apparel exports to US$ 50 billion by 2010, of which the share of garments will be US$ 25 billion.

The salient features of the NTxP 2000 are:

- To assist the private sector to set up specialised financial arrangements to fund the diverse needs of the textile industry.
- To encourage the private sector to set up world class, environment-friendly, integrated textile complexes and textile processing units in different parts of India.
- To de-reserve the garment industry from the Small-Scale Industry sector.
- To implement vigorously, in a time bound manner, the Technology Upgradation Fund Scheme (TUFS) covering all manufacturing segments of the industry.
- To review and revitalise the working of the TRAs (Textile Research Associations) to focus research on industry needs
- To transform and professionalise all field organisations under the Ministry of Textiles to enable them to play the role of facilitators of change and growth.

In furtherance of the NTxP objectives, the strategic thrust by the Indian Government will be on technological upgradation; enhancement of productivity; quality consciousness; strengthening of the raw material base; product diversification; increase in exports and innovative marketing strategies; financing arrangements; maximising employment opportunities and integrated Human Resource Development.

Subsequent to the announcement of NTxP 2000, readymade garments, hosiery and knitwear have been de-reserved from the SSI sector. Since our Company primarily operates in the readymade garment sector and proposes to expand in the knitwear sector, these policy initiatives will prove to be beneficial for our Company's growth and development.

Certain sector specific initiatives envisaged under the NTP-2000 are set forth below:

(a) Raw Materials

The NTP-2000 aims at improving the availability, productivity and quality of raw materials at reasonable prices for the industry. Although cotton is expected to continue to be the dominant fibre, NTP-2000 seeks to give special attention to creating a balance between cotton and non-cotton fibres, in keeping with international levels.

(b) Clothing

The woven segment of the readymade garment sector has been moved out of the small scale industries' reservation list. Further, joint ventures and strategic alliances with leading world manufacturers and schemes with necessary infrastructural facilities for the establishment of textile/apparel parks is sought to be encouraged.

(c) Spinning Sector

The NTP-2000 aims at continuing efforts to modernise and upgrade technology in the spinning sector and encouraging export of cotton yarn.

(d) Handloom Industry

The NTP-2000 states that the Government of India will continue to accord priority to the handloom sector. The NTP-2000 sets forth, *inter alia*, the following measures in this regard:

- o Developing training modules for weavers engaged in the production of low value added items with the objective of upgrading their skills to enable them to find alternate employment in the textile or other allied sectors;
- o Implementing comprehensive welfare measures in close cooperation with state governments, for better working environment and social security of weavers; and
- o Providing effective support systems in research and development, design inputs and skill upgradation.

(e) Knitting

The NTP-2000 states that the knitwear sector would be removed from the small scale industries' reservation list. The knitwear sector has been subsequently removed from this list pursuant to a notification dated March 28, 2005.

4. Technology Upgradation Fund Scheme:

In view of the urgent need for stepping up the process of modernisation and technology upgradation of the textile industry in India, Ministry of Textiles launched a Technology Upgradation Fund Scheme ("TUFS") for the textile and jute industry for a five years time frame w.e.f. 1st April 1999 to 31st March 2004, providing for 5% interest reimbursement in respect of loans availed under the Scheme from the concerned financial institutions for investment-benchmarked technology for the sectors of the Indian textile industries specified by the Government. Operation of this scheme has been further extended up to March 31, 2007. TUFS is intended to be a focal point for modernization efforts through technology upgradation in the Indian textiles industry and has an objective of making available adequate capital from banks and financial institutions for modernisation at internationally comparable rate of interest.

With effect from January 1, 2002 an option was provided to small scale textile and jute industries to avail of either 12% (increased to 15% w.e.f. January 13,2005) Credit Linked Capital Subsidy (CLCS-TUFS) or 5% interest reimbursement. An additional option has also been provided to the powerloom units to avail 20% capital subsidy in lieu of 5% interest reimbursement or 15% CLCS-TUFS in certain cases.

Investments in assets other than plant and machinery which are eligible to be included under TUFS at concessional interest rates are land and building, effluent treatment plant, water treatment plant, captive power generation, energy saving device, preliminary and pre-operative expenses, margin money for working capital, contingency upto 5% of the plant and machinery subject to the aggregate value not normally exceeding 25% of the total investment in plant and machinery.

Marginal increase over 25% will be permitted. Loans against investments above this limit will attract normal lending rates. For the speedy modernization of the textile processing sector, the Government of India has introduced a Credit-Linked Capital Subsidy Scheme from 20th April 2005 at the rate of 10% under TUFS, in addition to the existing 5% interest reimbursement.

5. Export Incentives

The following export incentives of the Government of India are applicable to our Company.

(i) *Export Promotion Capital Goods (EPCG) Scheme*

The EPCG Scheme facilitates import of capital goods at 5% concessional rate of duty with export obligation equivalent to 8 *times* of duty saved on capital goods imported under the Scheme to be fulfilled over a period of 8 years reckoned from the date of issuance of licence.

(ii) Advance Licensing Scheme

The Advance License Scheme allows our Company to duty-free import of raw materials that are incorporated in its exported products. Standard input-output norms for about 300 textiles and clothing export products have been prescribed by the Indian Government.

(iii) Duty Entitlement Pass Book (DEPB) Scheme

Under the DEPB scheme, our Company is entitled to apply for a credit, as a specified percentage of FOB value of its exports. DEPB credit rates have been prescribed for textiles and clothing products. The nomenclature and rates for DEPB entries pertaining to certain textile products have been rationalised.

(iv) Duty Drawback Scheme

Under the Duty Drawback Scheme, our Company would be entitled to a refund of the excise and import duty incurred on raw materials.

6. Human Resource Development

The Indian Government has promoted the training of fashion professionals for the Indian textile sector. The National Institute of Fashion Technology (NIFT) which provides training to fashion designers and fashion technologists has seven branches at Delhi, Mumbai, Kolkata, Hyderabad, Bangalore, Chennai and Gandhinagar. The Ministry of Textiles has established a Nodal Centre for Upgradation of Textile Education at the Indian Institute of Technology, Delhi with funding from the Ministry of Textiles. The NIFT and the Apparel Training & Design Centres (ATDCs) are running various courses/ programmes to meet the skilled manpower requirements of the textile industry, especially apparel, in the field of design, merchandising and marketing.

7. Construction of Apparel International Mart

The Apparel Export Promotion Council is constructing an Apparel International Mart at Gurgaon with assistance from the Indian Government. This will provide a world class facility to our Company and other apparel exporters to showcase their products and will serve as one stop shop for reputed international buyers.

8. Setting up of Modern Laboratories

The Ministry of Textiles has assisted the Textile Committee in setting up of modern textile laboratories to ensure that the textiles exported from India meet all international environmental standards. Our Company can avail of facilities like ecotesting laboratories, which have been established to enable exporters to get garments/textiles pre-tested so that they conform to the requirements of the importing countries.

9. Apparel Park for Exports Scheme (APES)

A centrally sponsored scheme titled “Apparel Parks for Exports Scheme” was launched to impart focussed thrust on setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports. Since the inception of the scheme in March 2002, eleven project proposals has been sanctioned for setting up Apparel Parks at Tronica City & Kanpur (U.P.), Surat (Gujarat), Thiruvananthapuram (Kerala), Visakhapatnam (Andhra Pradesh), Ludhiana (Punjab), Bangalore (Karnataka), Tirupur & Kanchipuram (Tamil Nadu), SEZ, Indore (Madhya Pradesh) and Mahal (Jaipur, Rajasthan).

10. Textile Centres Infrastructure Development Scheme (TCIDS):

Development of infrastructure facilities at predominantly textile/apparel sector areas is one of the thrust areas of NTxP 2000. For attaining this objective, the Textile Centres Infrastructure Development Scheme (TCIDS) was launched for upgrading infrastructure facilities at important textile centres.

11. Scheme for Integrated Textile Parks (SITP)

To provide the textile industry with world class infrastructure facilities for setting up their textile units, the Scheme for Integrated Textile Parks has been launched by merging the existing two schemes i.e. Textile Centres Infrastructure Development Scheme (TCIDS) and Apparel Park for Exports Scheme (APES). The Government of India’s support under the SITP, by way of grant or equity is limited to 40% of the project cost, subject to a ceiling of Rs. 40 crores.

12. Export Performance Certificate

Exporters who are registered with the Apparel Export Promotion Council can make an application for the issuance of an Export Performance Certificate for importing certain eligible items for use in the manufacture of textile garments for exports. We receive concessions on imports of eligible items up to the extent of 3% of the FOB value realized on exports of ready-to-wear garments during the preceding financial year.

13. Advance Authorisation Scheme (Formerly, Advance Licensing Scheme)

An advance authorization is issued to allow duty free import of inputs, which are incorporated in the export products. Such authorisation is exempt from basic Customs Duty, Additional Customs Duty and Education Cess.

14. The Textiles Committee Act, 1963

The Textiles Committee Act, 1963, as amended, has established the Textiles Committee with the primary objective of ensuring standard quality of textiles both for internal marketing and export purposes and the manufacture and use of standard type of textile machinery. Its functions include the promotion of textiles and textile exports, research in technical and economic fields, establishing standards for textiles and textile machinery, setting up of laboratories for the testing of textile etc. Additionally, the Textiles Committee regulates the imposition of cess on textile and textile machinery that is manufactured in India.

15. The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978

The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978, as amended, provides for the levy and collection of an additional duty of excise on certain textiles and textile related articles.

16. The WTO 2005 Initiative

Protection of the textile and clothing sector has a long history in United States and Europe. In the 1950s, Japan, Hong Kong, China, India and Pakistan agreed to voluntary export restraints for cotton textile products to the United States. In 1962 a Long Term Agreement regarding International Trade in Cotton Textiles (LTA) was signed under the auspices of the GATT (replacing a 1-year short-term agreement). The LTA was renegotiated several times until it was replaced by the MFA, which extended restrictions on trade to wool and man-made fibres in addition to cotton.

All quota restrictions have been removed with effect from January 1, 2005. This removal of world trade quota restrictions is expected to bring a change in the global apparel trade. Productivity, labour costs, quality and creativity will determine the business leaders in the textile industry. The removal of the quota system has created a level ground for all industry participants and has thereby provided an opportunity to our Company to establish itself in the global industry on the basis of its merit and innovation.

17. Fiscal Incentives

The Indian fiscal duty structure has been generally rationalized to achieve growth and maximum value addition within the country. Additional excise duty on textiles and textile articles (AT&T) and additional excise duty (Goods of Special Importance) Act have been abolished. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given an option of excise exemption. Excise duty on polyester filament yarn has been reduced.

Basic customs duty on designated textile machinery and spare parts has been reduced. The import of specified textiles and garment machinery items has been allowed at a concessional rate of customs duty to encourage investments and to make the Indian textile products competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

18. Environmental and Labour Regulations

Depending upon the nature of the manufacturing activity undertaken by us at our various units, applicable environmental and labour laws and regulations include the following:

- Air (Prevention and Control of Pollution) Act, 1981;
- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees’ State Insurance Act, 1948;
- Environment Protection Act, 1986 and Environment (Protection) Rules, 1986;
- Factories Act, 1948;
- Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936; and
- Water (Prevention and Control of Pollution) Act, 1974.

A brief description of certain labor legislations is set forth below:

Environmental Regulations

We are subject to Indian laws and regulations concerning environmental protection, in particular, the discharge of effluent water and solid particulate matter during our manufacturing processes. The principal environmental regulations applicable to industries in India are the Water (Prevention and Control of Pollution) Act, 1974, , the Air (Prevention and Control of Pollution) Act, 1981, the Environment Protection Act, 1986 and the Hazardous Wastes (Management and Handling) Rules, 1989.

Further, environmental regulations require a company to file an Environment Impact Assessment ("EIA") with the State Pollution Control Board ("PCB") and the Ministry of Environment and Forests ("MEF") before undertaking a project entailing the construction, development or modification of any plant, system or structure. If the PCB approves the project, the matter is referred to the MEF for its final determination. The estimated impact, which a project would have on the environment, is carefully evaluated before granting clearances. When granting clearance, conditions can be imposed and the approving authorities can direct variations to the proposed project.

The PCBs located across the various States in India monitor compliance with the applicable environmental regulations. No industrial or productive facility may operate without a valid authorisation/ consent from the jurisdictional PC. PCBs routinely inspect industrial and productive facilities, to monitor compliance with applicable environmental standards and regulations, including the provisions of the Water Act . The PCBs are also empowered to grant authorisation for collection, treatment, storage and disposal of hazardous waste, either to the occupier or the operator of the facility.

Violations of relevant environmental regulations are punishable by monetary fines and imprisonment for company officers and controlling persons. The authorities are further empowered to shut down operations of a defaulting concern.

The Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970, as amended (the "CLRA") requires establishments that employ or employed in the previous 12 months, 20 or more workmen as contract labour to be registered and prescribes certain obligations with respect to welfare and health of contract labour. The CLRA requires 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, 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 facilities, 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.

Factories Act, 1948

The Factories Act, 1948, as amended (the "Factories Act") defines a 'factory' to be any premises which employs ten or more workers and in which a manufacturing process is being carried on with the aid of power or any premises where there are at least twenty workers working even though there is no manufacturing process being carried on with the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the occupier of a factory *i.e.* the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, shall ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. If there is a contravention of any provisions of the Factories Act or rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment for a term up to two years or with a fine up to Rs.100,000 or with both, and in case of contravention continuing after conviction, with a fine of up to Rs.1,000 per day of contravention. In case of a contravention which results death or serious bodily injury, the fine shall not be less than Rs.25,000 in the case of an accident causing death, and Rs.5,000 in the case of an accident causing serious bodily injury.

Minimum Wages Act, 1948

State governments may stipulate the minimum wages applicable to a particular industry. The minimum wages may consist of a basic rate of wages and a special allowance or a basic rate of wages and the cash value of concessions in respect of supplies of essential commodities or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of concessions, if any. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate government. Contravention of the provisions of this legislation may result in imprisonment up to six months or a fine up to Rs. 500 or both.

Payment of Bonus Act, 1965

Pursuant to the Payment of Bonus Act, 1965, as amended (the “Bonus Act”), an employee in a factory who has worked for at least 30 working days in a year is eligible to be paid bonus. Contravention of the provisions of the Bonus Act by a company will be punishable by for imprisonment up to six months or a fine up to Rs.1,000 or both against persons in charge of, and responsible to our Company for, the conduct of the business of our Company at the time of contravention.

Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972, as amended (the “Gratuity Act”), an employee who has been in continuous service for a period of five years will eligible for gratuity upon his retirement or resignation, superannuation or death or disablement due to accident or disease. The maximum amount of gratuity payable must not exceed Rs.350,000. An employee in a factory is said to be in ‘continuous service’ for a certain period notwithstanding that his service has been interrupted during that period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault to of the employee. The employee is also deemed to be in continuous service if the employee has worked (in an establishment that works for at least six days in a week) for at least 240 days in a period of 12 months or 120 days in a period of six months immediately preceding the date of reckoning.

19. Other Recent Initiatives

To strengthen the domestic textile industry and enable it to meet growing global competition, the Union Budget 2006-2007 enhanced the allocation to TUFS to Rs.5,350 million. The following important announcements were made in the Union Budget 2005–2006:

- A capital subsidy of 10% for the processing sector; 30 items of textiles products and hosiery have been identified for de-reservation from items reserved for small scale industries;
- Creation of a special purpose vehicle for financing infrastructure projects, especially debt of long term maturity. The limit was fixed at Rs.100,000 million;
- Excise duty on polyester filament yarn and polyester texturized yarn reduced from 24% to 16%;
- Optional Central Value Added Tax (“CENVAT”) Scheme has been extended to stand alone texturising units at 8% excise duty with CENVAT credit or at nil duty without CENVAT credit;
- Customs duty rates reduced from 20% to 15%; and
- Duties on textile machinery, raw materials and spare parts for manufacture of such machinery brought down from 20% to 10%. The existing concessional duty of 5% on some other machinery is being continued.

OUR HISTORY AND CORPORATE STRUCTURE

History

Our Company was incorporated on November 15, 1994 as a private limited company under the name and style of Page Apparel Manufacturing Private Limited with the registration number of our Company being 08-16554 of 1994. The name of our Company was changed to Page Industries Private Limited and consequent to change in name a Fresh Certificate of Incorporation was issued by the Registrar of Companies, Karnataka on August 23, 2006. Thereafter, our Company became a public company on September 6, 2006 and consequently the term "Private" was deleted from its name and a Fresh Certificate of Incorporation was issued by the Registrar of Companies, Karnataka on September 6, 2006.

History and major Events of our Company

Year	Key Events
1994	Incorporation of our Company under the name and style of Page Apparel Manufacturing Private Limited
1997	● Jockey products for women was launched under the style of 'Jockey For Her'. ● The middle range of men's undergarments was launched
2001	● Retail network touched 100 towns
2003	● The turnover of our Company crossed Rs. 500 million ● Retail network of 10,000 outlets ● Achieved production of 1 million pieces a month
2004	Launch of sub brand 'Jockey Zone'
2005	Launch of Jockey brassieres in India
2006	● Jockey introduces 'No Panty Line Promise' range for women. ● The turnover of our Company crossed Rs. 1000 million in terms of factory selling price for the year ended March 31, 2006. ● June production crossed 2 million pieces per month

Awards and Certifications

We have won the following awards and certifications:

(i) Our Company was awarded the International Licensee of the Year award by Jockey International Inc. for the year 2005.

(ii) 'Jockey' brand was awarded the Shopper's Stop Pinnacle Award for 'Best Innerwear Brand' for three consecutive years – 2003, 2004 and 2005.

(iii) 'Jockey' brand was awarded the Inside Fashion Brand Award for excellence in retail performance in the category of Men's Innerwear. The award was based on a study conducted on the apparel industry called Reality Check covering 26 cities, over 1000 retailers, 120 manufacturers and 120 NSPs.

(iv) 'Jockey' brand was recognised as a 'Superbrand' in India for the year 2006-07. Superbrand is the independent arbiter on branding. The organisation promotes the discipline of branding and pays tribute to exceptional brands. Superbrands programmes operate in over 55 countries. The Indian arm of the superbrand organisation is superbrands India private limited. The organisation grants Superbrand status to brands considered to warrant that award by an independent and voluntary council of experts.

(v) We have been granted a certificate of compliance by the USA based Worldwide Responsible Apparel Production dated July 20, 2006 for adhering to universally accepted principles covering all labour & human relations and applicable local laws pertaining to industrial production

Changes in Registered Office of our Company

The table below shows the changes in the Registered Office of our Company since incorporation:

Previous Address	New Address	Reasons for Change in Office	Date of Change
319, Raheja Arcade, Koramanagala, Bangalore 560 095	Shed C, Jockey Campus Abbaiah Reddy Industrial Area 53, Begur Hobli Road Bommanahalli Bangalore 560 068	Shifting office from temporary office to Leased premises.	August 16, 1995
Shed C, Jockey Campus Abbaiah Reddy Industrial Area 53, Begur Hobli Road Bommanahalli Bangalore 560 068	Abbaiah Reddy Industrial Area Jockey Campus 6/2 & 6/4, Hongasandra Begur Hobli Bangalore 560 068	Revision as per municipal records	April 05, 2004

Main Objects of our Company

Our main objects as contained in our Memorandum of Association are:

1. To carry on the business of manufacture and sale for domestic and export, of all kinds of apparel, made of knitted or woven material, cotton, silk, synthetic, blended including innerwear such as undergarments, briefs, vests, brasseries and panties, and outerwear such as T shirts, sportswear, swimsuits, suits, shirts, trousers, pants socks, gloves, gowns, frocks skirts, tops or other outer wearing apparel, and the parts and accessories thereof.
2. To carry on the business of trading in wearing apparel, garments, underwear and outerwear, textiles trimmings and component parts of apparels, accessories of apparels, made-up articles of textile such as bedsheets, towels furnishing, fabric and the like.

The present business of our Company is as per the main objects as contained in the Memorandum of Association.

Changes in Memorandum of Association

Date	Particulars of Change
February 20, 1998	Increase in authorised capital from Rs. 10 million to Rs. 13 million
January 10, 2000	Increase in authorised capital from Rs. 13 million to Rs. 20 million
June 8, 2001	Increase in authorised capital from Rs. 20 million to Rs. 25 million
May 31, 2006	Increase in authorised capital from Rs. 25 million to Rs. 120 million
August 16, 2006	Change of name of our Company from Page Apparel Manufacturing Private Limited to Page Industries Private Limited
September 5, 2006	• Deletion of the word 'Private' from the name of our Company pursuant to conversion to a public limited company • Change in Capital Clause of the Memorandum of Association pursuant to the split of shares from Rs. 100/- per equity share to Rs. 10/- per equity share

Our Subsidiaries

We do not have any subsidiaries.

Shareholders Agreement

We do not have any shareholders agreements.

Other Agreements

A. Material Contracts executed by our Company:

(i) Trademark and License Agreement between Jockey International, Inc. & the Company

(ii) Technology Transfer Agreement between Jockey International, Inc. & the Company

(iii) Distributor Agreements

(iv) Canteen Store Agreement

(v) Hypothecation Agreement with the Canara Bank

B. Details of the Contracts listed above:

(i) Trademark and License Agreement between Jockey International, Inc. & the Company ('The Trademark and License Agreement')

In the year 1995 our Company entered into entered into a Trademark License Agreement with Jockey International Inc. for a period 1995-1999. This agreement was renewed for further period up to 2004 and the current agreement was entered into on January 1, 2005. Under this agreement our Company has been given the exclusive right to use Jockey International Inc. trademark in the territories of India, Sri Lanka and Maldives, Bangladesh and Nepal (the 'Territory') for manufacture of "Licensed Products" (as defined in the trademark and License Agreement) and also the right and license to manufacture, contract from manufacture, distribute, market and promote, sell through approved distributors, wholesale and retail the licensed products and to use in connection with the manufacturing of the Licensed Products. The said agreement has been amended by the parties on January 01, 2006 by incorporating certain additional clauses.

Licensed Products, as per the Agreement are as follows:

Underwear, tops and bottoms for men, women, boys, girls; sportswear for men; socks for men

The following are some of the important terms of the Trademark and License Agreement, as amended:

Grant

By the said agreement Jockey International Inc. has granted to our Company *inter alia*, the license to manufacture, contract for manufacture, distribute, market, promote, wholesale and retail the Licensed Products in the Territory and to use in connection therewith the manufacturing know how, merchandising and marketing know how and the Jockey trade marks.

Term

Operative Date: Feb. 01, 2005

Expiration Date: December 31, 2010

Renewal: The agreement may be renewed by our Company for 2 successive five year terms upon written notice being served to Jockey, provided a) the parties agree on setting Target Sales and royalties and b) notice is given not later that December 31, 2009 for the first renewal option and December 31, 2014 for the second renewal option and c) our Company is in compliance with the terms and conditions of such agreement.

Royalties

The Royalty rate to be paid to Jockey International Inc. by our Company on the Licensed Products sold by our Company in the Territory shall be 5% of the total net invoiced sale.

Payments

All royalties due to Jockey International Inc. are to be paid by our Company within 30 days following the end of each annual quarters through a nominated Bank in USD, based on the ruling local spot rate on the date of payment. If payment by this procedure should become impossible or illegal, then the payment may be made to any account in the territory, as directed by Jockey International Inc.

Our Company shall be responsible for payment of all taxes applicable within the Territory.

Indemnification

Our Company shall indemnify and keep indemnified Jockey International Inc. from and against any losses, damages, expenses, liabilities, claims, causes of action, suits etc. arising out of any breach of the conditions of the agreement by our Company or any of its agents, servants or distributors.

Non-Compete

Our Company, its employees, consultants, distributors and Promoters, shall not use any information or service supplied to it in connection with manufacture or sale or both of any goods or packaging of products other than the licensed product and related materials.

Defaults and rights of Termination

In case our Company or our Company's supplier's, contractors and subcontractors violate any of its obligations and warranties, Jockey International Inc. shall have the right and option to terminate the agreement upon 30 days written notice. Such termination shall become unless such violation is completely remedied to the satisfaction of Jockey International Inc. within 30 days.

In case the violation is for the following reasons, the agreement shall be terminated without any notice period:

- In case our Company is unable to carry out bonafide distribution and sale of Licensed Products in commercially reasonable quantities throughout the Territory for a period of 60 days consecutively.
- In case our Company is unable to pay its obligations when due, makes any assignment for the benefit of creditors, file a voluntary petition in bankruptcy or insolvency appointed for its business or property or shall make an assignment for the benefit of creditors.
- If our Company breaches any provision relating to unauthorised assertion of rights in the Jockey Mark.
- In case our Company breaches any provision prohibiting our Company from assigning, transferring, sublicensing, delegating or otherwise encumbering the agreement or any of its rights or obligations.

Jockey International Inc. shall have the right forthwith to terminate the agreement by notifying our Company 30 days in advance on the occurrence of the following events:

(i) If our Company or its owners sells or transfers or is required by law to sell or transfer to any other person, so many shares or ownership interest such that the present management shall cease to own or control more that 50% ; or if such buyer is a competitor of our Company or Jockey International Inc. or an affiliate of such competitor; or

(ii) If our Company sells or transfers or is required by law to sell or transfer that part of its undertaking which is concerned with the manufacture and sale of the Licensed Products.

Our Company shall at the earliest possible instance, give written notice to Jockey International Inc. of any proposed or imminent merger, consolidation, reorganisation, sale or other transfer of ownership or control. Upon receipt of the said notice, Jockey International Inc. shall have the right to determine whether to terminate the agreement or not,.

Assignability

Jockey International Inc.'s rights and obligations under this agreement shall be freely assignable and its said rights and obligations shall inure to the benefit and be binding upon its successors and assignees. Jockey International Inc. shall have the right to nominate any other person, company or corporation to receive Royalty income or to undertake its obligations under the terms of the Agreement whether or not this Agreement is so assigned.

Our Company may not assign the Agreement or any of its obligations and may not change its product manager without prior written consent of Jockey International Inc.

The Rights granted to our Company shall be exclusive and shall not be transferred or assigned without prior written permission from Jockey International Inc.

Dispute Resolution

All disputes arising out of or in connection with this agreement shall be settled by arbitration as per the Rules of Conciliation and Arbitration of the International Chamber of Commerce, by a sole arbitrator selected in accordance with such rules. The venue of the arbitration shall be the city of Kenosha, Wisconsin, USA.

Governing law

The agreement is silent of the matter of governing law. However, it is pertinent to note that the Reserve Bank of India, by its letter dated January 25, 1995 while granting approval to Trademark License Agreement, directed that the agreement be governed by Indian laws.

(ii) Technology Transfer Agreement between Jockey International, Inc. & our Company ("Technology Transfer Agreement")

We have entered into a Technology Transfer Agreement with Jockey International, Inc. ("Jockey International Inc.") for providing prototypes, patterns, technical assistance and the right to manufacture or contract for manufacture bras based on designs and prototypes products developed by Jockey International Inc. for a period of 1 year from the date of commencement of the Technology Transfer Agreement.

Effective Date of Agreement

April 01, 2006

Term

The Technology Transfer Agreement is valid for a period of 1 year from effective date of Agreement and will automatically renew unless either party gives written notice of election not to renew the terms of the Technology Transfer Agreement.

Royalties

Royalty of zero % is payable by our Company

Restrictive Covenants

Our Company (or its affiliates/business associates) may not use licensed rights to custom design or manufacture any products utilizing technical assistance provided as per the Technology Transfer Agreement.

Our Company may not export (or sell to any third party who may export) Jockey Bras during the term of this Agreement.

Confidentiality

Our Company is required to hold in strict confidence as fiduciary, all confidential information that it obtains as a result of the Technology Transfer Agreement. However, our Company shall be entitled to carry out designated activities even if it causes the confidential information to enter the public domain in which case the confidentiality clause shall cease to apply in respect of that information.

Termination

- The Agreement may be terminated before expiration on the following grounds:

  If either party commits a material default and does not correct the default within 14 days after receiving a written request from non defaulting party.

- In case of either party becoming insolvent or bankrupt or having a receiver appointed for any of its asses or making an assignment for the benefit of creditors or a petition being commenced to put the party into bankruptcy and not being dismissed within 14 days of the other party giving notice of termination.

- Automatically, 180 days after either party gives notice of termination.

Upon termination of the Technology Transfer Agreement, our Company shall cease to use the licensed right but for 60 days following expiration or termination, it will be entitled to liquidate inventory of Jockey Bras that it has bona fide manufactured or acquired. Further, all materials bearing or referring to the Licensed Rights, confidential information, trademarks, copyrights, designs and other proprietary rights or interests of Jockey International Inc. is to be returned within 14 days.

Governing Law

Law of the State of Wisconsin, USA will be the governing law.

(iii) Distributor Agreements

Our Company executes standard form distributor agreement with each of its distributors. Currently, there are 144 distributors. The key terms of the distributor agreement are as under:

(i) The agreement shall be on a principal to principal basis;

(ii) The distributor shall be responsible for redistribution of stocks sold to it by our Company;

(iii) The distributor shall indemnify our Company against all actions, claims, losses, expenses, etc incurred by our Company on account of the acts or omissions of the distributor;

(iv) The distributor shall not use the trademarks or trade names resembling those used by our Company except in a manner previously approved by our Company.

iv) Agreement with Canteen Stores Department

Vide letter dated December 29, 2005 issued by the Canteen Stores Department, Ministry of Finance, the Company has received approval for the introduction of certain Jockey products in the canteen stores department. The key terms are as under:

(a) an initial order amounting to Rs. 90,49,970/- to be placed only after the Company forwarded a bank guarantee for the said amount. Accordingly, Canara Bank, Industrial Finance Branch, executed Bank Guarantee for an amount of Rs,90,50,000/- in favour of the Government of India.

(b) In the event of three consecutive failures by the Company to supply the item, the said item may be considered for deletion.

(c) If the item does not enjoy adequate demand within a period of two years, the item is liable to be deleted.

(d) The Company shall be liable to pay damages for delay in delivery of the goods;

(e) Any consumer promotion scheme that is offered in the civil market shall be simultaneously offered in the canteen stores.

(v) Hypothecation Agreement with Canara Bank

Pursuant to the various financial and credit facilities availed of by our Company from Canara Bank, We have hypothecated entire stocks, raw materials, stocks in progress, finished goods, book debts, plant and machinery, fixed assets etc in favour of the lender by virtue of a Hypothecation Agreement dated September 29, 2000.

Strategic and Financial Partners

We do not have any Strategic and Financial Partners.

OUR MANAGEMENT

Under its Articles of Association, our Company is required to have at least 3 Directors and not more than 12 Directors. As at the date of this Prospectus, We have six Directors.

BOARD OF DIRECTORS

Our Board of Directors as on the date of filing this Prospectus are as follows:

S. No.	Name, Designation, Father's Name, Address, Nationality, Occupation	Age	Date of Appointment and Term	Other Directorships
1.	**Mr. Sunder Genomal** S/o Mr. Topandas Genomal **Managing Director** Non-Independent Director **Residential Address:** S-206, Four Seasons, 16, Brunton Road, Bangalore 560 025 Nationality: Philippino Occupation: Business	53 years	Date of Appointment as Managing Director : August 1, 2006 or a term of 5 years.	• Genco Holdings Private Limited • GTVL Manufacturing Industries Inc. Philippines • Sprint International Inc. Philippines • Trigen Resources Inc. Philippines • Fortis Ventures Limited, Mauritius
2.	**Mr. Ramesh Genomal** S/o Mr. Topandas Genomal Non-ExecutiveDirector (Non-Independent Director) **Residential Address:** No. 1207, Acasia Street Dasmarinas VillageMakati Metro Manila, Phillipines Nationality: Philippino Occupation: Business	56 years	Since incorporation Term : Retirement by rotation	• Genco Holdings Private Limited • GTVL Manufacturing Industries Inc. Philippines • Sprint International Inc. Philippines • Trigen Resources Inc. Philippines • Fortis Ventures Limited, Mauritius
3.	**Mr. V. Sivadas** **(Alternate Director to** **Mr. Ramesh Genomal** S/o Mr A.P. Sankaran Nair **Residential Address:** No.321, Sai Poorna Heights 28/3, Haralukunte Village Somasundarapalaya HSR Extn., Bangalore – 560 034 Nationality : Indian Professional	57 years	December 15, 2006	Nil
4.	**Mr. Nari Genomal** S/o Mr. Topandas Genomal Non-Executive Chairman (Non-Independent Director) **Residential Address:** No. 2179, Praiso Street Dasmarinas Village Makati Metro Manila, Phillipines Nationality: Philippino Occupation; Business	66 years	November 10, 2004. Term : Retirement by rotation	• Genco Holdings Private Limited • GTVL Manufacturing Industries Inc. Philippines • Sprint International Inc. Philippines • Trigen Resources Inc. Philippines • Fortis Ventures Limited, Mauritius .

S. No.	Name, Designation, Father's Name, Address, Nationality, Occupation	Age	Date of Appointment and Term	Other Directorships
5.	**Mr. P V Menon** (Alternate Director to Mr Nari Genomal) S/o Mr. Parappil Balakrishna Menon **Residential Address** No.14, Model Enclave Apartment1A, Main Road Vigana Nagar Bangalore – 560 037 Nationality : Indian Occupation : Professional	54 years	December 15, 2006	• Aquest Systems (India) Pvt. Ltd. • Legend Technologies (India) Pvt. Ltd.
6.	**Mr. Timothy Ralph Wheeler** S/o Mr. Charles R. Wheeler (Non-Executive Director) (Non-Independent Director) **Residential Address** 5150 Beech Bluff Dr., Morganton, North Carolina, USA Nationality : American Occupation : Service	52 years	September 29, 2006 Term : Retirement by rotation	Nil
7.	**Mr. Ravi Uppal** S/o Mr. S. N. Uppal Independent Director **Residential Address** 841, 15th Main, 3rd Block, Koramangala, Bangalore 560 034 Nationality: Indian Occupation: Service	54 years	October 30, 2006 Term : Retirement by rotation	• ABB Limited • ABB Global Services Limited • ABB Holdings (South Asia) Limited • Transport Corporation of India Limited • Bhoruka Power Corporation Limited • ST-CMS Electric Company Private Limited • Indian Institute of Management, Bangalore (Member Governing council)
8.	**Mr. G.P. Albal** S/o Mr. P. S. Albal Independent Director **Residential Address** 79, Revenue Colony Kolhapur 416 004 Nationality: Indian Occupation: Service	53 years	October 30, 2006 Term : Retirement by rotation	• Tessitura Monti India Pvt. Ltd.

Brief Biographies of our Directors

Mr. Sunder Genomal, aged 53 years, Managing Director**,** is one of the founders of our Company and has spent over 25 years in various facets of the textile industry. He is a postgraduate in Industrial Management Engineering, DeLaSalle University, Manila, Philippines where he was ranked among the top 3 students. Mr. Genomal is a member of the Young President's Organisation and the World Presidents Organisation. He received an award during the 125th anniversary of Jockey International in 2001 for his dedicated association with Jockey International. Mr. Sunder Genomal laid the foundation of Page Industries Limited in 1994 and has been the key inspiration for the company's personnel and his leadership has established strong foundation for our company's future. As Managing Director, he oversees the entire working and affairs of our Company's management.

Mr. Ramesh Genomal, aged 56 years, Non Executive Director**,** is one of the founders of our Company and has over 30 years experience in the textile and garmenting industry. Mr. Ramesh Genomal is a postgraduate in Business Administration from the Hofstra University, New York. Mr.Ramesh Genomal has been elected as the Director of the Philippine- Indian Chamber of Commerce. In the year 2001 which was the 125th anniversary of Jockey International Inc., he received an award for his dedicated work and association with Jockey International Inc. He is responsible for the production process innovations in our company.

Mr. V Sivadas, aged 57 years, Alternate Director to Mr. Ramesh Genomal, is a Practising Chartered Accountant and Partner of the firm P V Menon & Associates. Mr. Sivadas started his career as Accounts Officer in Triveni Engineering Industries Limited in 1976 and worked in several other firms before joining as a partner in P V Menon & Associates in 1990.

Mr. Nari Genomal, aged 66 years, Non-Executive Chairman**,** has over 40 years experience in various facets of the textile industry. Mr. Nari Genomal is a post graduate in Commerce from the Letran College, Manila, Philippines. In the year 2001 which was the 125th anniversary of Jockey International Inc, he received an award for his dedicated work and association with Jockey International Inc. He has been the chief mentor and key builder of our company's culture and values.

Mr. P V Menon, aged 54 years, Alternate Director to Mr. Nari Genomal, is a Practicing Chartered Accountant and Partner of the firm P V Menon & Associates. Mr. Menon started his career as Audit Officer in Apollo Tyres Limited in 1975 and worked in several other firms before starting his own practice in 1987.

Mr. Timothy Ralph Wheeler, aged 52 years, is a Non-Executive Director on the board of our Company nominated by Jockey International Inc. He is a Certified Public Accountant in the USA. He has 3 decades of business experience and 25 years experience in textiles and apparels. He is a postgraduate majoring in accountancy and political science. He is presently President (International Division), Jockey International Inc. He has been associated with Price Waterhouse & Co. as a senior auditor, Lacoste, Dawson International Plc.

Mr. Ravi Uppal, aged 54 years, is an independent director on our Board. He is presently the vice chairman and Managing Director of ABB Limited. He is a graduate of the prestigious Indian Institute of Technology, Delhi, postgraduate in Business Management from IIM, Ahmedabad and the advance management programme at Wharton Business School. Mr. Uppal has been conferred the Royal Order of the Polar Star and has also been named a Knight of Order by the King of Sweden. He has also received a Distinguished Alumni Award from IIT, Delhi.

Mr. G. P. Albal, aged 53 years, is an independent director on the Board of our Company. Mr. Albal is a graduate in textile technology from Bangalore University, 1975 and has completed project management from Tata Management Training Centre, Pune. He has over 3 decades of experience in the textile field. He has been associated with Mafatlal, Arvind Mills and Orkay Mills, Voltas. He is also a member of the Association of Export Oriented Mills, Kolhapur and Indo-Italian Chamber of Commerce, Mumbai.

Borrowing powers of the Board

Pursuant to resolution passed by the Shareholders of Company at the Extraordinary General Meeting held on November 15, 2006, our Board has been authorised to borrow money upto Rs. 1000 million upon such terms and conditions with/without securities as the Board may think fit.

Compensation of Managing Director/Whole-Time Directors

Mr. Sunder Genomal

We have vide resolution passed in the meeting held on August 16, 2006 approved the appointment of Mr. Sunder Genomal as Managing Director of our Company for a period of five years with effect from August 1, 2005 on the following terms and conditions:

1. Salary : Rs 700,000 per month
2. Payment of Provident Fund 12% on the mandatory limit given under the Provident Fund Act;
3. Reimbursement of Medical Expenses for self and family, subject to a ceiling of Rs.15,000 per month; and
4. Gratuity as applicable

Minimum Remuneration

Where in any financial year during the currency of the tenure of the appointee, we have no profits or its profits are inadequate, our Company will pay remuneration by way of salary and perquisites as specified above, provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the ceiling as provided in section II of Part II of Schedule XIII of the said Act or any amendments thereto.

Compliance with Corporate Governance requirements

We have complied with the requirements of the applicable regulations, including the listing agreement with Stock Exchanges and the SEBI Guidelines, in respect of corporate governance, including constitution of the Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management and constitution of Board Committees, majority of them comprising of independent directors and chaired by an independent director to oversee critical areas.

We have a broad based Board of Directors constituted in compliance with the Companies Act and listing agreement with Stock Exchanges and in accordance with best practices in corporate governance. The Board of Directors functions either as a full Board or through various committees constituted to oversee specific operational areas. Our management provides the Board of Directors detailed reports on its performance on a quarterly basis.

We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

(a) Audit Committee;

(b) Shareholders'/ Investors' Grievance Committee.

Audit Committee

The Audit Committee was reconstituted on December 15, 2006. It functions as prescribed under Section 292A of the Companies Act, 1956. The members are:

Name	Position
Mr. Ravi Uppal	Chairman
Mr. G P Albal	Member
Mr. Nari Genomal	Member

The terms of reference of the Audit Committee are broadly as under:

- Overview of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - any changes in accounting policies and practices;
  - major accounting entries based on exercise of judgment by management;
  - qualifications in draft audit report;
  - significant adjustments arising out of audit;
  - the going concern assumption;
  - compliance with accounting standards;
  - any related party transactions as per Accounting Standard 18;
  - Compliance with stock exchange and legal requirements concerning financial statements (upon listing of shares);
  - Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
  - Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - Discussion with internal auditors of any significant findings and follow-up thereon.
  - Reviewing the findings of any internal investigations by the internal auditors into the 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.

- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

Shareholders/ Investors' Grievance Committee

The Committee was constituted on December 15, 2006 under the chairmanship of non-executive independent director formed to specifically look into the redressal of shareholder and investor complaints

Name	Position
Mr. G. P. Albal	Chairman
Mr.Ramesh Genomal	Member
Mr. Nari Genomal	Member

The Committee has been formed to look into redressal of shareholders' / Investors' complaints relating to transfer of shares, non-receipt of Balance Sheet, non-receipt of dividend or any other matters, as also to approve requests requiring issue of new share certificates

Shareholdings of Directors

As per the Articles of Association of our Company, a director is not required to hold any qualification share in our Company. Our Directors as on the date of filing of this Prospectus hold equity shares of our Company as follows :

S. No.	Directors	No. of Equity Shares
1	Mr. Sunder Genomal	3,153,520
2	Mr. Ramesh Genomal	3,153,640
3	Mr. Nari Genomal	3,153,640

Interests of Directors

Except as stated in the section titled "Related Party Transactions" on page 78 of this Prospectus, and to the extent of shareholding in our Company, the Promoters do not have any other interest in our business.

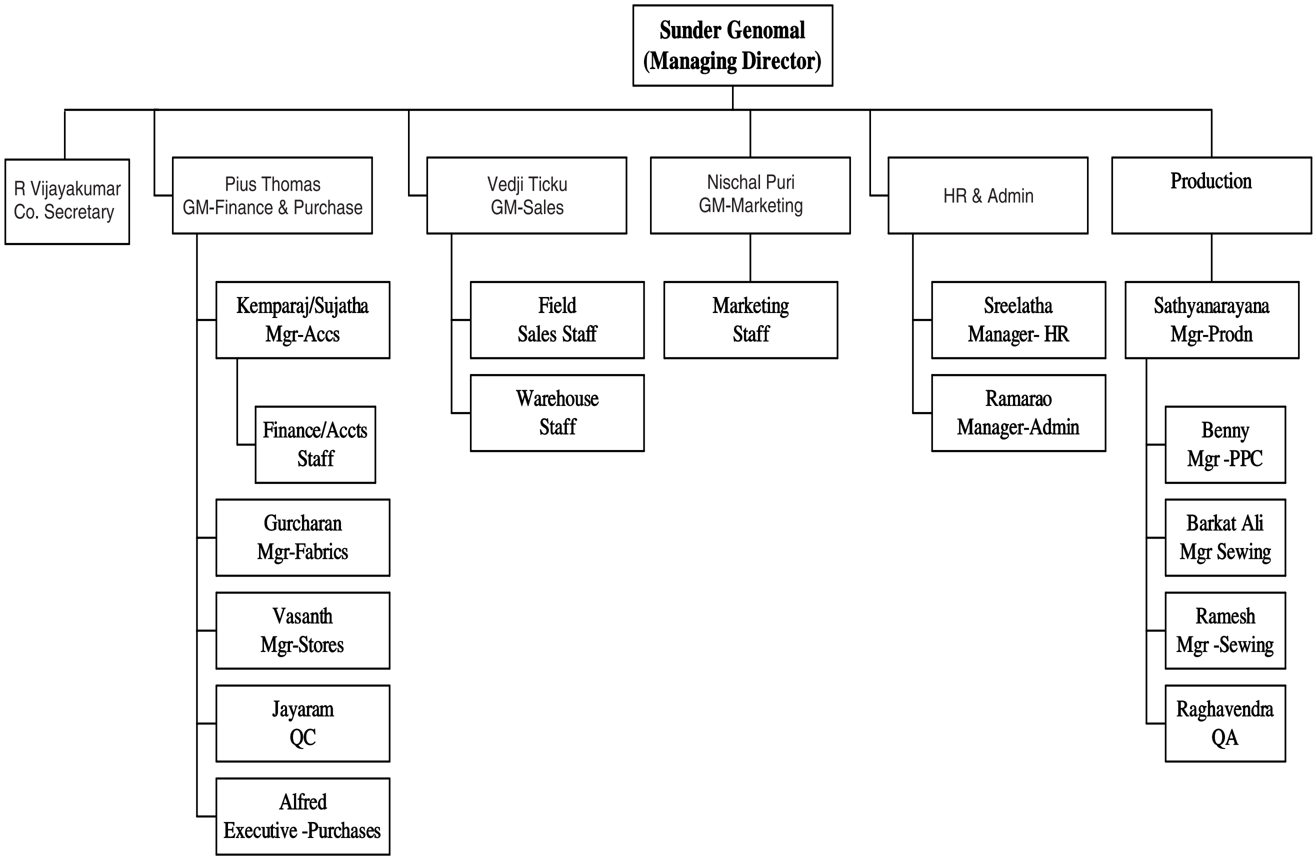
All Directors of our Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of, reimbursement of expenses payable to them. All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to them, out of the present Offer in terms of the Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to the companies, firms and trusts, in which they are interested as Directors, members, partners or trustees.

Changes in the Board of Directors during the last three years

Name	Date of Appointment	Date of Cessation	Remarks
Mr. Nari Genomal	November 10, 2004	-	Appointed as Director
Mr. Timothy Ralph Wheeler	September 29, 2006	-	Appointed Director
Mr. Ravi Uppal	October 30, 2006	-	Appointment as Independent Director
Dr. G.P. Albal	October 30, 2006	-	Appointment as Independent Director
Mrs. Madhuri Genomal	August 9, 1999	December 15, 2006	Appointed as Alternate Director and subsequently resigned
Mr. P. V. Menon	December 15, 2006	-	Appointed as Alternate Director to Mr. Nari Genomal
Mr. V. Sivadas	December 15, 2006	-	Appointment as Alternate Director to Mr. Ramesh Genomal

Organisational Structure of our Company



Key Managerial Personnel of our Company.

The details of our Key Managerial Personnel other than whole-time Directors and Promoters are as below:

For details on whole-time Directors, please refer to section titled "Our Management" on page 68 of this Prospectus. For details on Promoters, please refer to section titled "Our Promoters" on page 75 of this Prospectus.

	Name	Designation	Qualifications	Date of Joining	Experience
1.	Mr. Pius Thomas	General Manager (Finance & Purchase)	M.Com; AICWA; MBA	November 02, 1995	30 years
2.	Mr. Vedji Ticku	General Manager (Sales)	B.E. (Mech)	May 07, 1997	14 years
3.	Mr. Nischal Puri	General Manager (Marketing)	B.Sc (Hons); MBA	February 25, 2004	10 years
4.	Mr. Satyanarayana	Manager (Production)	B.Com	April 10, 2002	20 years
5.	Mr. R. Vijayakumar	Company Secretary	B.Com; ACS	April 12, 2006	13 years
6.	Ms. Sreelatha	Manager (Human Resources)	MA; Diploma (IR&PM)	April 01, 1995	20 years

All the Key Managerial personnel as mentioned above are permanent employees of our Company.

Mr Pius Thomas, aged 52 years, General Manager (Finance and Purchases) has been working with our Company since November 2, 1995. He joined our Company as Senior Manager - Finance & Accounts on 02.11.1995 and was elevated to General Manager - Finance in 2000 and given additional charge on Purchases in 2001. He is a qualified Cost Accountant with good academic records. He has passed Intermediate and Final Examinations of Institute of Cost and Works Accountants of India with First Rank in India. He also holds on MBA from the University of Texas, USA. He started his career in Tata Oil Mills Company Limited as a Cost Accountant in 1976 and has 3 decades of experience in finance, accounting, taxation, costing, textiles and general administration. Prior to joining our Company, he was working with Electronic Research Limited, Bangalore as Senior Manager -Finance & Accounts. His remuneration is Rs. 1,233,120/- per annum.

Mr Vedji Ticku, aged 39 years, General Manager (Sales) has been working with our Company since May 1997. He joined our Company as Regional Sales Manager for South Zone. He is a Bachelor of Engineering (Mechanical). After setting up the business successfully in South, he was promoted as Senior Sales Manager, with additional charge of North Zone in the year 2001. Prior to joining our Company he was working with Eureka Forbes Limited. His remuneration is Rs. 1,335,000/- per annum.

Mr. Nischal Puri, aged 33 years, General Manager (Marketing) has been working with our Company since February 25, 2004 and has over a decade of experience in marketing and brand building. He holds a Masters in Business Administration from the University of Lincolnshire and Humberside (UK). Prior to joining our Company he has been associated with Vardhman (Auro Spinning mills) and retail brands USI, Swarovski. His remuneration is Rs. 1,264,840/- per annum.

Mr. Satyanarayana, aged 50 years, Manager (production) has been working with our Company since April 2002 and has over two decades of experience. He is a Bachelor of Commerce and his experience in the field of sourcing, production, accounts, shipping/transportation etc. He is responsible for the entire production activities of our Company. Prior to joining our Company, he was working in Texknit Exports P Ltd. His remuneration is Rs. 700,000/- per annum.

Mr R. Vijayakumar, aged 33 years, Company Secretary has been working with our Company since April 12, 2006. He is a qualified Company Secretary with 13 years experience in the various areas viz., secretarial, legal, finance, accounts and credit control. He started his career as a Secretarial Officer in KG Denim Ltd. Coimbatore. He is presently looking after the entire secretarial and legal functions of our Company. Prior to joining our Company, he was working in Denso Kirloskar Industries Private Limited, Bangalore and Super Sales India Limited, Coimbatore. His remuneration is Rs. 575,000/- per annum.

Mrs Sreelatha, aged 42 years, Manager (Human Resources) has been working with our Company since April 1, 1995 and has over 2 decades of experience in Human Resource and Industrial Relations. She is in charge of human resource, personnel management and industrial relations of our Company. Prior to joining our Company, she was working with System Dimension Private Limited, Bangalore as Personnel and Administrative Officer. Her remuneration is Rs. 614,376/- per annum.

None of the above mentioned key managerial are related to each other in terms of the definition of the term ‘relative’ in section 6 of the Companies Act. Further none of the key managerial personnel are appointed pursuant to any arrangement or understanding with major shareholders, customers or suppliers.

Shareholding of the Key Managerial Personnel

None of the Key Managerial Employees hold any Equity Shares of our Company

Bonus or Profit Sharing plan for the Key Managerial Personnel

We do not have any bonus or profit sharing plan for key managerial personnel.

Changes in the Key Managerial Personnel during the last three years.

The changes in the Key Managerial Personnel in the last three years are as follows:

Name	Designation	Date of Joining	Date of Leaving	Reasons for Change
Mr. Shekhar Tiwari	GM (Sales & Marketing)	July 16, 1997	February 14, 2004	Resignation
Mr. Nischal Puri	GM (Marketing)	February 25, 2004	-	Appointment
Ms. S. Priya	Company Secretary	October 01, 2004	April 20, 2005	Resignation
Mr. A.B.N. Patel	GM (Operations)	June 10, 2005	December 07, 2006	Resignation
Ms. Prajkta Deshpande	Company Secretary	June 27, 2005	December 09, 2005	Resignation
Mr. R. Vijayakumar	Company Secretary	April 12, 2006	-	Appointment

Payment or benefit to our officers

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Other than as disclosed in the section titled “Financial Statements” on page 80 of this Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

Employees

Our Key Managerial personnel and our employees are entitled to receive benefits under the group gratuity scheme and the employee provident fund scheme.

Employees Stock Option scheme

Our Company currently does not have any employee stock option scheme.

OUR PROMOTERS

Our Promoters are Mr. Sunder Genomal, Mr. Ramesh Genomal, Mr. Nari Genomal and Fortis Ventures Limited. Mr. Sunder Genomal is the Managing Director of our Company and Mr. Nari Genomal is the Non-Executive Chairman of our Company

Details of our Promoters are given in the following table:

Mr. Sunder Genomal

Permanent Account Number	AALPG6967B
Passport Number	PP0509205
Driving License Number	6026/97-98
Voter ID	Not Applicable
Bank Account No.	071-110423-007 with HSBC, Bangalore

Mr. Sunder Genomal, aged 53 years, Managing Director, is one of the founders of our Company and has over 25 years experience in various facets of the textile industry. He is a postgraduate in Industrial Management Engineering, DeLaSalle University, Manila, Philippines where he was ranked among the top 3 students. Mr. Genomal is a member of the Young President's Organisation and the World Presidents Organisation. He received an award during the 125th anniversary of Jockey International Inc. in 2001 for his dedicated association with Jockey International Inc. Mr. Sunder Genomal laid the foundation of Page Industries Limited in 1995 and has been the key inspiration and his leadership has established strong foundation for our Company's future. He manages the entire operations of our Company.

Mr. Ramesh Genomal

Permanent Account Number	AIHPG4416F
Passport Number	ZZ150710
Driving License Number	N11-68-015737
Voter ID	Not Applicable
Bank Account No.	204010007992 with ING Vysya Bank

Mr. Ramesh Genomal, aged 56 years, Director, is one of the founders of our Company and has over 30 years experience in the textile and garmenting industry. Mr. Ramesh Genomal is a postgraduate in Business Administration from the Hofstra University, New York. Mr.Ramesh Genomal has been elected as the Director of the Philippine-Indian Chamber of Commerce. He also received an award during the 125th anniversary of Jockey International Inc. in 2001 for his dedicated association with Jockey International Inc. He has experience and has been the source of inspiration for the production process innovations.

Mr. Nari Genomal

Permanent Account Number	AIHPG3057A
Passport Number	TT0165243
Driving License Number	N17-75-014296
Voter ID	Not Applicable
Bank Account No.	071-555189-006 with HSBC, Bangalore

Mr. Nari Genomal, aged 66 years, Non- Executive Chairman, has over 40 years experience in various facets of the textile industry. Mr. Nari Genomal is a post graduate in Commerce from the Letran College, Manila, Philippines. He received an award during the 125th anniversary of Jockey International Inc. in 2001 for his dedicated association with Jockey International. He has been the chief mentor and key builder of our Company's culture and values.

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of the above Promoters have been submitted to the BSE and NSE at the time of filing this Prospectus.

PROMOTER COMPANY

Fortis Ventures Limited

Fortis Ventures Limited was incorporated on December 04, 2006 under the Companies Act, 2001 of Republic of Mauritius with registration no. 067240 C2/GBI. The Company was promoted by Mr. Nari Genomal, Mr. Ramesh Genomal and Mr. Sunder Genomal. The main object of the Company is to carry on the business of Investment Holding. The Company has received Category 2 Global Business Licence issued by Financial Services Commission for this under Section 20(5) of the Financial Services Development Act, 2001.

Fortis Ventures Limited has been incoporated by the Promoters of our company with an intention to hold their shareholdings in our company through this company. The Promoters pursuant to their application to the Reserve Bank of India dated January 08, 2007 have received no objection from Reserve Bank of India vide letter No. FE.CO.FID/16976/10.21.047/2006-2007 dated February 05, 2007 to transfer their shareholding to this Company. Accordingly, post completion of listing of shares under this Offer, Promoters intend to transfer part of their shareholding to this Company and make this Company as a main Promoter.

Board of Directors

The Board of Directors of Fortis Ventures Limited as on December 18, 2006 comprises of Mr. Nari Genomal, Mr. Ramesh Genomal and Mr. Sunder Genomal.

Shareholding Pattern as on December 18, 2006 is as follows:

Sr. No.	Name of the Shareholder	Number of Shares held	% of total number of shares
1.	Mr. Nari Genomal	1,000	33.33
2.	Mr. Ramesh Genomal	1,000	33.33
3.	Mr. Sunder Genomal	1,000	33.33
	Total	**3,000**	**100.00**

Financial Performance

The Company has not yet started its operations.

We confirm that the Company registration number and the addresses of the Registrar of Company where the company is registered has been submitted to the Stock Exchanges where the shares of our company are proposed to be listed.

Group Companies

The following are our Group Companies:

1. Page Garment Exports Private Limited
2. Gentex Apparel Private Limited
3. Genco Holdings Private Limited
4. Trigen Apparel Private Limited
5. GTVL Manufacturing Industries, Inc., Philippines
6. Sprint International, Inc., Philippines
7. Trigen Resources, Inc., Philippines

Common Pursuit

Certain group companies namely Page Garment Exports Private Limited, Trigen Apparel Private Limited, Gentex Apparel Private Limited, GTVL Manufacturing Industries, Inc. and Sprint International, Inc. are in the business garment manufacture. Hence to this extent there exists a potential conflict of interest between us and these entities.

Interest of Promoters

We have executed certain job work contracts and sublease agreements with companies which have common directors. For details of the same, refer to the section on "Our Business" on page 45 and "Related Party Transactions" appearing on page 78 of this Prospectus.

Payment or benefit to Promoters

The Promoters are interested in our Company to the extent of their shareholding, for which they are entitled to receive the dividend declared, if any, by our Company.

Since Mr. Sunder Genomal is also the Managing Director of our Company, he is interested to the extent of his remuneration from our Company, as disclosed under the section "Our Management" appearing on page 68 of this Prospectus.

For details of transactions with Group companies, refer to the section on "Related Party Transactions" appearing on page 78 of this Prospectus.

There are no interests of Promoters or payment or benefit to promoters except as mentioned elsewhere in this Prospectus.

Group Companies /subsidiaries referred to BIFR/under winding up/ having negative net worth

We have no subsidiaries. None of the group entities have a negative networth.

Sales or Purchase between Group Companies.

There have been no sales or purchases between group companies and our Company exceeding in value in the aggregate 10% of the total sales or purchases of our Company.

For more details please see section titled "Summary of Financial Information Of Group Companies" on page no. 101 of this Prospectus.

RELATED PARTY TRANSACTIONS

For further details on related party transactions, see Annexure XVI of the Financial Statements beginning on page 97 of this Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Board may also from time to time pay interim dividends. All dividend payments will be made in cash to the shareholders of our Company. However, this is not necessarily indicative of our dividend amounts, if any, or our dividend policy, in the future.

Particulars as on	**30.09.2006**	**31.03.2006**	**31.03.2005**	**31.03.2004**	**31.03.2003**	**31.03.2002**
No. of Equity shares of Rs.100 each		243,538	243,538	243,538	243,538	243,538
No. of Equity shares of Rs.10 each	9,741,520					
Rate of Dividend (%)	37.50%	200%	100%	200%	50%	40.24%
Total Dividend Paid (Rs. In million)	36.53	48.71	24.35	48.71	12.18	9.80
Dividend Tax paid (Rs. In million)	3.42	6.71	3.15	6.24	1.56	1.00

Note:

At the Annual General Meeting of the shareholders of the Company held on September 05, 2006, one Equity Share of Rs.100 has been sub-divided into 10 equity shares of Rs.10 each.

SECTION V
FINANCIAL STATEMENTS

AUDITORS' REPORT

The Board of Directors,

PAGE INDUSTRIES LIMITED

Abbaiah Reddy Industrial Estate,
Bangalore

A. a) We have examined the annexed financial information of **Page Industries Limited** (Formerly Page Apparel Manufacturing Private Limited) for the five financial years ended on March 31st, 2006 (out of which, the financial statements for the year up to 31st March, 2005 have been audited by earlier auditors of the company) and for the period April 1st, 2006 to September 30th, 2006 being the last date to which the accounts of the Company have been made up and audited by us. The Financial statements are approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the company in connection with the Public Issue of Equity Shares in the Company.

b) In accordance with the requirements of

1. Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956.
2. The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('the SEBI Guidelines') issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments and;
3. Our terms of reference given by the Company vide its letter dated 10th December, 2006 requesting us to carry out works in connection with the Public Issue of Equity Shares as aforesaid.

We report that the restated assets and liabilities of the Company as at 31st March of 2002, 2003, 2004, 2005, 2006 and as at 30th September, 2006 are as set out in Annexure I to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the significant accounting policies and notes to account as Appearing in Annexure III.

We report that the restated profits of the Company for the financial years ended on 31st March, 2002, 2003, 2004, 2005, 2006 and for the period 1st April, 2006 to 30th September, 2006 are as set out in Annexure II to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and notes to accounts as appearing in Annexure III to this report. The Company has paid dividend on Equity Shares in some of the years mentioned above.

B. We have examined the following financial information relating to the Company proposed to be included in the Prospectus, as approved by you and annexed to this report:

1. Statement of Cash Flow as appearing in Annexure IV to this report;
2. Statement of Debtors enclosed as Annexure V to this report;
3. Statement of Loans and Advances as appearing in Annexure VI to this report;
4. Statement of Secured Loans as appearing in Annexure VII to this report;
6. Statement of Operational Income as appearing in Annexure VIII to this report;
7. Statement of Other Income as appearing in Annexure IX to this report;
8. Statement of Contingent Liabilities as appearing in Annexure X to this report;
9. Statement of Accounting Ratios as appearing in Annexure XI to this report;
10. Statement of Capitalisation as at September 30th, 2006, as appearing in Annexure XII to this report;
11. Statement of Tax Shelter as appearing in Annexure XIII to this report;
12. Statement of Dividend paid as appearing in Annexure XIV to this report.
13. Statement of Investments as appearing in Annexure XV to this report.

14. Statement of Related party Transactions as appearing in Annexure XVI to this report.

15. Statement of changes in Share Capital as appearing in Annexure XVII to this report.

16. Statement of changes in Reserves and Surplus as appearing in Annexure XVIII to this report.

17. Statement of Earnings Per Share as appearing in Annexure XIX to this report.

C. a) In our opinion, the financial information of the Company as stated in Para A and B Read with Significant Accounting Policies and Notes to Accounts as appearing in Annexure III to this report, after making adjustments / restatements and regroupings as considered appropriate and subject to certain matters as stated in Notes to the Statements, has been prepared in accordance with Part II of Schedule II of the Companies Act of 1956 and the SEBI Guidelines, mentioned supra.

b) This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written Consent.

For **HARIBHAKTI & Co.**
Chartered Accountants

Sd/-

(Chetan Desai)
Partner
Membership No. 17000

Place : Mumbai

Date : December 15, 2006

Annexure I

(Rs. in Millions)

STATEMENT OF RESTATED ASSETS & LIABILITIES

PARTICULARS	AS AT 30.9.2006	AS AT 31.3.2006	AS AT 31.3.2005	AS AT 31.3.2004	AS AT 31.3.2003	AS AT 31.3.2002
A Fixed Assets						
Gross Block	175.37	158.22	128.80	106.51	87.25	53.85
Less: Depreciation	48.79	43.52	35.27	31.40	24.02	16.89
Net Block	126.58	114.70	93.53	75.11	63.23	36.96
Captial Work in progress	33.88	8.05	4.70	2.99	0.09	1.72
Total Fixed Assets (A)	**160.46**	**122.75**	**98.23**	**78.10**	**63.32**	**38.68**
B Investments (B)	**5.00**	**7.00**	**3.00**	**3.00**	**0.01**	**0.02**
C Current Assets, Loans and Advances						
Inventories	281.70	233.86	192.52	131.31	121.86	65.50
Sundry Debtors	77.00	58.98	49.91	45.98	51.70	43.14
Cash and Bank balances	1.34	0.28	0.37	0.62	0.33	6.55
Other Current Assets	1.22	0.54	0.45	0.44	0.29	0.83
Loans & Advances	76.80	30.41	20.98	22.03	24.39	28.94
TOTAL CURRENT ASSETS (C)	**438.06**	**324.07**	**264.23**	**200.38**	**198.57**	**144.96**
D LIABILITIES & PROVISIONS						
Secured Loans	181.39	131.92	131.72	106.53	84.73	49.66
Unsecured Loans	-	-	-	-	-	-
Current Liabilities and Provisions	235.78	184.96	154.78	112.88	116.73	94.21
Deffered Tax Liability	12.00	11.73	12.24	10.21	6.33	3.13
TOTAL (D)	**429.17**	**328.61**	**298.74**	**229.62**	**207.79**	**147.00**
E Networth (A+B+C-D)	**174.35**	**125.21**	**66.72**	**51.86**	**54.11**	**36.66**
Represented By						
Share Capital	**97.42**	**24.35**	**24.35**	**24.35**	**24.35**	**24.35**
Reserves and Surplus	**76.93**	**100.86**	**42.37**	**27.52**	**29.79**	**12.35**
Less : Revaluation reserve	**-**	**-**				
Reserves Net of Revaluation Reserve	**76.93**	**100.86**	**42.37**	**27.52**	**29.79**	**12.35**
TOTAL	**174.35**	**125.21**	**66.72**	**51.87**	**54.14**	**36.70**
Less : Miscellaneous Expenditure (To the extent not written off or adjusted)	-	-	-	0.01	0.03	0.04
Networth	**174.35**	**125.21**	**66.72**	**51.86**	**54.11**	**36.66**

STATEMENT OF RESTATED PROFIT & LOSS ACCOUNT **ANNEXURE II**

(Rs. In million)

	For the period ended 30.9.2006	For the year ended 31.3.2006	For the year ended 31.03.2005	For the year ended 31.03.2004	For the year ended 31.3.2003	For the year ended 31.3.2002
INCOME						
Sales						
Products Manufactured by the company	682.94	997.45	729.48	606.87	487.34	368.32
Products Traded by the company	8.66	14.41	16.99	17.73	8.71	7.98
Sub- Total	**691.60**	**1011.86**	**746.47**	**624.60**	**496.05**	**376.30**
Other Income	9.03	9.82	4.42	2.36	2.19	2.71
Profit on sale of Assets/Investments	3.54	(0.04)	(0.31)	(0.01)	(0.13)	(0.44)
Increase (Decrease) in Inventory	37.70	16.14	27.64	14.02	30.66	(1.28)
Total Income	**741.87**	**1037.78**	**778.22**	**640.97**	**528.77**	**377.29**
EXPENDITURE						
Manufacturing Expenses	395.31	548.26	464.32	366.28	302.25	229.80
Personnel Expenses	92.69	127.68	91.26	73.63	58.92	32.04
Administrative and Selling Expenses	103.13	163.98	141.79	111.72	100.73	74.30
Financing Expenses	10.46	15.78	12.99	11.23	14.98	12.50
Depreciation	5.31	8.36	7.21	7.40	7.29	4.28
Miscellaneous expenditure written off	0.00	0.00	0.01	0.01	0.01	1.21
Total expenditure	**606.90**	**864.06**	**717.58**	**570.27**	**484.18**	**354.13**
Net profit for the year before tax and extraordinary items	**134.97**	**173.72**	**60.64**	**70.70**	**44.59**	**23.16**
Less : Prior period expenses /(income)	(0.18)	(0.34)	(0.03)	0.48	0.12	(0.04)
Net profit before taxation and extraordinary items	**134.79**	**173.38**	**60.61**	**71.18**	**44.71**	**23.12**
Less : Provision for Income tax -Current year	(46.40)	(59.00)	(16.16)	(14.59)	(9.56)	(2.43)
Provision for income tax earlier years	2.10	1.31	0.00	0.00	(0.77)	0.00
Provision for Deferred taxes	(0.28)	0.51	(2.02)	(3.87)	(3.21)	(3.13)
Provision for Fringe Benefit Tax	(1.11)	(2.27)	0.00	0.00	0.00	0.00
Provison for Wealth Tax	(0.01)	(0.02)	(0.08)	(0.03)	0.00	0.00
Net profit after taxation before extraordinary items	**89.09**	**113.91**	**42.35**	**52.69**	**31.17**	**17.56**
Less : Extra-ordinary items (Net of tax)	0	0	0	0	0	**0.00**
Net profit after extraordinary items	**89.09**	**113.91**	**42.35**	**52.69**	**31.17**	**17.56**
Profit Available for Appropriation	**89.09**	**113.91**	**42.35**	**52.69**	**31.17**	**17.56**
Appropriations						
Interim dividend	36.53	48.71	24.35	48.71	12.18	9.80
Tax on interim dividend	3.42	6.71	3.15	6.24	1.56	1.00
Amount transferred to general reserve	10.00	17.00	6.00	5.39	3.80	1.90
Surplus carried to balance sheet	39.14	41.49	8.85	(7.65)	13.63	4.86
Total	**89.09**	**113.91**	**42.35**	**52.69**	**31.17**	**17.56**
Earning per Share (Basic & Diluted)	**35.99**	**467.75**	**173.85**	**216.32**	**128.00**	**88.87**

ANNEXURE III

NOTES ATTACHED TO AND FORMING PART OF RESTATED ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention, on an accrual basis and in accordance with the applicable accounting standards, as adopted consistently by the Company.

B. FIXED ASSETS

Fixed assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price less rebates and discounts and any directly attributable cost of bringing the asset to its working condition for its intended use, including related pre-operative expenses.

Capital work-in progress includes Advance on Capital Account.

C. DEPRECIATION / AMORTISATION

i) Depreciation on Fixed Assets is provided on Straight Line Method on Actual shifts basis at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956. Items of value less than Rs. 5,000 are depreciated at 100% fully in the year of purchase.

ii) Depreciation on the Fixed Assets added/disposed off /discarded during the year has been provided on pro-rata basis with reference to the date of addition/disposal/discarding.

iii) Depreciation on the amounts capitalized on account of foreign exchange fluctuation is provided prospectively over residual life of the assets.

D. BORROWING COST

i) Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such asset is ready for its intended use.

ii) Other borrowing costs are charged to the Profit & Loss Account.

E. TRANSLATION OF FOREIGN CURRENCY ITEMS

Transaction in foreign currency is recorded at the rate of exchange prevailing on the date of transaction. Current assets and liabilities are translated at the year-end closing rates. The resulting exchange gain/loss is reflected in the profit and loss account. Exchange differences attributable to the acquisition of the fixed assets outside India are adjusted to the cost of the respective assets.

F. INVESTMENTS

i) Long Term Investments are stated at cost after deducting provision, if any, made for decline, other than temporary, in the market or fair value.

ii) Current Investments are stated at lower of cost and market/fair value.

G. INVENTORIES

i) Raw materials, components and POP materials are valued at lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

ii) Work in progress and finished goods are valued at lower of cost and net realizable value. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

iii) Cost of materials is computed on weighted average basis.

iv) Obsolete, defective and unserviceable stocks are duly provided for.

H. REVENUE RECOGNITION

i) Sales are recorded net of trade discounts, rebates and indirect taxes.

ii) Dividend income on investments is accounted for when the right to receive the payment is established.

I. EMPLOYEE BENEFITS

a) Leave Encashment Liability ;

Leave Encashment Liability expensed in the Profit & Loss Account for the current period on the basis of Actuarial valuation as on the balance sheet date pursuant to adoption of AS 15, (revised).

b) Employee defined contribution plan benefits expenses are charged to Profit & Loss Account.

i) Contribution to provident Fund & Pension Fund is charged to the Profit and Loss Account of the period.

c) Employee benefits plan (Gratuity) - Gratuity liability under the Payment of Gratuity Act is accrued on the basis of an actuarial valuation made at the end of each financial period

J. IMPAIRMENT OF ASSETS (2004-05 and onwards)

The carrying amounts of assets are reviewed, at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows as a cash generating unit are discounted to the present value. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

K. TAXATION

Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of Income Tax Act, 1961.

The deferred tax for timing differences between the book and tax profits for the period is accounted for, using the tax rates and laws that have been substantively enacted as at the balance sheet date.

Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty that these would be realized in future.

Fringe Benefit Tax is provided in accordance with the provisions of the Income Tax Act, 1961.

Wealth Tax is provided in accordance with the provisions of the Wealth Tax Act, 1961

L. CONTINGENT LIABILITIES

Contingent Liabilities are not provided for and are disclosed by way of notes.

II. NOTES ON ACCOUNTS

Rs in Million

		30.09.2006	31.03.2006	31.03.2005	31.03.2004	31.03.2003	31.03.2002
1	**Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)**						
i)	Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	16.35	13.60	7.08	0.80	2.54	0.60
2	**Contingent Liabilities not provided for:**						
i)	Claims against the Company not acknowledged as debts Disputed tax demands	0.28	0.28	Nil	Nil	Nil	Nil
ii)	Corporate Guarantees to related parties	15.00	7.50	0.30	Nil	0.00	0.00
iii)	Counter Guarantees in respect of Bank Guarantees	9.05	9.05	0.36	Nil	0.39	0.53
iv)	Unexpired portion of Car Lease Rentals	Nil	Nil	Nil	Nil	Nil	0.17
3	**Based on the information / documents available with the Company Sundry creditors include total outstanding dues to small scale undertakings** Name of the SSI parties to whom the company owe any sum outstanding for more than thirty days but not overdue: BLR Knits Pvt. Ltd., Harshine Knitters, J.P. Kumar Socks, K.S. Tapes, Mangala Art Printers, N.R. Containers, Pavi Packing Products, Printech, Raj Fabs, Sans Crainters Knitters, S.A.N.S Flexi Packs, Sign Fabs, Sprint Print, Stallion prints and Solutions Pvt. Ltd., R.K.Packers, Suman Packing Products, Super Fine Colourtex Prints Pvt. Ltd., The Paradise Knitters, Chirag Card Container's PVt Ltd., Fine Prints Pvt Ltd., Elegant Rocks Pvt Ltd., N R Containers, Kamsri Flex Forms PVt Ltd., Jay Jay Polymers, K S Tapes, Mangala Arts Printer, Packmaster Containers Pvt Ltd., Poorna Grafi-Tech, Ramya Reprographicss,	11.87	7.43	10.37	2.63	2.28	5.40

Rs in Million

		30.09.2006	31.03.2006	31.03.2005	31.03.2004	31.03.2003	31.03.2002
	Vatsal Packaging, Vignesh Enterprises, Vishwakala Printers, The above information has been compiled from the information available with the Company as to their status as SSIs.						
4	**Deferred Tax Liability / (Assets) at the year end comprise timing differences on account of:**						
i)	Depreciation	(15.75)	(14.17)	(129.34)	(11.11)	(7.03)	(9.70)
ii)	Expenditure / Provisions allowable	3.75	2.44	6.98	0.91	0.70	0.94
	Total	**(12.00)**	**(11.73)**	**(122.36)**	**(10.21)**	**(6.33)**	**(8.76)**
5	**Director's Remuneration**						
	- Salary	4.80	10.20	9.50	8.64	7.20	2.76
	- Contribution to PF & GF Funds	0.00	0.01	0.00	0.00	0.00	0.00
	- Commission	0.00	0.00	0.00	0.00	1.50	0.00
	Total	**4.80**	**10.21**	**9.50**	**8.64**	**8.70**	**2.76**
6	**Auditors' Remuneration:**						
	Payments to Statutory Auditors:						
	Statutory Audit Fees	0.30	0.40	0.08	0.07	0.06	0.05
	Tax Audit Fee	0.00	0.00	0.04	0.03	0.03	0.02
	Company Law and other Matters	0.00	0.00	0.07	0.07	0.06	0.05
	Service Tax and Cess	0.04	0.05	0.01	0.01	0.01	0.00
	Expenses reimbursed	0.03	0.00	0.00	0.00	0.00	0.00
	Grand Total	**0.36**	**0.45**	**0.20**	**0.17**	**0.16**	**0.12**

7 RELATED PARTY TRANSACTIONS

The Company related parties and transactions (in terms of AS-18)

	Financial Year (2006-2007)	Financial Year (2005-2006)	Financial Year 2004-2005	Financial Year 2003-2004	Financial Year 2002-2003	Financial Year 2001-2002
	(for the period ended 30.09.06)					
I.	**RELATED PARTIES**	**RELATED PARTIES**	**RELATED PARTIES**	**RELATED PARTIES**	**RELATED PARTIES**	**RELATED PARTIES**
A	**Associates**	**Associates**	**Associates**	**Associates**	**Associates**	**Associates**
	Trigen Apparel Pvt. Ltd.	Trigen Apparel Pvt. Ltd.	Trigen Apparel Pvt. Ltd.	Trigen Apparel Pvt. Ltd.	Trigen Apparel Pvt. Ltd.	Trigen Apparel Pvt. Ltd.
	GTVL Industries Inc	GTVL Industries Inc	GTVL Industries Inc	GTVL Industries Inc	GTVL Industries Inc	GTVL Industries Inc
	Page Garments Exports Pvt. Ltd.	Page Garments Exports Pvt. Ltd.	Genco Holdings Pvt. Ltd.	Genco Holdings Pvt. Ltd.	Genco Holdings Pvt. Ltd.	Genco Holdings Pvt. Ltd.
	Trigen Resources Genco Holdings Pvt. Ltd.	Trigen Resources Genco Holdings Pvt. Ltd.				Trigen Resource
B	**Key Management Personnel**	**Key Management Personnel**	**Key Management Personnel**	**Key Management Personnel**	**Key Management Personnel**	**Key Management Personnel**
	Sunder Genomal	Sunder Genomal	Sunder Genomal	Sunder Genomal	Sunder Genomal	Sunder Genomal
	Shamir Genomal	Shamir Genomal	Shamir Genomal	Shamir Genomal	Shamir Genomal	Shamir Genomal
	Vignesh Genomal	Vignesh Genomal	Vignesh Genomal	Vignesh Genomal	Ramesh Genomal	Ramesh Genomal
	Ramesh Genomal	Ramesh Genomal	Ramesh Genomal	Ramesh Genomal		Harish Melwani

8. Transactions with Related Parties

	Associates						Key Management Personnel					
	30.09.06	2005-06	2004-05	2003-04	2002-03	2001-02	30.09.06	2005-06	2004-05	2003-04	2002-03	2001-02
Purchase of Goods & Services	29.41	49.83	35.16	20.97	21.22	9.43		0.97	1.78	1.79	1.94	0.00
Sale of Goods & Services	0.00	0.00	0.00	0.00	0.41	0.00		0.00	0.00	0.00	0.00	0.43
Amounts Receivable	52.27	18.81	6.54	5.14	0.00	20.87		0.00	0.00	0.00	0.00	0.00
Loans & Security Outstanding												
Advance Paid	0.00	0.00	0.00	0.00	0.00	3.55						
Amounts Payable	3.56	3.55	4.22	3.55	0.00	0.00						
Remuneration							4.80	10.21	9.50	8.64	8.70	2.76
Staff Welfare Expences							0.00	2.98	3.60	3.60	0.00	0.00
Guarantees Provided	15.00	7.50	0.00	0.00	0.00	0.00						
Export Commision	0.00	0.00	1.48	3.36	0.00	0.00						
Amounts Written off / Written back												

9. Additional Information as required under Para 3, 4c and 4d of Part II to the Companies Act, 1956 (Nos. In million)

	Till Sept 06	2005-06	2004-05	2003-04	2002-03	2001-02
A) Licensed and Installed Capacity : (As certified by the management)						
Garments (in Dozens)						
Licensed Capacity	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Installed Capacity	1.16	1.16	1.16	1.16	0.78	0.40
Socks (pairs in dozens)						
Licensed Capacity	Not Applicable	Not Applicable	Not Applicable	Not Applicable		
Installed Capacity	0.01	0.01	0.01	Nil		
Garter (in Mtrs)						
Licensed Capacity	Not Applicable	Not Applicable				
Installed Capacity	0.75	0.75				

B) Particulars in respect of production : (Nos. In million)

	Qty (Nos.)	Qty (Nos.)	Qty (Nos.)	Qty (Nos.)	Qty (Nos.)	Qty (Nos.)
Description	**Till Sept 2006**	**2005-06**	**2004-05**	**2003-04**	**2002-03**	**2001-02**
Innerwear	11.19	15.95	11.29	9.85	8.93	6.30
Woven shorts	0.29	0.49	0.60	0.68	0.38	0.31
Knitted shorts	0.03	0.06	0.08	0.05	0.04	0.02
Round neck / collar	0.71	0.88	0.54	0.43	0.28	0.14
Factory seconds (all the above categories)	0.34	0.44	0.38	0.39	0.26	0.24
Socks (bought out & repacked)	0.17	0.19	0.23	0.30	0.36	0.21
Socks (Production)	0.12	0.17	0.08	-	-	-
T-shirts (Bought out & repacked)	-	-	-	0.01	-	-
Caps	-	-	-	0.02	0.01	-
	12.87	**18.18**	**13.20**	**11.74**	**10.26**	**7.21**

Note : Above production quantities includes supplied by jobworkers against materials supplied by the company.

C) Earnings in foreign currency during the year

Rs. In Million

	30.09.06	2005-06	2004-05	20003-04	2002-03	2001-02
F.O. B. Value of exports	1.94	4.48	23.04	23.99	6.99	16.91

D) C.I.F Value of imports

Raw materials	6.80	4.15	0.20	5.42	1.73	Nil
Capital Goods	12.48	2.76	4.08	12.16	17.06	Nil

E) Expenditure incurred in foreign currency Rs. In Million

	30.09.06	2005-06	2004-05	20003-04	2002-03	2001-02
Royalty	21.07	37.44	26.55	21.66	17.45	14.75
Export Commission	Nil	Nil	1.51	2.26	0.45	1.55
Traveling expenses	0.21	2.94	7.24	5.75	5.61	5.09
Consultancy charges	Nil	2.40	2.55	1.86	1.94	Nil
Advertisement	Nil	0.33	Nil	Nil	Nil	Nil
Director's Salary	0.57	2.85	Nil	Nil	Nil	Nil
Branch expenses	Nil	0.83	2.08	2.82	Nil	Nil
Staff Welfare (training expenses)	0.06	2.98	3.59	3.60	2.71	Nil
Dividend	35.48	47.31	23.62	23.65	Nil	2.00
Rates & Taxes	0.04	Nil	Nil	Nil	Nil	Nil
Books & Periodicals	Nil	Nil	Nil	Nil	Nil	0.04
Export Expenses	Nil	Nil	Nil	Nil	0.36	Nil
Selling Expenses	Nil	Nil	Nil	Nil	3.05	Nil

F) Remittance in foreign currency Rs. In Million

Particulars	**No. of non-resident shareholders**	**No. of shares held by non-resident shareholders**	**Rupees**
Remittance on account of dividend			
30.09.2006	3	236,535	35.48
2005 – 2006	3	236,535	47.31
2004 – 2005	3	236,535	23.62
2003 – 2004	3	236,535	47.31
2002 – 2003	3	236,535	Nil
2001 – 2002	3	40,000	2.00

Rs. In Million

10) Leases:	**30.09.06**	**2005-06**	**2004-05**	**20003-04**	**2002-03**	**2001-02**
The Company has taken on operating leases certain immovable properties under cancellation / non-cancellable ease, which are renewable on a periodical basis at the option of the lessor and the lessee.						
The minimum lease rental payable under the non-cancellable leases is as follows:						
Up to one year	5.51	5.34	7.44	2.17	1.43	1.06
One year to five years	0.74	0.26	0.68	Nil	Nil	Nil
More than five years	2.63	0.29	0.28	Nil	Nil	Nil

11. Segmental Information

The Company operations relate to only one segment of manufacture of garments. Hence there are no reportable segments as required by AS-17

12. Balances in Debtors, Creditors and other third parties are subject to confirmation and reconciliation.

13. Figures of year have been rounded off to Millions**.**

PAGE INDUSTRIES LIMITED **ANNEXURE IV**

(Formerly Page Apparel Manufacturing Pvt Ltd.,)

STATEMENT OF RESTATED CASH FLOW **(Rs. In Millions)**

Particulars	30.09.2006	31.03.2006	31.03.2005	31.03.2004	31.03.2003	31.03.2002
A. FUND FLOW FROM OPERATING ACTIVITIES						
Profit before tax	134.79	173.38	60.61	71.18	44.71	23.12
Adjustment for						
Depreciation	5.28	8.36	3.87	7.39	7.12	4.20
Other amortizations	-	-	-	-	-	-
Interest expenses	10.46	15.78	13.00	11.23	14.98	12.66
Interest income	1.19	2.22	0.01	-	0.42	0.48
Preliminary expenses w/o	-	-	0.01	0.01	0.01	1.21
Income from Investments	0.12	-	-	-	-	0.00
(Profit) / Loss on disposal of fixed assets / long term investments	3.61	-	0.01	-	(0.13)	(0.44)
Operating profit before working capital changes	**155.45**	**199.74**	**77.51**	**89.81**	**67.11**	**41.23**
Adjustments for changes in :						
Sundry Debtors	(34.00)	(9.07)	(3.93)	5.73	(8.57)	(12.95)
Inventories	(47.84)	(41.34)	(61.21)	(9.45)	(56.36)	(10.36)
Other assets	(0.70)	(0.09)	(2.87)	(2.24)	-	-
Loans and advances	(30.40)	(9.43)	-	-	0.32	(5.68)
Sundry creditors and other Current lilabilities	50.82	30.18	44.10	(2.32)	28.92	21.57
Cash generated from operations	**93.33**	**169.99**	**53.60**	**81.53**	**31.42**	**33.81**
Direct Taxes Paid	45.43	59.97	16.16	14.59	10.33	2.46
Miscellaneous / Deferred / Extraordinary Expenditure	(4.91)	(2.23)	(0.10)	(0.01)	(0.29)	(0.01)
Net cash flow from operating activities (A)	**42.99**	**107.79**	**37.34**	**66.93**	**20.80**	**31.34**
B.CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Investments	2.00	(4.00)	-	(2.99)	0.01	-
Purchase of Fixed assets (net)	(42.99)	(32.88)	(22.29)	(19.26)	(33.39)	(9.99)
Net cash from Investing activities (B)	**(40.99)**	**(36.88)**	**(22.29)**	**(22.25)**	**(33.38)**	**(9.99)**

(Rs. In Millions)

Particulars	30.09.2006	31.03.2006	31.03.2005	31.03.2004	31.03.2003	31.03.2002
C.FUND FLOW FROM FINANCING ACTIVITIES						
Borrowing from Banks	49.47	0.20	25.20	21.79	35.08	4.30
Dividend paid (Including Tax on Dividend)	(39.95)	(55.42)	(27.51)	(54.95)	(13.74)	(10.80)
Increase in Capital	-	-	-	-	-	4.75
Reserves & Surplus	-	-	-	-	-	-
Unsecurred Laon	-	-	-	-	-	(6.05)
Interest paid	(10.46)	(15.78)	(12.99)	(11.23)	(14.98)	(12.67)
Net cash from Financing activities (C)	**(0.94)**	**(71.00)**	**(15.30)**	**(44.39)**	**6.36**	**(20.47)**
Total increase/ (Decrease) in cash and cash equivalents during the year (A+B+C)	1.06	(0.09)	(0.25)	0.29	(6.22)	0.88
Cash and cash equivalents at the beginning of the year	0.28	0.37	0.62	0.33	6.55	5.67
Cash and cash equivalents at the end of the year	**1.34**	**0.28**	**0.37**	**0.62**	**0.33**	**6.55**

ANNEXURE -V

(Rs. In Millions)

STATEMENT OF RESTATED DEBTORS

	30.9.2006	31.03.2006	31.3.2005	31.3.2004	31.3.2003	31.3.2002
Secured - considered good						
Outstanding for more than six months	0.20	0.00	2.47	-	-	-
Others	62.05	49.93	47.44	37.83	27.53	25.91
Unsecured - considered good						
Outstanding for more than six months	-	-	-	-	-	-
Others	14.75	9.06	-	8.14	24.18	17.23
	77.00	**58.98**	**49.91**	**45.98**	**51.70**	**43.14**

The above includes the following Sundry debtors which are related parties

	30.9.2006	31.03.2006	31.3.2005	31.3.2004	31.3.2003	31.3.2002
Genco Holdings	-	-	-	-	-	-
Page Garments	-	-	-	-	-	-
Trigen Apparel P. Ltd.	-	-	6.29	4.93	14.20	20.87
GTVL Manufacturing Industries Ltd.	-	-	-	-	-	-
	-	**-**	**6.29**	**4.93**	**14.20**	**20.87**

ANNEXURE-VI

(Rs. In Millions)

STATEMENT OF RESTATED LOANS & ADVANCES

	30.9.2006	31.03.2006	31.3.2005	31.3.2004	31.3.2003	31.3.2002
(Unsecured - Considered good)						
Advances recoverable in cash or kind or value to be recd.	0.28	0.28	0.28	-	-	-
Advances to supliers for goods and services	55.68	16.00	8.75	14.24	14.76	22.67
Deposits	16.11	13.05	11.12	6.78	6.37	5.78
Prepaid expenses	3.65	0.87	0.67	0.56	0.47	0.23
Imprest with field staff	1.08	0.21	0.16	0.09	0.15	0.09
Advance to Directors	-	-	-	-	2.26	0.15
Other Advances	-	-	-	0.36	0.39	0.01
	76.80	**30.41**	**20.98**	**22.03**	**24.39**	**28.94**

ANNEXURE -VII

Statement of Secured Term Loans

Bank	Nature of Loan	Sanctioned Amount Rs. Millions	Rate of Interest p.a.	Repayment Terms	Securities Offered (Primary)
Canara Bank	Term Loan	11.6	11.25% (Floating)	20 Quarterly instalments	Plant and Machinery and EMT of Landed Property
Canara Bank	Term Loan	3.2	11.25% (Floating)	60 Monthly instalments	Plant and Machinery and EMT of Landed Property
Canara Bank	Term Loan	8.7	11.25% (Floating)	60 Monthly instalments	Plant and Machinery and EMT of Landed Property
Canara Bank	Term Loan	5.7	10.25% (Floating)	60 Monthly instalments	Plant and Machinery and EMT of Landed Property
Canara Bank	Term Loan	11.2	11.25% (Floating)	60 Monthly instalments	Plant and Machinery and EMT of Landed Property
ICICI Bank	Term Loans	0.75 0.22		36 EMIs 36 EMIs	Lancer vehicle Maruti Omni Vehicle
Ford Credit Kotak Mahindra Ltd.	Term Loans	2.61		35 EMIs	Ford Ikon vehicles

Statement of Secured Working Capital Loans

Bank	Nature of Loan	Sanctioned Amount Rs. Mn	Rate of Interest p.a.	Repayment Terms	Securities Offered
Canara Bank	OCC/ODBD	130	10.25% (Floating)		Hypothecation of Raw, work in progress, Finished Goods and Book debts

ANNEXURE VIII

(Rs. In Millions)

STATEMENT OF OPERATIONAL INCOME

Particulars	30.9.2006	31.03.2006	31.3.2005	31.3.2004	31.3.2003	31.3.2002
Sales International	6.62	6.71	20.27	25.09	10.66	17.37
Sales Domestic	684.98	1005.15	726.20	599.51	485.39	358.93
Total	**691.60**	**1011.86**	**746.47**	**624.60**	**496.05**	**376.30**

ANNEXURE-IX

(Rs. In Millions)

STATEMENT OF OTHER INCOME	30.9.2006	31.03.2006	31.3.2005	31.3.2004	31.3.2003	31.3.2002
Duty drawback	0.11	0.28	1.92	0.82	0.53	1.95
Cash disount received (net)	2.22	-	0.01	-	-	-
Profit on Exchange Fluctuations (net)	0.08	(0.01)	0.33	(0.67)	0.04	(0.08)
Sale of scrap	0.95	1.23	0.33	0.39	0.67	0.35
Deemed Credit availed	-	-	-	-	0.12	-
Interest received	1.19	2.22	0.01	-	0.42	0.49
Bad debt recovered	-	0.02	-	0.55	0.28	-
Marketing support received	1.15	4.43	-	-	-	-
Miscellaneous income	3.33	1.65	1.81	1.27	0.14	-
Total	**9.02**	**9.82**	**4.41**	**2.35**	**2.19**	**2.70**

ANNEXURE X

(Rs. in Million)

STATEMENT OF CONTINGENT LIBIALITIES

Particulars	As at 30.09.2006	As at 31.03.2006	As at 31.03.2005	As at 31.03.2004	As at 31.3.2003	As at 31.03.2002
Corporate Guarantee to Related Parties	15.00	7.50	0.30	Nil	0.39	0.53
Counter Guarantees in respect Guarantees	9.05	9.05	0.36	Nil	Nil	Nil
Unexpired Portion of Car Lease Rentals	0.00	Nil	Nil	Nil	Nil	0.17
Estimated Amount of Liability on Contracts on Capital A/c	16.35	13.60	7.08	0.80	2.54	0.60
Disputed Tax Demands	0.28	0.28	Nil	Nil	Nil	Nil

ANNEXURE XI

(Rs. In Millions)

STATEMENT OF ACCOUNTING RATIOS

	30. 9.06	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002
Net Profit after Tax	89.09	113.91	42.35	52.69	31.17	17.56
Weighted No of Equity Shares *	2475524	243538	243538	243538	243538	197582
Cash Earnings	94.40	122.27	49.56	60.09	38.48	23.05
Net Worth	174.35	125.21	66.72	51.86	54.11	36.66
Earnings Per Share (Rs) (Annualised)	71.98	467.75	173.85	216.32	128.00	88.87
Return on Net Worth(%) (Annualised)	102.19	90.98	63.47	101.60	57.61	47.90
Net Asset value per Share (Rs)	17.90	514.13	273.96	212.96	222.17	150.52
Cash Earnings per Share (Rs) (Annualised)	76.27	502.07	203.52	246.75	158.01	116.65
No. of Shares at the end of the Year	9741520	243538	243538	243538	243538	243538

* Face value of each share was Rs. 100 each until it was split in the period ending 30.9.06 into Rs. 10 each

Notes:

Earnings per Share= Adjusted profit after tax /Weighted Avg. No. of Shares

Return on Net Worth= Adjusted profit afterTax/ Net Worth

Net Asset value per Share= Adjusted Net Worth / No of Shares outstanding at the end of the year

Net Worth = Share Capital+Reserves -Miscellaneous Expenditure to the extent not written off

ANNEXURE XII

(Rs. In Millions)

Statement of Capitalisation as at 30th September 2006

Particulars	**Pre-offer As at 30.09.2006**	**Post issue Estimates**
Borrowing		
Short term Debts	151.16	176.03
Long term debt	30.23	63.70
Total Debts	**181.39**	**239.73**
Share holders Funds		
Share Capital	97.42	111.54
Share Premium	0.00	494.32
General Reserves & Surplus	76.94	132.27
Miscellaneous Expenditure not written-off		
Total Shareholders Funds	**174.35**	**738.13**
Long term debt / Equity Ratio (%)	17.34%	8.63%

Note: The post issue Capitalisation cannot be determined till the completion of the book building process.

ANNEXURE XIII

(Rs in Millions)

Statement of Tax Shelters

		Period ended September 30, 2006 *	Financial Year Ended March 31, 2006	Financial Year Ended March 31, 2005	Financial Year Ended March 31, 2004	Financial Year Ended March 31, 2003	Financial Year Ended March 31, 2002
Profit before Tax as per Audited accounts	**A**	134.79	173.38	60.57	71.16	44.71	23.16
Tax rate		33.66	33.66	36.60	35.88	36.75	35.70
Tax at actual rate on profits		45.37	58.36	22.17	25.53	16.43	8.27
Permanent Differences:							
Deduction U/s 80 IB		-	-	(15.92)	(18.50)	(10.86)	(7.19)
Deduction U/s 80 G		-	0.02	-	-	0.03	-
Deduction U/s 80 JJAA		(2.62)	(4.48)	(4.07)	(3.25)	(1.44)	(0.34)
Deduction U/s 80 HHC		-	-	-	(0.69)	(0.19)	(0.75)
Capital Gains exempt		(3.59)	-	-	-	-	-
Others		0.24	0.38	0.39	0.06	0.27	1.62
Total Adjustments	**B**	(5.97)	(4.08)	(19.60)	(22.37)	(12.19)	(6.66)
Timing Differences:							
Diff. in Depreciation between Books and IT		(2.62)	(4.45)	(9.75)	(10.64)	(10.29)	(0.86)
Disallowances u/s 43B		11.64	4.24	1.79	1.77	1.64	0.79
Total Timing Differences	**C**	9.02	(0.21)	(7.96)	(8.88)	(8.65)	(0.07)
Net Adjustments	**C+B**	3.06	(4.29)	(27.55)	(31.25)	(20.84)	(6.73)
Tax Saving thereon		1.03	(1.45)	(10.08)	(11.21)	(7.66)	(2.40)
Profit/(Loss) as per Income Tax	**D=(A+B-C)**	137.85	169.08	33.02	39.91	23.87	16.43
Brought Forward Losses adjusted	**E**		-	-	-	-	(6.78)
Taxable Income	**D+E**	137.85	169.08	33.02	39.91	23.87	9.65
Tax on the above		46.40	56.91	12.08	14.32	8.77	3.45
Tax as per Income returned		46.40	56.91	12.08	14.32	8.77	3.45

* Statement of Tax Shelters for the F.Y. 2006-07, has been prepared on estimated basis as the income tax return of the Company for the said F.Y. 2006-07 is not yet due.

ANNEXURE-XIV

STATEMENT OF DIVIDEND PAID FOR THE LAST FIVE YEARS

Particulars As on	**30.9.2006**	**31.03.2006**	**31.03.2005**	**31.03.2004**	**31.03.2003**	**31.03.2002**
No. of equity shares of Rs. 100 each		243,538	243,538	243,538	243,538	243,538
No. of equity shares of Rs. 10 each	9,741,520					
Rate of Dividend (%)	37.50%	200%	100%	200%	50%	40.24%
Total Dividend Paid (Rs. in mn)	36.53	48.71	24.35	48.71	12.18	9.80
Dividend Tax Paid (Rs. in mn)	3.42	6.71	3.15	6.24	1.56	1.00

Note : The face value of shares was split to Rs. 10/Share from Rs. 100/Share during the period ended 30.09.06.

ANNEXURE XV

(Rs. In Millions)

Statement of Restated Investments

Investments in mutual funds (at cost)		**30.9.06**	**2005-2006**	**2004-2005**	**2003-2004**	**2002-2003**	**2001-2002**
(Non-Trade) (Long-term)							
Aggregate cost of quoted investments							
	Face Value						
Franklin ind. blue chip growth -18,165.34 units(18,165.34)	Rs.10/-	1.00	1.00	1.00	1.00	-	-
Reliance vision growth - 24,214.065 units (14,878.74)	Rs.10/-	1.00	2.00	1.00	1.00	-	-
HDFC Top - 200 growth - 23,547.14 units (23,547.14)	Rs.10/-	-	1.00	1.00	1.00	-	-
Fidility Equity Fund - 77,255.87 (-)	Rs. 10/-	1.00	1.00	-	-	-	-
HDFC Equity Fund-Div. - 34,519.66 (-)	Rs. 10/-	1.00	1.00	-	-	-	-
Franklin- Prima Fund-Div. – 19,880.76(-)	Rs.10/-	1.00	1.00	-	-	-	-
Total		**5.00**	**7.00**	**3.00**	**3.00**		
(Aggregate market value of Quoted							
Investments)		**6.54**	**11.96**	**3.76**	**2.84**		
Aggregate cost of unquoted investments							
Indira Vikas Patra (at cost)						0.00	0.00
Bonds of Krishna Jala Bhagya Nigam Ltd.						0.01	0.02
24 bonds of Rs. 1000 each, Valued at cost						**0.01**	**0.02**
Total							

RELATED PARTY TRANSACTIONS **Annexure XVI**

The Company related parties and transactions (in terms of AS-18)

	Financial Year (2006-2007)	Financial Year (2005-2006)	Financial Year 2004-2005	Financial Year 2003-2004	Financial Year 2002-2003	Financial Year 2001-2002
	(for the period ended 30.09.06)					
I.	**RELATED PARTIES**	**RELATED PARTIES**	**RELATED PARTIES**	**RELATED PARTIES**	**RELATED PARTIES**	**RELATED PARTIES**
A	**Associates**	**Associates**	**Associates**	**Associates**	**Associates**	**Associates**
	Trigen Apparel Pvt. Ltd.	Trigen Apparel Pvt. Ltd.	Trigen Apparel Pvt. Ltd.	Trigen Apparel Pvt. Ltd.	Trigen Apparel Pvt. Ltd.	Trigen Apparel Pvt. Ltd.
	GTVL Industries Inc	GTVL Industries Inc	GTVL Industries Inc	GTVL Industries Inc	GTVL Industries Inc	GTVL Industries Inc.
	Page Garments Exports Pvt. Ltd.	Page Garments Exports Pvt. Ltd.	Genco Holdings Pvt. Ltd.	Genco Holdings Pvt. Ltd.	Genco Holdings Pvt. Ltd.	Genco Holdings Pvt. Ltd.
	Trigen Resources	Trigen Resources				Trigen Resources
	Genco Holdings Pvt. Ltd.	Genco Holdings Pvt. Ltd.				
B	**Key Management Personnel**	**Key Management Personnel**	**Key Management Personnel**	**Key Management Personnel**	**Key Management Personnel**	**Key Management Personnel**
	Sunder Genomal	Sunder Genomal	Sunder Genomal	Sunder Genomal	Sunder Genomal	Sunder Genomal
	Shamir Genomal	Shamir Genomal	Shamir Genomal	Shamir Genomal	Shamir Genomal	Shamir Genomal
	Vignesh Genomal	Vignesh Genomal	Vignesh Genomal	Vignesh Genomal	Ramesh Genomal	Ramesh Genomal
	Ramesh Genomal	Ramesh Genomal	Ramesh Genomal	Ramesh Genomal		Harish Melwani

Transactions with Related Parties (Rs. In Millions)

	Associates						Key Management Personnel					
	30.09.06	2005-06	2004-05	2003-04	2002-03	2001-02	30.09.06	2005-06	2004-05	2003-04	2002-03	2001-02
Purchase of Goods & Services	29.41	49.83	35.16	20.97	21.22	9.43	-	0.97	1.78	1.79	1.94	-
Sale of Goods & Services	-	-	-	-	0.41	-	-	-	-	-	-	0.43
Amounts Receivable	-	-	6.54	5.14	-	20.87	-	-	-	-	-	-
Loans & Security Outstanding												
Advance Paid	52.27	18.81	-	-	-	3.55	-	-	-	-	-	-
Amounts Payable	3.56	3.55	4.22	3.55	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	4.80	10.21	9.50	8.64	8.70	2.76
Staff Welfare Expences	-	-	-	-	-	-	-	2.98	3.60	3.60	-	-
Guarantees Provided	15.00	7.50	-	-	-	-	-	-	-	-	-	-
Export Commision	-	-	1.48	3.36	-	-	-	-	-	-	-	-
Amounts Written off / Written back												

ANNEXURE XVII

STATEMENT OF CHANGES IN SHARE CAPITAL

(Rs. In Millions)

Particulars As On	30.9.2006	31.03.2006	31.03.2005	31.03.2004	31.03.2003	31.03.2002
Share Capital						
Authorised Capital						
No. of shares (Rs. 100 each)		250,000	250,000	250,000	250,000	250,000
Amount (Rs. in mn)		25.00	25.00	25.00	25.00	25.00
No. of shares (Rs. 10 each)	12,000,000					
Amount (Rs. in mn)	120.00					
Issued, Subscribed and Paidup Capital						
No. of shares (Rs. 100 each)		243,538	243,538	243,538	243,538	243,538
Amount (Rs. In mn)		24.35	24.35	24.35	24.35	24.35
No. of shares (Rs. 10 each)	9,741,520					
Amount (Rs. in mn)	97.42					

Note : The authorized share capital of the Company has been increased to Rs.120 million at the EGM held on 31.05.2006 and the nominal value of each share has been sub-divided from Rs.100 each into 10 Equity Share of Rs.10 each.

ANNEXURE XVIII

STATEMENT OF CHANGES IN RESERVES AND SURPLUS

(Rs. In Millions)

Particulars As on	30.9.2006	31.03.2006	31.03.2005	31.03.2004	31.03.2003	31.03.2002
Investment subsidy		2.28	2.28	2.28	2.28	2.28
Less : Transferred to General Reserve		(2.28)				
Closing balance		0.00	2.28	2.28	2.28	2.28
General reserve	36.37	17.09	11.09	5.70	1.90	1.90
Addition during the year	10.00	17.00	6.00	5.39	3.80	
Transfer from Investment subsidy		2.28				
Less : Capitalisation as Bonus Shares	(36.37)					
Closing balance	**10.00**	**36.37**	**17.09**	**11.09**	**5.70**	**1.90**
Profit and loss account	64.49	22.99	14.15	21.80	8.16	3.31
Addition during the year	39.14	41.49	8.84	(7.65)	13.64	4.86
Less : Transfer to Share Capital	(36.69)					
Closing balance	**66.94**	**64.49**	**22.99**	**14.15**	**21.80**	**8.16**
Total	**76.94**	**100.86**	**42.36**	**27.52**	**29.78**	**12.34**

ANNEXURE XIX

(Rs. In Million)

EARNINGS PER SHARE

PARTICULARS	As at 30.9.2006	As at 31.3.2006	As at 31.3.2005	As at 31.3.2004	As at 31.3.2003	As at 31.3.2002
A Face Value Per Share	10	100	100	100	100	100
1 No. of Equity Shares at The beginning of the Year/Period	2435380	243538	243538	243538	243538	196020
2 No. of Equity Shares at the end of the Year/Period	9741520	243538	243538	243538	243538	243538
3 Weighted Average No of Equity shares outstanding during the year/period	2475524	243538	243538	243538	243538	197582
B Net Profit after Tax available for Equity Share Holders	89.09	113.91	42.35	52.69	31.17	17.56
C Basic & Diluted Earning per Share Rs. 10/Share	**35.99**	**46.78**	**17.39**	**21.63**	**12.80**	**8.89**
D Basic & Diluted Earning per Share Rs. 100/Share	**35.99**	**467.75**	**173.85**	**216.32**	**128.00**	**88.87**

SUMMARY OF FINANCIAL INFORMATION OF GROUP COMPANIES

The group companies / entities are as indicated below :

I. Companies in India

1. Gentex Apparel Private Limited
2. Page Garment Exports Private Limited
3. Genco Holdings Private Limited
4. Trigen Apparel Private Limited

II. Companies outside India

1. Trigen Resources, Inc.
2. Sprint International, Inc.
3. GTVL Manufacturing Industries, Inc.

The relevant details of the above named companies/entities are provided below:

1. Gentex Apparel Private Limited

Gentex Apparel Private Limited was incorporated as a private limited company in Bangalore on September 15, 2005 with Company Registration No. 08 – 37230. The Registered Office of our Company is situated at 101, 1st Floor, 18th Main, 6th Block, Koramangala, Bangalore 560 095

Gentex Apparel Private Limited has an authorised share capital of Rs. 5 million divided into 500,000 equity shares of Rs. 10/- each and a paid up capital of Rs. 330,060/- divided into 33,006 Equity Shares of Rs. 10/- each. Gentex Apparel Private Limited is an unlisted company and has not become a sick company under the meaning of SICA and it is not under winding up.

The main object of Gentex Apparel Private Limited is to carry on the business 1) as manufacturers, jobworkers, traders, dealers, distributors, importers and exporters of garments, apparel, textiles, fabrics, and textile made-ups such as furnishings, bedsheets, towels and the like and accessories or parts of garments including buttons, collars, garter, elastic, labels, trimmings. 2) Spinning, weaving and textile processing including dyeing, calendaring, embroidering, washing and ironing.

Further Gentex Apparel has not been listed as a willful defaulter by the Reserve Bank of India or any other Government authority and there are no violations of securities laws committed by it in the past or are pending against it.

Board of Directors

The Board of Directors of Gentex Apparel Private Limited are listed below:

1. Sanjeev Genomal
2. Shahendar Genomal
3. Shamir Genomal

Shareholding Pattern

The shareholding pattern of Gentex Apparel Private Limited is as under:

S. No	Shareholders	No. of Shares	Percentage
1	Interconcord Ltd.	11,002	33.33%
2	Trimatrix Ltd.	11,002	33.33%
3	R. N. Visions Ltd.	11,002	33.33%
	TOTAL	**33,006**	**100%**

Financial Highlights

As the first financial year of company's operations ends on March 31, 2007, no audited financial data is available.

2. Page Garment Exports Private Limited

Page Garment Exports Private Limited was incorporated as a private limited company in Bangalore on February 4, 2005 with Company Registration No. 08 – 35540. The Registered Office of our Company is situated at Jockey Campus Abbaiah Reddy Industrial Area 53, Begur Road Bommanahalli Bangalore 560 068.

The main object of Page Garment Exports Private Limited is to carry on the business of 1) export of all kinds of garments and wearing apparel, manufacturers, jobworkers, traders, dealers, distributors, importers etc. 2) Spinning, weaving and textile processing including dyeing, calendaring, embroidering, washing and ironing.

Page Garment Exports Private Limited has an authorised share capital of Rs. 5 million divided into 500,000 equity shares of Rs. 10/- each and a paid up capital of Rs. 4,042,350/- divided into 404,235 equity shares of Rs. 10/- each. Page Garment Exports Private Limited is an unlisted company and has not become a sick company under the meaning of SICA and it is not under winding up.

Further Page Garment Exports Private Limited has not been listed as a willful defaulter by the Reserve Bank of India or any other Government authority and there are no violations of securities laws committed by it in the past or are pending against it.

Board of Directors

The Board of Directors of Page Garment Exports Private Limited are listed below:

1. Shahendar Genomal
2. Sanjeev Genomal
3. Shamir Genomal

Shareholding Pattern

The shareholding pattern of Page Garment Exports Private Limited is as under:

S. No	Shareholder	No. of Shares	Percentage
1	Interconcord Ltd.	134,745	33.33%
2	Trimatrix Ltd.	134,745	33.33%
3	R. N. Visions Ltd.	134,745	33.33%
	TOTAL	**404,235**	**100%**

Financial Highlights

The financial highlights of Page Garment Exports Private Limited as per the latest available audited financial statements are as under:

(Rs. in million)

Particulars (Rs)	2005-06
Total Income	6.85
Profit after Tax	(2.62)
Equity Capital	4.04
Reserves & Surplus (excluding revaluation reserve)	0.00
EPS (Rs.)	(6.48)
Net Asset Value Per Share (Rs.)	3.23

3. Genco Holdings Private Limited

Genco Holdings Private Limited was incorporated as a private limited company in Bangalore on May 8, 1995 with Company Registration No. 08 – 17776. The Registered Office of our Company is situated at 101, 1st Floor, 18th Main, 6th Block, Koramangala, Bangalore – 560 095

The main object of Genco Holdings Private Limited is to carry on the business of financiers and capitalists, managing, purchasing, selling, hiring, letting on hire and dealing in all kinds of property movable and immovable goods, etc. and to act as merchant bankers.

Genco Holdings Private Limited is presently providing advertising services to Page Industries Limited.

Genco Holdings Private Limited has an authorised share capital of Rs. 2.5 million divided into 25,000 Equity Shares of Rs. 100/- each and a paid up capital of Rs. 100,000/- divided into 1,000 Equity Shares of Rs. 100/- each. Genco Holdings Private Limited is an unlisted company and has not become a sick company under the meaning of SICA and it is not under winding up.

Further Genco Holdings Private Limited has not been listed as a willful defaulter by the Reserve Bank of India or any other Government authority and there are no violations of securities laws committed by it in the past or are pending against it.

Board of Directors

The Board of Directors of Genco Holdings Private Limited are listed below:

1. Sunder Genomal
2. Nari Genomal
3. Ramesh Genomal
4. Harish Melwani

Shareholding Pattern

The shareholding pattern of Genco Holdings Private Limited is as under:

S. No	Shareholder	No. of Shares	Percentage
1	Mr. Sunder Genomal	950	95.00%
2	Mr. Ramesh Genomal	49	4.90%
3	Ms. Madhuri Genomal	1	0.10%
	TOTAL	**1000**	**100.00%**

Financial Highlights

The financial highlights of Genco Holdings Private Limited as per the available audited financial statements for the last three years are as under:

(Rs. in million)

Particulars (Rs.)	2005-06	2004-05	2003-04
Total Income	26.60	13.33	7.85
Profit after Tax	2.18	0.94	0.32
Equity Capital	0.10	0.10	0.10
Reserves & Surplus (excluding Revaluation Reserve)	4.35	2.16	1.22
EPS (Rs.)	2181.10	940.92	315.56
Net Asset Value Per Share (Rs.)	4445.68	2264.58	1323.66

4. Trigen Apparel Private Limited

Trigen Apparel Private Limited was incorporated as a private limited company in Bangalore on November 16, 1994 with Company Registration No. 08 – 16564. The Registered Office of our Company is situated at Jockey Campus Abbaiah Reddy Industrial Area 53, Begur Road Bommanahalli Bangalore 560 068.

The main object of Trigen Apparel Private Limited is to carry on the business of manufacture and sale for domestic and export, of all kinds of apparel, made of knitted or woven material, cotton, silk, synthetic, blended including innerwear such as undergarments, briefs, vests, brasseries and panties, and outerwear such as T shirts, sportswear, swimsuits, suits, shirts, trousers, pants socks, gloves, gowns, frocks skirts, tops or other outer wearing apparel, and the parts and accessories thereof.

Trigen Apparel Private Limited has an authorised share capital of Rs. 5 million divided into 50,000 Equity Shares of Rs. 100/- each and a paid up capital of Rs. 4,002,000/- divided into 40,020 Equity Shares of Rs. 100/- each. Trigen Apparel Private Limited is an unlisted company and has not become a sick company under the meaning of SICA and it is not under winding up.

Further Trigen Apparel Private Limited has not been listed as a willful defaulter by the Reserve Bank of India or any other Government authority and there are no violations of securities laws committed by it in the past or are pending against it.

Board of Directors

The Board of Directors of Trigen Apparel Private Limited is listed below:

1. Harish Melwani
2. Gulu Mahtaney
3. Madhuri Genomal (Alternate Director)

Shareholding Pattern

The shareholding pattern of Trigen Apparel Private Limited is as under:

S. No	Shareholder	No. of Shares	Percentage
1	Mr. Nari Genomal	12000	29.99%
2	Ms. Madhuri Genomal	12000	29.99%
3	Ms. Nalini Genomal	12000	29.99%
4	Mr. Harish Melwani	2020	5.05%
5	Gulu Mahtaney (HUF)	2000	5.00%
	TOTAL	**40020**	**100%**

Financial Highlights

The financial highlights of Trigen Apparel Private Limited as per the available audited financial statements for the last three years are as under:

(Rs in million)

Particulars (Rs.)	2005-06	2004-05	2003-04
Total Income	23.67	22.81	21.07
Profit after Tax	(2.27)	2.29	2.44
Equity Capital	4.00	4.00	4.00
Reserves & Surplus (excluding revaluation reserve)	(0.65)	1.63	(0.67)
EPS (Rs.)	-	57.33	61.10
Net Asset Value Per Share (Rs.)	83.88	140.68	83.29

Group Companies outside India

1. Trigen Resources, Inc., Philippines

This Company was incorporated on March 18, 1992 and its Registered Office is situated in #7000, Santol St. Ext, Dr. A Santos Avenue, Paranaque, M.M, Republic of Philippines. Its SEC Registration Number is AS092-001983. It carries on the business of investing in property and securities. The paidup capital of the company is 14.50 mn Philippiine Pesos (PhP) and there are 6 shareholders in the Company.

Board of Directors

As on December 31, 2005, Trigen Resources, Inc had three Directors, as detailed herein below:

1. Mr. Nari Genomal
2. Mr. Ramesh Genomal
3. Mr. Sunder Genomal

Shareholding Pattern

Shareholding of Trigen Resources Inc. as on December 31, 2005 is as under:

S. No	Shareholder	No. of Shares	Percentage
1	Mr. Nari Genomal	48,325	33.33%
2	Mr. Ramesh Genomal	48,325	33.33%
3	Mr. Sunder Genomal	48,325	33.33%
4	Mr. Shahendar Genomal	1	0.00%
5	Mr. Sanjeev Genomal	1	0.00%
6	Mr. Shamir Genomal	1	0.00%
	TOTAL	**144,978**	**100%**

Financial Performance

The financial performance of Trigen Resources, Inc. as per the available audited financial statements for the last three years are as under:

Philippine Peso (mn)

Particulars for year ended Dec 31	2005	2004	2003
Sales	-	-	-
Profit after Tax	-	-	-
Equity Capital	14.497	14.497	14.497
Reserves & Surplus (excluding Revaluation Reserve)	0.140	0.140	0.140
EPS (In PhP.)	-	-	-
Net Asset Value Per Share (In PhP.)	100.10	100.10	100.10

1 Peso (Php) = Rs. 0.90

2. Sprint International, Inc. Philippines

This company was incorporated on January 16, 1989 and its Registered Office is situated at 1000 East Service Rd., KM 1928, SSH Cupang, Muntinlupa City Republic of Philippines. Its SEC Registration No. is 157885 and it carries on the business of import, export, manufacture, contract and sell all kinds of wearing apparel.

Board of Directors

As on December 31, 2005, Sprint International, Inc. had five Directors, as detailed herein below:

1. Mr. Nari Genomal
2. Mr. Chandru Mahtani
3. Mr. Sunder Genomal
4. Mr. Ramesh Genomal
5. Mr. Manish Mahtani

Shareholding Pattern

Shareholding of Sprint International Inc. as on December 31, 2005 is as under:

S. No	Shareholder	No. of Shares	Percentage
1	Mr. Sunder Genomal	1	
2	Mr. Nari Genomal	1	
3	Mr. Shamir Genomal	1	
4	Mr. Ramesh Genomal	1	
5	Mr. Shahender Genomal	1	
6	M/s. Trigen Resources Inc.	29,754	64%
7	Mr. Sanjeev Genomal	1	
8	Mr. Chandru Mahtani	12,555	27%
9	Mr. Manish Mahtani	2,185	4.7%
10	Ms. Vandana Mahtani	2,000	4.3%
	TOTAL	**46,500**	**100%**

Financial Highlights

The financial highlights of Sprint International, Inc. as per the available audited financial statements for the last three years are as under:

Philippine Peso (mn)

Particulars for year ended Dec 31	2005	2004	2003
Total Income	143.80	128.49	124.11
Profit after Tax	1.89	1.71	1.16
Equity Capital	4.65	4.65	4.65
Reserves & Surplus (excluding revaluation reserve)	10.75	9.17	7.76
EPS (In PhP.)	40.57	36.80	24.96
Net Asset Value Per Share (In PhP.)	331.23	297.12	266.84

1 Peso (Php) = Rs. 0.90

3. **GTVL Manufacturing Industries, Inc. Philippines**

This Company was incorporated on January 22, 1987 and its Registered Office is situated at No 7000, Santol Street. Ext, Mon-El Subdivision, Paranaque City, Republic of Philippines. Its SEC Registration No. is 137721 and it carries on the business of import, export, manufacture, contract and sell all kinds of wearing apparel and general merchandise.

Board of Directors

As on December 31, 2005, GTVL Manufacturing Industries, Inc had four Directors, as detailed herein below:

Mr. Ramesh Genomal

Mr. Sunder Genomal

Mr. Sanjeev Genomal

Mr. Nari Genomal

Shareholding Pattern

Shareholding of GTVL Manufacturing Industries, Inc. as on December 31, 2005 is as under:

S. No	Shareholder	No. of Shares	Percentage
1	Sunder Genomal	1	Negligible
2	Ramesh Genomal	1	Negligible
3	Shamir Genomal	1	Negligible
4	Nari Genomal	1	Negligible
5	Shahender Genomal	1	Negligible
6	Sanjeev Genomal	1	Negligible
7	Trigen Resources Inc.	6369	99.91%
	TOTAL	**6375**	**100.00%**

Financial Highlights

The financial highlights of of GTVL Manufacturing Industries, Inc. as per the available audited financial statements for the last three years are as under:

Philippine Peso (mn)

Particulars for year ended Dec 31	2005	2004	2003
Total Income	196.80	174.63	193.51
Profit after Tax	3.00	2.72	2.95
Equity Capital	6.38	6.38	6.38
Reserves & Surplus (excluding revaluation reserve)	15.94	12.94	10.45
EPS (In PhP.)	470.62	426.65	462.60
Net Asset Value Per Share (In. PhP.)	3501.03	3030.42	2640.00

1 Peso (Php) = Rs. 0.90

DETAILS OF COMPANIES / FIRMS FROM WHICH PROMOTERS HAVE DISASSOCIATED

During the last three years, our Promoters have not disassociated themselves from any companies/partnership firms.

DETAILS OF GROUP COMPANIES WHOSE NAMES HAVE BEEN STRUCK OFF FROM RoCs

Fashionworks Apparel Pvt. Ltd. was promoted by our Promoters, (Registration No. 17615-of 1995) to carry on the business of manufacturing and export of innerwears. However, since it was not viable to run a separate company for exports, promoters decided to close the Company. They had applied for striking off its name from the records of the Registrar of Companies, Karnataka vide Application No. 1127 dated August 31, 2000 under CLSS, 2000 Scheme.

Except this, none of the Companies promoted by our Promoter have been struck off the record of Registrar of Companies.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussions of our financial condition and results of operations in conjunction with the section titled 'Financial Statements' beginning on page no. 80 of this Prospectus. You are also advised to read the section titled 'Risk Factors' beginning on page no. x of this Prospectus, which discusses a number of factors and contingencies that could impact our financial condition, results of operations and cash flows.

The financial statements are prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and restated as described in the Auditors' Report appearing in the section titled 'Financial Statements' beginning on page no. 80 of this Prospectus.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended on March 31 of that year. Our historical financial performance may not be considered as indicative of future financial performance.

BUSINESS OVERVIEW

We are in the business of manufacturing quality innearwear and leisurewear under the brand "Jockey" for the Indian market. We cater to both men and women's segments. Our Company was set up in the year 1995 with the key objective of bringing the most comfortable, International quality innerwear brand "JOCKEY" to India.

Our promoters had been associated with Jockey International Inc. for 36 Years as their sole licensee in Philippines. Because of the immensely successful relationship with our promoters, when Jockey International Inc, decided to tap the Indian market, they proposed that our promoters take up the India license and set up operations in the country catering to the markets in India, Bangladesh, Nepal and Sri Lanka.

The Jockey brand is a remarkable success story worldwide. The core values of the brand include youthfulness, fun, quality, value, confidence and innovation. Jockey, has not just pioneered the underwear industry but has continued to dominate and influence worldwide markets in 140 countries for over 130 years. Its success has stemmed from revolutionary Jockey inventions, such as the world's first ever brief in 1934, the bikini brief, the string bikini, box packaging and a host of underwear fashion and fabric innovations.

In the early 1990s, when globalisation was just unfolding in India, innerwear was a low involvement category for consumers. There was no organised international quality innerwear brand retailed in India. Further to this there was a void in the market for quality premium innerwear. We successfully identified this need and introduced a wide range of international quality products for men, women and children as well as innovative marketing concepts such as display modules aimed at enhancing the consumer's involvement with the purchase.

Our Company commenced operations in the year 1995 in Bangalore with the manufacturing, distribution and marketing of Jockey products. We have over the last 11 years grown from 3 factories to 8 factories and 249 employees to 3275 employees and have achieved the status of being one of the largest and most respected innerwear brands in India. We also have the distinction of being the only innerwear brand in the country which has been awarded the "Superbrand" status. The "Superbrand" is accredited by Superbrand India Pvt. Ltd. to the highest scoring brand in each category of consumer products.

From 800 stores in 1996, our products are now being sold in over 14,000 stores in over 1100 cities and towns spanning the entire length and breadth of the country.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations depend on various internal and external factors, including the following:

- Condition and performance of the innerwear market;
- General economic and demographic conditions;
- Regulations affecting the readymade garments industry;
- Our ability to manage raw material procurement, human resources, working capital and logistics efficiently;
- Our ability to launch new designs on a regular basis ;
- Competition;
- Availability of finance on favourable terms;
- Success of our proposed expansion plan.

SIGNIFICANT ACCOUNTING POLICIES

Accounting policies are particularly important because of their significance to the financial statements. Our accounting policies are more fully described under notes to audited restated financial statements under section titled “Financial Statements” on page 80 of the Prospectus.

Significant accounting policies are those that are important to both the portrayal of the financial condition and the results of operations and also require the management’s judgment. In order to provide an understanding about how management forms its judgment about the most appropriate accounting policy to be followed for complex transactions and future events, we have identified the following critical accounting policies.

A. ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention, on an accrual basis and in accordance with the applicable accounting standards, as adopted consistently by the Company.

B. FIXED ASSETS

Fixed assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price less rebates and discounts and any attributable cost of bringing the asset to its working condition for its intended use, including related pre-operative expenses.

Capital work-in-progress includes Advance on Capital Account.

C. DEPRECIATION / AMORTIZATION

i) Depreciation on Fixed Assets is provided on Straight Line Method on Actual shifts basis at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956. Items of value less than Rs. 5,000 are depreciated at 100% in the year of purchase.

ii) Depreciation on the Fixed Assets added/disposed off /discarded during the year has been provided on pro-rata basis with reference to the date of addition/disposal/discarding.

iii) Depreciation on the amounts capitalised on account of foreign exchange fluctuation is provided prospectively over residual life of the assets.

D BORROWING COST

i) Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset up to the date when such asset is ready for its intended use.

ii) Other borrowing costs are charged to the Profit & Loss Account.

E. TRANSLATION OF FOREIGN CURRENCY ITEMS

Transaction in foreign currency is recorded at the rate of exchange prevailing on the date of transaction. Current assets and liabilities are translated at the year-end closing rates. The resulting exchange gain/loss is reflected in the profit and loss account. Exchange differences attributable to the acquisition of the fixed assets outside India are adjusted to the cost of the respective assets.

F. INVESTMENTS

i) Long -Term Investments are stated at cost after deducting provision, if any, made for decline, other than temporary, in the market or fair value.

ii) Current Investments are stated at lower of cost and market/fair value.

G. INVENTORIES

i) Raw materials, components and PoP materials are valued at lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

ii) Work in progress and finished goods are valued at lower of cost and net realisable value. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

iii) Cost of materials is computed on weighted average basis.

iv) Obsolete, defective and unserviceable stocks are duly provided for.

H. REVENUE RECOGNITION

i) Sales are recorded net of trade discounts, rebates and indirect taxes.

ii) Dividend income on investments is accounted for when the right to receive the payment is established.

I. EMPLOYEE BENEFITS

a) Leave Encashment Liability :

Provision for accrued leave encashment is made on the basis of actuarial valuation at the end of each financial year. Leave encashment liability is expensed in the Profit and Loss Account for the current period on the basis of actuarial valuation as on the balance sheet date pursuant to adoption of AS-15 (revised).

b) Employee defined contribution plan benefits expenses are charged to Profit and Loss Account.

Contribution to Provident Fund and Pension Fund is charged to the Profit & Loss Account of the period.

c) Employee benefits plan (Gratuity) - Gratuity liability under the Payment of Gratuity Act is accrued on the basis of an actuarial valuation made at the end of each financial period.

J. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed, at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The recoverable amount is greater of the asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

K. TAXATION

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as at the Balance Sheet date.

Deferred tax assets arising from timing differences are recognised to the extent there is virtual certainty that these would be realised in future.

Fringe Benefit Tax is provided in accordance with the provisions of the Income Tax Act, 1961.

Wealth Tax is provided in accordance with the provisions of the Wealth Tax Act, 1961

L. CONTINGENT LIABILITIES

Contingent Liabilities are not provided for and are disclosed by way of notes.

SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE:

INCOME

Our Income consists of the following items:

(i) Domestic Sales : This constitutes income from sales of innerwear, woven and knitted shorts, T-shirts, socks and caps in the domestic market. We book our sales at the price the products are transferred to distributors and not on the maximum retail price (M.R.P.). For details of our product range please refer to the section titled “Our Business” on page 45.

(ii) Export Sales : We are authorised by Jockey International Inc. to sell our products in Nepal, Bangladesh and Sri Lanka. Our exports however are not significant and account for approximately 1-3% of our overall sales.

(iii) Traded Goods: This includes trading of bought out items like socks, caps and round neck T-shirts.

(iv) Increase/ Decrease In Inventory: This includes the Increase/Decrease in inventory as adjusted in income.

(v) Other Income: This includes Duty drawback, exchange fluctuation income, scrap sales, Interest received and marketing support received from Jockey International Inc.

EXPENDITURE

Our expenditure consists of the following;

Manufacturing Expenses

Raw material is the single largest cost component and primarily includes cost of purchasing yarn for manufacture of our woven products. Majority of our products are made of 100% Ring Spun combed cotton. We use blended yarn for Thermalwear and for some of our specialty products we also use 100% combed cotton compact yarn. Other bought out materials include trims and accessories.

Other manufacturing expenses include expenses incurred on yarn processing, material testing and tailoring, cost of tools, stores and spares consumed, inward freight, power, fuel and water charges, repairs and maintenance.

Staff cost

Comprises employee costs (salary, wages and bonus, contribution to provident fund, other funds, bonus, ex-gratia, LTA, gratuity and staff welfare) and managerial remuneration. It also includes quality incentive paid to workers.

Administrative and Selling expenses

Major expenses under this head are Rent, outward freight, cash discounts, sales promotion, expenses on Point of Purchase materials, and advertisement. Royalty to Jockey International Inc., paid at 5% on gross sales is also accounted for under this head.

Other expenses under this head include repairs and maintenance [machinery, building and others], rent, rates and taxes, legal and professional charges, printing and stationery, membership and subscription, insurance, traveling and conveyance, import/ export expenses, communication expenses, auditors remuneration [audit fees, tax audit fees, taxation & other matters], and miscellaneous expenses.

Interest and Financial charges

Interest includes of interest on short-term loan taken towards our working capital facilities availed from banks. We have also availed of a loan under the Technology Upgradation Fund Scheme (TUFS) at a concessional rate of interest. Interest paid includes interest paid on dealer deposits.

Bank charges includes bank commission on export and import, courier and postage charges, telex and swift charges, opinion report charges, ECGC premium, LC charges and bank guarantees charges.

PROVISION FOR TAXATION:

Our provision for taxation comprises current tax, Deferred Tax, Wealth Tax and fringe benefit tax.

Current Tax: Currently, the net corporate tax is 33.66%, which includes a surcharge, and education cess.

Wealth Tax: Wealth Tax is on account of vehicles purchased by our Company for official use of the executives.

Deferred Tax*:* Deferred Tax is recognized subject to the consideration of prudence on timing differences, being the difference between Taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods*.*

Fringe Benefit Tax (FBT): FBT is applicable on perquisites and or privileges given to the employees.

Tax Benefits

For details, please refer to the ‘Statement of Tax Benefits’ beginning on page 35 of this Prospectus.

FINANCIALS

The following table depicts the major heads that comprise our total revenue, in terms of value and as a percentage of total income.

Rs. in mn

For the year / period ended	30-Sep-06	% to Total Income	31-Mar-06	% to Total Income	31-Mar-05	% to Total Income	31-Mar-04	% to Total Income
Income								
Manufactured Products	682.94	92.06%	997.45	96.11%	729.48	93.74%	606.87	94.68%
Traded Products	8.66	1.17%	14.41	1.39%	16.99	2.18%	17.73	2.77%
Other Income	9.02	1.22%	9.82	0.95%	4.41	0.57%	2.35	0.37%
Profit /(loss) on sale of assets	3.54	0.48%	-0.04	0.00%	-0.31	-0.04%	-0.01	0.00%
Increase in Stock	37.70	5.08%	16.14	1.56%	27.64	3.55%	14.02	2.19%
Total	**741.87**	100.00%	**1037.78**	100.00%	**778.22**	100.00%	**640.97**	100.00%

The statement below shows our sales from products for the fiscal years 2004, 2005 and 2006 and the six months ended September 30, 2006 by value and by quantity.

For the period ended	30-9- 2006	31-3-2006	31-3-2005	31-3-2004
Sales (Rs. in mn)	691.60	1011.86	746.47	624.60
Sales (in mn pcs.)	12.62	18.32	12.98	11.27

RESULTS OF OPERATIONS AS A % OF INCOME

Rs. in mn

For the year / period ended	30-Sep-06	% to Total Income	31-Mar-06	% to Total Income	31-Mar-05	% to Total Income	31-Mar-04	% to Total Income
Income								
Product sales	691.60	93.22%	1011.86	97.50%	746.47	95.92%	624.60	97.45%
Increase in Stock	37.70	5.08%	16.14	1.56%	27.64	3.55%	14.02	2.19%
Other Income	12.56	1.69%	9.78	0.94%	4.10	0.53%	2.34	0.37%
Total	**741.87**	**100.00%**	**1037.78**	**100.00%**	**778.22**	**100.00%**	**640.97**	**100.00%**
Expenditure								
Manufacturing Expenses	395.31	53.28%	548.26	52.83%	464.32	59.66%	366.28	57.15%
Personnel Expenses	92.69	12.49%	127.68	12.30%	91.26	11.73%	73.63	11.49%
Administrative and Selling Exps	103.13	13.90%	163.98	15.80%	141.79	18.22%	111.72	17.43%
EBITDA	**150.75**	**20.32%**	**197.86**	**19.07%**	**80.85**	**10.39%**	**89.34**	**13.94%**
Financing Expenses	10.46	1.41%	15.78	1.52%	12.99	1.67%	11.23	1.75%
Depreciation	5.31	0.72%	8.36	0.81%	7.20	0.93%	7.39	1.15%
Miscellaneous expenditure w/o	0.00	0.00%	0.00	0.00%	0.01	0.00%	0.01	0.00%
Profit Before Tax	**134.97**	**18.19%**	**173.72**	**16.74%**	**60.64**	**7.79%**	**70.70**	**11.03%**
Prior Period expenses/ (income)	(0.17)		(0.34)		(0.04)		0.48	
Provision for Taxes	45.71	6.16%	59.46	5.73%	18.26	2.35%	18.49	2.88%
Restated Profit	**89.09**	**12.01%**	**113.91**	**10.98%**	**42.35**	**5.44%**	**52.69**	**8.22%**

COMPARISON OF RESULTS OF OPERATIONS

Financial Review of the six-month period ended September 30, 2006

INCOME

Income from sale of manufactured goods (net of excise duty and sales tax) stood at Rs. 691.60 mn for the six month period ended September 30, 2006. Other income amounted to Rs. 12.56 mn, which included an extraordinary income of Rs. 3.54 mn. There was an increase in inventory amounting to Rs. 37.70 mn. The total income for the period was Rs. 741.87 mn.

EXPENDITURE

Manufacturing Expenses

The manufacturing expenses for the period amounted to Rs. 395.31 mn, which was 53.28% of total income. Within this segment, raw material consumption and bought out items amounted to Rs. 279.28 mn i.e. approximately 71% of total manufacturing cost. Processing charges and tailoring expenses amounted to Rs. 95.93 mn or 24.3% of the manufacturing cost.

Personnel Expenses

The personnel expense for the period April – September 2006 amounted to Rs. 92.69 mn. This translates to 12.50% of total income. As on September 30, 2006 we had a total of 3275 employees on our payroll.

Administrative and Selling Expenses

The administrative and selling expenses for the period April – September 2006 amounted to Rs. 103.13 mn. Of this royalty to Jockey International Inc. amounted to Rs. 34.05 mn. Other major heads were advertisement - Rs. 22.86 mn and Point of purchase (PoP) material - Rs. 18.03 mn. Administrative and Selling expenses as a percentage of total income was 13.90%.

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for the six month period ended September 30, 2006 was Rs 150.75 mn. This translates to 20.32% of total income.

Financing Expenses

Financing expenses amounted to Rs. 10.46 mn for the period April – September 2006. This approximates to around 1.41% of total income. These expenses include interest on term loans ad working capital loan and interest on dealer deposits.

Depreciation

As stated in the Accounting policy, Depreciation on fixed assets is provided using the straight line method, on actual shift basis. Depreciation for the six month period ended September 2006, was Rs. 5.31 mn. As a percentage of total income, depreciation amounted to 0.72%. No expenses were amortised during the period.

Profit Before Tax

Profit before tax for the half year ended September 30, 2006 was Rs. 134.97 mn. This works out to 18.19% on the total income.

Taxation

For the first half of FY 2006-07, we have made a tax provision of Rs. 45.71 mn . This includes a provision for the current period of Rs. 44.31 mn (net of reversal for earlier periods), Deferred tax provision for Rs. 0.28mn, Fringe benefit tax of Rs 1.11mn and Wealth Tax of Rs 0.01mn.

Profit after Tax

For the first six months of the current financial year, we have earned a Net Profit after tax of Rs. 89.09 mn. Profit for the fiscal 2006 was Rs. 113.91 mn. Profit after tax as a percentage of total income was 12.01%.

Fiscal 2006 Vs Fiscal 2005

Income

Income from Sales increased by 35.55% from Rs. 746.47 mn in fiscal 2005 to Rs. 1011.86 mn in fiscal 2006. This was primarily due to a 41.14% increase in sales volume. Realisations were marginally lower than in 2005. Total Income increased from Rs. 778.22 mn to Rs. 1037.78 mn, an increase of about 33%. There was an increase in other income from Rs. 4.10 mn to Rs. 9.78 mn.

Expenditure

Our operating expenditure increased from Rs. 697.37 mn in fiscal 2005 to Rs. 839.92 mn in 2006, an increase of 20.44%. The break up of operating expenses are detailed below.

Manufacturing Expenses

Manufacturing expenses in fiscal 2006 amounted to Rs. 548.26 mn. This figure for fiscal 2005 was Rs. 464.32 mn, implying an increase of 18.08% on a year on year basis. This increase was well in line with the increase in production during 2006. Total manufacturing cost as a percentage of total income was 52.83%, significantly lesser than the figure of 59.66% in fiscal 2005.

Personnel Expenses

Personnel expenses moved up from Rs. 91.26 mn in 2005 to Rs. 127.68 mn in 2006, an increase of 39.91%. This was primarily due to increase in the number of employees during the year, along with an increase in salary levels and higher quality incentives paid.

Administrative and Selling Expenses

Administration and Selling Expenses increased from Rs 141.79 mn in fiscal 2005 to Rs. 163.98 mn during fiscal 2006. This increase of 15.65% was due to the increase in variable costs like Royalty which went up from Rs. 34.56 mn to Rs. 50.06 mn and higher increases in advertising and sales promotion expenses. Other administrative costs were at almost the same level as the previous year. Total Administrative and Selling expenses amounted to 15.80% of total income.

EBITDA

EBITDA in fiscal 2006 moved from Rs. 80.85 mn in 2005 to Rs. 197.86 mn in 2006, an increase of 144.73%. This was achieved as a result of higher sales growth and lesser increase in operating expenses. EBITDA for fiscal 2006 was at 19.07% of total income, significantly higher than the figure of 10.39% for 2005.

Financing Expenses

Financial expenses at Rs. 15.78 mn worked out to approximately 1.52% of total income. The figure was about 21.47% higher than in the previous year. It was a result of higher working capital utilisation caused by the higher production and sales. Also, interest paid on dealer deposits increased from Rs. 2.9 mn to Rs. 4 mn.

Depreciation

Depreciation has increased from Rs. 7.20 mn in 2005 to Rs. 8.36 mn in 2006, an increase of 16%. This was largely due to the additions to the gross block during the year to the extent of Rs. 29.67mn. Depreciation as a % to total income worked out to around 0.8%.

Profit Before Tax

Profit Before Tax for 2006 was Rs. 173.72 mn, which works out to 16.74% on total income. For the previous year this figure was Rs. 60.64 mn and 7.79% on total income. The year on year PBT growth was 186.48%.

Tax

Provision for taxes increased from Rs. 18.26 mn to Rs. 59.46 mn, a jump of 225%, as a direct result of the increased profitability. The Fringe Benefit tax component for the year was Rs. 2.26 mn

Profit after Tax

Profit after Tax (PAT) for fiscal 2006 was Rs. 113.91 mn, up from Rs. 42.35 mn in the previous year. The year on year growth was 168.97% and PAT as a % of total income for 2006 was almost 11% compared with 5.44% for 2005. Out of the profits, we transferred an amount of Rs. 17.00 mn to General Reserve and surplus of Rs. 41.79 mn to the Profit & Loss Account.

Fiscal 2005 Vs Fiscal 2004

Income

Income from Sales increased by 19.51% to Rs. 746.47 mn in fiscal 2005 compared with Rs. 624.60 mn in fiscal 2004. This was because of a 15.20% increase in sales volume and a 4% increase in realisations. Total Income increased to Rs. 778.22 mn from Rs. 640.97 mn, an increase of 21.41%. Other income increased to Rs 4.10 mn from Rs. 2.34 mn in fiscal 2004.

Expenditure

Our operating expenditure increased to Rs. 697.37 mn in fiscal 2005 from Rs. 551.63 mn in 2004, an increase of 26.42%. The breakup of operating expenses are detailed below.

Manufacturing Expenses

Manufacturing expenses incurred in fiscal 2005 increased to Rs. 464.32 mn from Rs. 366.28 mn in the previous year, an increase of 26.76%. This increase was mainly on account of the increase in yarn prices and a higher share of bought out items during the year. Total manufacturing expenses were around 59.67% of total income against 57.15% in fiscal 2004.

Personnel Expenses

Personnel expenses moved up to Rs. 91.26 mn in 2005 from Rs. 73.63 mn in 2004, an increase of 23.94 %. This was primarily due to increase in the number of employees during the year, thus increasing wages and related expenses by 33%. There was a significant increase in staff welfare expenses from Rs. 0.3 mn to Rs. 9.6 mn.

Administrative and Selling Expenses

Administration and Selling Expenses increased to Rs 141.79 mn in fiscal 2005 from Rs. 111.72 mn during fiscal 2004. This increase of 26.92% was due to the increase in variable costs like Royalty, which went up from Rs. 28.59 mn to Rs. 34.56 mn, and higher increases in sales incentives, sales promotion expenses and point of purchase material. Cash discounts too were higher by almost 26% over fiscal 2004. Other administrative costs were like repairs and maintenance and vehicle expenses were also higher than the previous year. Total Administrative and Selling expenses amounted to 18.22% of total income.

EBITDA

EBITDA in fiscal 2005 decreased from Rs. 89.34 mn in 2004 to Rs. 80.85 mn in 2005, a fall of 9.5%. This was as a result of higher operating expenses, which were at more than 90% of total income as against 86% in the previous year. EBITDA for fiscal 2005 was at 10.39% of total income, lower than the figure of 13.94% for 2004.

Financing Expenses

Financial expenses at Rs. 12.99 mn worked out to 1.67% of total income. The figure was about 15.67 % higher than in the previous year. It was a result of higher interest on term loans which moved from Rs 0.82 mn in 2004 to Rs. 2.38 mn in 2005.

Depreciation

Depreciation has reduced marginally to Rs. 7.20 mn in 2005 from Rs. 7.39 mn in 2004. Depreciation as a % to total income worked out to 0.93%.

Profit Before Tax

Profit Before Tax for 2005 was Rs. 60.64 mn, or 7.79% on total income. For the previous year this figure was Rs. 70.70 mn and 11.03% on total income. The year on year PBT fall was around 14.23%.

Tax

Provision for taxes fell marginally from Rs. 18.49 mn to Rs. 18.26 mn. No Fringe Benefit tax was payable for the year.

Profit after Tax

Profit after Tax (PAT) for fiscal 2005 was Rs. 42.35 mn, down from Rs. 52.69 mn in the previous year. The year on year fall was almost 20% and PAT as a % of total income for 2005 was at 5.44% compared with 8.22% for 2004.

Fiscal 2004 Vs Fiscal 2003

Income

Income from Sales increased by almost 25.89% to Rs.624.60 mn in fiscal 2004 compared with Rs. 496.05 mn in fiscal 2003. This was because of a 21.8% increase in sales volume and a 3% increase in realisations. Total Income increased to Rs. 640.97 mn from Rs. 528.78 mn, an increase of 21.22%.

Expenditure

Our operating expenditure increased to Rs. 551.63 mn in fiscal 2004 from Rs. 461.90 mn in 2003, an increase of 19.43%. The break up of operating expenses are given below.

Manufacturing Expenses

Manufacturing expenses incurred in fiscal 2004 increased to Rs. 366.28 mn from Rs. 302.25 mn in the previous year, an increase of 21.19%. Total manufacturing expenses were 57.15% of total income in fiscal 2004, at almost the same level as fiscal 2003.

Personnel Expenses

Personnel expenses moved up to Rs. 73.63 mn in 2004 from Rs. 58.92 mn in 2003, an increase of 24.97%. This was primarily due to higher wages and salary expenses due to increase in the labour force and other employees.

Administrative and Selling Expenses

Administration and Selling Expenses increased from Rs 100.73 mn in fiscal 2003 from Rs. 111.72 mn during fiscal 2004. This increase of 10.91% was due to the increase in Royalty, which went up to Rs. 28.59 mn from Rs. 24.14 mn, and increases in administrative costs like repairs and maintenance. There also was a cost of 1.77 mn incurred on purchase of quota. Total administrative and Selling expenses amounted to 17.43% of total income.

EBITDA

EBITDA in fiscal 2004 increased to Rs. 89.34 mn from Rs. 66.88 mn in 2003, a rise of 33.57%. This was as a result of lesser increase in operating expenses as compared to the increase in income. EBITDA for fiscal 2004 was at 13.94% of total income, higher than the figure of 12.65% for 2003.

Financing Expenses

Financial expenses at Rs. 11.23 mn worked out to approximately 1.75% of total income. The figure was 25.04% lower than in the previous year. It was a result of lower interest on term loans which moved from Rs 2.15 mn in 2003 to Rs. 0.82 mn in 2004.

Depreciation

Depreciation has increased marginally to Rs. 7.39 mn in 2004 from Rs. 7.29 mn in 2003. Depreciation as a % to total income worked out to around 1.15%

Profit Before Tax

Profit Before Tax for 2004 was Rs. 70.70 mn, or 11.03% on total income. For the previous year this figure was Rs. 44.59 mn and 8.43% on total income. The year on year PBT rise was around 59%.

Tax

Provision for taxes was higher by 36% and moved to Rs. 18.49 mn from Rs. 13.54 mn. This was in line with the increase in profitability.

Profit after Tax

Profit after Tax (PAT) for fiscal 2004 was Rs. 52.69 mn, up 69.05% from Rs. 31.17 mn in the previous year. PAT as a % of total income for 2004 was 8.22% compared with 5.89% for 2003.

LIQUIDITY

Historically, our primary liquidity requirements have been to finance our working capital need and capital expenditure. To fund these costs we have relied on equity contributions, working capital borrowings and cash flows from operating activities.

CASH FLOW

The table below summarizes our cash flows as restated, for the period indicated.

Rs in mn

Particulars	01-04-2006 to30-09-2006	Fiscal 2006	Fiscal 2005	Fiscal 2004
Cash from/(used)in Operations	42.99	107.79	37.34	66.93
Cash from /(used)in Investing activities	(40.99)	(36.88)	(22.29)	(22.25)
Cash from/(used) in Financing activities	(0.94)	(71.00)	(15.30)	(44.39)
Cash & Equivalents- Beginning	0.28	0.37	0.62	0.33
Cash & Equivalents- Year End	1.34	0.28	0.37	0.62

Operating Activities

Our net cash from operating activities in the six months ended September 30, 2006 was Rs. 42.99 mn. Our profit before tax for this period was Rs. 134.79 mn. The difference is primarily on account of increase in sundry debtors by Rs. 34.00 mn, increase in inventory by Rs. 47.84 mn, and loans and advances by Rs. 30.4 mn. This was offset by an increase in current liabilities by Rs. 50.82 mn. Direct taxed paid during the period amounted to Rs. 45.43 mn.

Our net cash from operations for the fiscal year 2006 was Rs. 107.79 mn. The profit before tax for this period was Rs. 173.38 mn and cash profit before interest was Rs. 197.86 mn. The changes were on account of increase in debtors by Rs. 9 mn, in inventories by Rs. 41.34 mn, loans and advances by Rs. 9.4 mn. Creditors were higher by Rs. 30.18 mn. Direct tax payments amounted to Rs. 59.97 mn.

Our net cash from operations in fiscal 2005 was Rs. 37.34 mn. The profit before tax for this period was Rs. 60.53 mn and cash profit before interest was Rs. 80.85 mn. Debtors were higher by Rs. 3.9 mn and inventories by Rs. 61.20 mn. Creditors were higher by Rs. 44.10 mn. Direct tax payments amounted to Rs. 16.16 mn.

Our net cash from operations in fiscal 2004 was Rs. 66.93 mn. The profit before tax for this period was Rs. 71.18 mn and cash profit before interest was Rs. 89.34 mn. Debtors were lower by Rs. 5.73 mn, inventories higher by Rs. 9.45 mn, and other assets by Rs. 2.24 mn. Creditors were lower by Rs. 2.32 mn. Direct tax payments amounted to Rs. 14.59 mn.

Investing Activities

The net cash used in investing activities for the six month period ended September 30, 2006 was Rs. (40.99) mn. This was due to purchase of fixed assets of Rs. 42.99 mn and sale of investments of Rs. 2 mn.

The net cash used in investing activities for fiscal 2006 was Rs. (36.88) mn. This was on account of purchase of fixed assets, mainly plant and machinery, land, factory equipment, computers, furniture and vehicles of Rs. 32.88 mn and purchase of investments worth Rs. 4 mn.

The net cash used in investing activities for fiscal 2005 was Rs. (22.29) mn. This was on account of purchase of fixed assets viz. plant and equipment and electrical fittings of the same amount.

The net cash used in investing activities for fiscal 2004 was Rs. (22.25) mn. This was due to fixed assets purchased amounting to Rs. 19.26 mn and purchase of investments worth Rs. 2.99 mn.

Financing Activities

Our net cash used in financing activities during the six month period ended September 2006 was Rs. (0.94) mn. Borrowings from banks amounted to Rs. 49.47 mn and outflows were interest amounting to Rs. 10.46 mn and dividends (including tax on dividend) were paid to the extent of Rs. 39.95 mn.

Our net cash used in financing activities during fiscal 2006 was Rs. (71.00) mn. Borrowings from banks amounted to Rs. 0.20 mn and outflows were interest amounting to Rs. 15.78 mn and dividends (including tax on dividend) were paid to the extent of Rs. 55.42 mn.

Our net cash used in financing activities during fiscal 2005 was Rs. (15.30) mn. Borrowings from banks amounted to Rs. 25.20 mn and outflows were interest amounting to Rs. 12.99 mn and dividends (including tax on dividend) were paid to the extent of Rs. 27.51 mn.

Our net cash used in financing activities during fiscal 2004 was Rs. (44.39) mn. Borrowings from banks amounted to Rs. 21.79 mn and outflows were interest amounting to Rs. 11.23 mn and dividends (including tax on dividend) were paid to the extent of Rs. 54.95 mn.

Transactions with group companies and related parties

We have entered into transactions with group companies which are controlled by members of our promoter group. For details please refer to the section titled "Financial Statements- Related Party Transactions" beginning on page 88.

Contingent Liabilities

Our contingent liabilities as on September 30, 2006 were as under:

Corporate Guarantee to related parties	Rs. 15.00 mn
Counter Guarantees	Rs. 9.05 mn
Estimated amount of liability on contracts on capital a/c.	Rs. 16.35 mn
Disputed tax demands	Rs. 0.28 mn

Indebtedness

As of September 30, 2006 we have on our books term loans from Canara Bank amounting to Rs. 27.07 mn, which are secured by a first charge on the fixed assets of the company in addition to a second charge on inventories and debtors. The directors have also provided their personal guarantee.

We also have availed of a Cash Credit facility from Canara Bank. The sanctioned limit is Rs. 150 mn and the outstanding amount as on September 30, 2006 is Rs. 151.16 mn. This is secured by first charge on the inventories and book debts and second charge on the fixed assets. In addition, the banks have been provided with the personal guarantee of the Directors.

We have also availed of car finance from ICICI Bank, to whom we owe Rs. 1.45 mn and Kotak Mahindra Bank, whose outstanding is Rs. 1.70 mn as on September 30, 2006. These loans are secured by hypothecation of vehicles and personal guarantee of Directors.

Historical and planned capital expenditure

Our capital expenditure for the six month period ended September 30, 2006 was Rs. 42.99 mn and for the fiscal years 2006, 2005 and 2004 was Rs. 32.88 mn, Rs. 22.29 mn and Rs. 19.26 mn. The expenditures have been incurred on plant and equipment, furniture and fixtures, electrical fittings, computers, vehicles and land for factory.

We intend to enhance our capacity by adding to our existing capacity. Our expansion of garment manufacturing capacity at the existing location is estimated to cost Rs. 46.58 mn. We plan to set up a new manufacturing facility at Bommasandra, Bangalore at a cost of Rs. 152.05 mn. We also plan to increase the capacity of the elastic manufacturing and socks manufacturing facilities at an estimated cost of Rs. 5.77 mn and Rs. 10.65 mn respectively. Purchase of new corporate office, ERP software implementation and modernisation of production processes is expected to cost Rs. 75 mn, Rs. 5 mn and Rs. 6 mn respectively.

QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our result of operations. Our term loans are floating rate loans linked to the lending bank's prime lending rate. Our total debts are Rs. 181.39 mn as on September 30, 2006.

Exchange Rate Risk

Exports form a very small percentage i.e. 1-4% of our overall sales. Imports of raw material has been less than 1% of total material cost. Hence, we do not expect exchange rate fluctuations to have a major impact on our business and results of operations.

Effect of Inflation

Though India has experienced minor fluctuations in inflation rates, inflation has not had any major impact on our business and results of operation.

Information required as per Clause 6.10.5.5 of the SEBI (DIP) Guidelines.

(i) Unusual or Infrequent Events or transactions

There have been no events or material transactions to our knowledge, which may be described as "unusual" or "infrequent", except for sub-division of the face value of our equity shares from Rs. 100 each to Rs. 10 each and issue of bonus shares on September 29, 2006 in the ratio of 3 shares for 1 held.

(ii) Significant economic/ regulatory changes

There have been no significant economic/regulatory changes. For details of Regulations & Policies refer to page no. 56 of this Prospectus.

(iii) Known trends or uncertainties

Except as described in the section titled 'Risk Factors' beginning on page no. x of this Prospectus and the section titled 'Management Discussion and Analysis of Financial Condition' beginning on page no. 108 of this Prospectus, to our knowledge, there are no known trends or uncertainties that have or had or expected to have any material adverse impact on revenues or income of our Company from continuing operations.

(iv) Future changes in relationship between cost and revenues

Except as described in the section titled 'Risk Factors' beginning on page no. x of this Prospectus, and the section titled 'Management Discussion and Analysis of Financial Condition' beginning on page no. 108 of this Prospectus, to our knowledge, there are no known factors, which can cause future changes in relationship between cost and revenues.

(v) New products and business segment

Other than as described in this Prospectus, we do not have any new products or business segments.

(vi) Total turnover of each major industry segment

Our operations relate to only one segment i.e. Manufacture of Garments. Hence, there are no reportable segments.

(vii) The extent to which the business is seasonal

Our business is not seasonal

(viii) Significant dependence on a single or few suppliers or customers

We are not dependent to a significant extent on a single or few suppliers or customers.

(ix) Competitive conditions

For details on competition, please refer to the section titled 'Our Business' beginning on page no. 45 of this Prospectus.

(x) Quality

For details, please refer to the section titled 'Our Business' beginning on page no. 45 of this Prospectus.

Material Developments

In the opinion of the Board of our Company, except as disclosed hereunder, there have not arisen, since the date of the last financial statement included in this Prospectus, any circumstances that materially and adversely affect the profitability or the value of our assets or our ability to pay our liabilities within the next 12 months. For details of the material developments please refer to section titled "Outstanding Litigation and Material Developments" on page no 120 of this Prospectus.

SECTION VI : LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as disclosed here, there are no outstanding litigations, suits or criminal or civil prosecutions, proceedings initiated for offences (including past cases, economic offences etc.) irrespective of whether specified in paragraph (1) of part 1 of Schedule XIII of the Companies Act and proceedings or tax liabilities against our Company, our Promoters, Directors and Group Company that would have a material adverse effect on our business. Except those disclosed here, there are also no defaults, non-payment or overdue of statutory dues, institutional/ bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against our Company or Promoters or Directors.

A. LITIGATIONS FILED AGAINST OUR COMPANY

There are no outstanding litigations against our Company

B. SHOWCAUSE NOTICES/ LEGAL NOTICES ISSUED AGAINST OUR COMPANY

No showcause notices or legal notices have been issued against our Company

C. LITIGATIONS FILED BY OUR COMPANY

1. The internal audit party of the Office of the Commissioner of Central Excise, Bangalore visited the factory of our Company during the month of November 2004. Pursuant to the observations it was alleged that our Company was paying excise duty on only 60% of the retail sale price. It was further alleged that no MRP/RSP sticker had been affixed on the goods and therefore, the goods should be valued as per S. 4 of the Central Excise Act, 1944. Accordingly, the Office of the Commissioner of Central Excise, Bangalore by its showcause notice dated August 16, 2005 called upon our Company to showcause as to why:

   (i) an amount of Rs 106,240 should not be demanded from our Company

   (ii) interest at the appropriate rate should not be demanded and recovered from our Company;

   (iii) penalty should not be imposed on our Company.

   We have thereafter replied to the notice vide letter dated November 2, 2005 stating that there was no contravention committed on the part of our Company and is not liable to pay any amounts. However, the Office of the Commissioner of Central Excise directed our Company to pay interest. In appeal the Commissioner of Central Excise (Appeals) also upheld the said order. Hence, stay application and appeal No. 978/ 2006 No 572/2006 respectively have been filed by our Company against the order-in appeal No. 48/2005 dated March 31, 2006 before the Customs Excise and Service Tax Appellate Tribunal, Bangalore (CESTAT). The Hon'ble Tribunal upon hearing the parties, vide its order dated September 19, 2006 granted stay to our Company and waived the requirement for a pre-deposit of Rs. 106,240. The matter is posted for final hearing.

2. Assistant Commissioner of Income Tax, Circle 12(2) Bangalore has issued a demand notice on December 30, 2006 raising demand of Rs. 1,437,575 by disallowing the deductions claimed by our Company under Sections 80HHC, 80IB and 80 JJA.. Our Company has preferred an appeal aginst the said order.

D. LITIGATION AGAINST OUR DIRECTORS OTHER THAN PROMOTERS

Nil

Our Directors have no outstanding litigation towards tax liabilities, criminal prosecution for any offences (irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act), disputes, defaults, non-payment of statutory dues, proceedings initiated for economic offences, in their individual capacity or in connection with our Company and other companies with which the Directors are associated.

E. LITIGATION WHERE PROMOTERS ARE INVOLVED

There are no outstanding litigations against the Promoters

F. LITIGATION INVOLVING GROUP COMPANIES

Nil

G. Contingent Liabilities as on September 30, 2006

Contingent Liabilities not provided for are as under:

(Rs. In million)

Sr. No	Particulars	September 30, 2006
i.	Claims against the Company not acknowledged as debts Disputed tax demands	0.28
ii.	Corporate Guarantees to related parties	15.00
iii.	Counter Guarantees in respect of Bank Guarantees	9.05
iv.	Estimated amount of liability on contracts on capital account	16.35

I. Amounts Owed to Small Scale Undertakings

Total outstanding for more than thirty days but not overdue to Small Scale Undertakings as on September 30, 2006 amounted to Rs. 11.87 million to the following parties;

Name of the Small Scale Undertakings	Name of the Small Scale Undertakings
BLR Knits Pvt. Ltd.	Chirag Card Container's Pvt. Ltd.
Harshine Knitters	Fine Prints Pvt. Ltd.
J P Kumar Socks	Elegant Rocks Pvt. Ltd.
K S Tapes	N R Containers
Mangala Art Printers	Kamsri Flex Forms Pvt. Ltd.
N R Containers	Jay Jay Polymers
Pavi Packing Products	K S Tapes
Printech	Mangala Arts Printer
Raj Fabs	Packmaster Containers Pvt. Ltd.
Sans Crainters Knitters	Poorna Grafi-Tech
S.A.N.S Flexi Packs	Ramya Reprographics
Sign Fabs	Vatsal Packaging
Sprint Print	Vignesh Enterprises
Stallion Prints and Solutions Pvt. Ltd	Vishwakala Printers
R. K. Packers	Super Fine Colourtex Prints Pvt. Ltd
Suman Packing Products	The Paradise Knitters

MATERIAL DEVELOPMENTS

In the opinion of the Board of Directors of our Company, except as disclosed hereunder, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any circumstances that materially or adversely affect or are likely to affect the profitability of our Company to pay their material liabilities within the next twelve months.

The Company has entered into a Supplemental Common Hypothecation Agreement dated January 9, 2007 with Canara Bank whereby Canara Bank has agreed to renew the credit facilities from the existing aggregate amount of Rs. 203,358,000 to Rs. 261,358,000. Our Company has agreed to extend the security created on the land, building, plant & machinery and other fixed assets situated at our property at Bommasandra in respect of the enhanced credit limit.

Furthermore, Mr. Sunder Genomal, Director has furnished a personal gurantee to the Canara Bank in respect of the enhanced credit limit.

STATUTORY LICENSES

Our Company has obtained various statutory and regulatory licenses / approvals from the Central and State authorities for the purposes of its business.

The same are provided in the tables below:

Sl. No.	Act under which the license/approval is issued	Issuing Authority	Details of the license / approval
A.	**Approvals from the Central Government**		
1	The Companies Act, 1956	Registrar of Companies	***Certificate of Incorporation No*** : 08/16554 of 1994 ***Dated*** November 15, 1994
2	Foreign Trade Policy	Joint Director General of Foreign Trade	***IEC Number*** 0794008429 ***Dated*** October 11, 2006 (Original date of Issue – 29 December 1994)
3	The Companies Act, 1956 – Sections, 21, 31 and 44 of the Companies Act, 1956	Registrar of Companies	***Fresh Certificate of Incorporation*** ***dated*** September 6, 2006
4	Permanent Small Scale Industries		***License No:*** 0801C01519PMTSSI95-96 ***Date***: November 14, 1995
5	Water (Prevention & Control of Pollution) Act, 1974	Karnataka State Pollution Control Board	***Ref No.:*** 135/KSPCB/BNG–SR-I/ EO/DEO/AEO-2/INR NO.118762 R.NO. 3719/WPC/2006-07 3864 ***Issued on:*** November 14, 2006 ***Validity Upto:*** December 31,2007
6	Air (Prevention & Control of Pollution) Act, 1981	Karnataka State Pollution Control Board	***Ref no:*** 134/KSPCB/ BNG-SR1/EO/ DEO/AEO-2/INR No:118762/R. No. 3719/APC/2006-07/3863 ***Date of issue:*** November 14, 2006 ***Valid upto:*** December 31, 2007
7	Karnataka Shops and Commercial Establishments Act, 1961	Assistant Professional Tax Officer, Bangalore	***Registration No:*** BST/CE/256/9596D/3/ 8/95 ***Valid upto:*** December 12, 2008
B.	**Approval from Central and State Tax Authorities**		
8	Income Tax Act, 1961 – Section 139 A	Director of Income Tax	***Permanent Account Number (PAN)***: AABCP2630D
9	Income Tax Act, 1961 - Section 203	National Securities Depository Limited	TAN: 88301010140416
10	Central Excise Rules, 2001 – Rule 9	Superintendent of Central Excise	***Registration No:*** AABCP2630DXM001 ***Dated*** November 23, 2001
11	Karnataka Value Added Tax Act, 2002 – Rule 9(1)	Commercial Tax Officer	***TIN*** – 29970116121 ***Dated*** September 11, 2006
12	Finance Act, 1994 - Section 69	Office of the Commissioner of Service Tax, Department of Revenue	***Service Tax Registration Number:*** (IPR)(GTA)(MGC)(BAS)/ AABCP2630DST001 ***Service Tax Code Number:*** AABCP2630DST001

Sl. No.	Act under which the license/approval is issued	Issuing Authority	Details of the license / approval
C.	**Labour related approvals**		
13	Employees Provident Funds and Miscellaneous Provisions Funds Act, 1952 – Section 1 (3) (b)	Regional Provident Fund Commissioner	***Employees Provident Fund Code:*** KN/ 23165***With effect from :*** September 22,1997
14	Employees State Insurance Act, 1948 - Section 2A	E.S.I.C	***Employees State Insurance Code:*** 53-13/27 – 19 ***Dated*** May 2, 1995
15	Contract Labour (R & A) Act, 1970	Office of the Assistant Labour Commissioner & Registering officer.	NA
D.	**Intellectual Property related approvals**		
16	Trade Marks Act, 1999 – Section 23 read with Rule 62		***Trade Mark No*: ** 1115388 ***Date***: April 26, 2005
E.	**Industry Specific Approval**		
17	NA	Ministry of Textiles	***License No*:** TC/BAG/IN4/557/2006 ***Date*:** May 12, 2006Period of Validity: 1 year
18	NA	Apparel Export Promotion Council	***Registration No*:** AEPC/REG/MAF 95982/S/95 ***Date*:** April 20, 1999
19		Worldwide Responsible Apparel Promotion	**Certificate of Compliance Cert No: 3418 Date of Expiry** July 20, 2007

Approvals for our Expansion Projects

Our Company can undertake the activities in view of the present approvals and shall require futher approvals for the expansion projects. Various statutory permissions and other approvals in relation to our expansion projects include building sanctions, labour licences, water and telephone connections, etc. which are yet to be obtained.

Approval of Reserve Bank of India for Offer for Sale by Non-Resident Shareholders:

The Company has, vide letter dated December 15, 2006, sought the approval of the Reserve Bank of India for the offer for sale of 463882 equity shares each by Mr. Nari Genomal and Mr. Ramesh Genomal as part of the Company's proposed IPO. The Reserve Bank of India has, vide its letter dated February 2, 2007 conveyed its no objection to the sale of the said shares by Mr. Nari Genomal and Mr. Ramesh Genomal subject to the condition that the pricing of the shares shall be determined by the applicable SEBI regulations.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

a) The Company

The Board of Directors have, pursuant to a resolution passed at its meeting held on September 30, 2006, authorised the Issue, subject to the approval of the shareholders of our Company under Section 81 (1A) of the Companies Act. Our shareholders have authorised the Offer vide a special resolution adopted pursuant to Section 81 (1A) of the Companies Act, passed at the Extra-ordinary General Meeting held on December 15, 2006.

b) The Selling Shareholders

The Selling Shareholders have authorised the Offer for Sale vide Power of Attorney dated December 11, 2006

Prohibition by SEBI

Neither our Company, nor our Promoters, our directors or the Selling Shareholders, or any of our Group companies or entities with which our Directors are associated with as directors or promoters, have been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI. Neither we nor our directors, our Promoters, Group companies or relatives of Promoters have been detained as wilful defaulters by the RBI or government authorities and there are no proceedings relating to violations of securities laws pending against them and there are no violations of securities laws committed by them in the past.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Clause 2.2.1 of the SEBI Guidelines as explained under with eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- We have net tangible assets of at least Rs. 30 million in each of the preceding three full years of which not more than 50% is held in monetary assets and is compliant with Clause 2.2.1(a) of the SEBI Guidelines;
- We have a track record of distributable profits in accordance with Section 205 of Companies Act, for at least three of the immediately preceding five years and is compliant with Clause 2.2.1(b) of the SEBI Guidelines;
- We have a net worth of at least Rs. 10 million in each of the three preceding full years and is compliant with Clause 2.2.1(c) of the SEBI Guidelines;
- We have changed its name from Page Apparel Manufacturing Private Limited to Page Apparel Manufacturing Limited and subsequently to Page Industries Limited. The new name does not indicate any new activity of business.
- The proposed Offer size does not exceed five times the pre-Offer net worth of our Company and is compliant with Clause 2.2.1(e) of the SEBI Guidelines.

The following table shows the net tangible assets, monetary assets, distributable profits (as restated) and net worth (as restated) as derived from the restated financial statements prepared in accordance with SEBI Guidelines and Indian GAAP included in this Prospectus under the section titled "Financial Statements" on page no. 80 of this Prospectus for the last five years ended March 31, 2006 are set forth below:

Rs. In Millions

Particulars	Period ended September 30, 2006	Year ended March 31, 2006	Year ended March 31,2005	Year ended March 31,2004	Year ended March 31, 2003	Year ended March 31,2002
Net tangible assets (1)	174.35	125.21	66.72	51.86	54.11	36.66
Monetary assets (2)	6.34	7.28	3.37	3.62	0.33	6.55
Monetary Assets as a percentage of Net tangible assets	3.64%	5.81%	5.05%	6.98%	0.61%	17.87%
Distributable profits	89.09	113.91	42.35	52.69	31.17	17.56
Net worth	174.35	125.21	66.72	51.86	54.11	36.66

(1) Net Tangible Assets are defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves, if any), trade investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured as well as unsecured long term liabilities and non-trade investments.

(2) Monetary assets are defined as the sum of cash on hand, Non-Trade Investments, Balance with Scheduled Bank in Current accounts and Fixed Deposits and balance with Post Office Savings account.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, IL&FS INVESTSMART LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 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 OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, IL&FS INVESTSMART LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 18, 2006 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

1. **"WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER.**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.**

3. **WE CONFIRM THAT:**

   a. **THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**

   b. **ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID OFFER AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH;**

   c. **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER;**

   d. **BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID;**

   e. **WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

4. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS."**

ALL LEGAL REQUIREMENTS PERTAINING TO THE OFFER WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, KARNATAKA IN TERMS OF SECTIONS 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT, 1956.THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES IN THE NATURE OF LIABILITIES UNDER

SECTION 63 AND SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

Disclaimer from the Company, Selling Shareholder and BRLM

Our Company, Selling Shareholders, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Prospectus or in any advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including our website, www.jockeyindia.com, would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLM, Company and Selling Shareholders dated December 18, 2006 and the Underwriting Agreement to be entered into among the Underwriters, Company and Selling Shareholders.

All information shall be made available by us, Selling Shareholders and the BRLM 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 Bidding centres.

We, the selling Shareholders nor the Syndicate shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Caution

Investors that bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire 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, the Selling Shareholders, BRLM and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Disclaimer in Respect of Jurisdiction

This Offer is being made in India to Persons resident in India (including Indian nationals resident in India), who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, venture capital funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to permitted non residents including FIIs, NRIs and other eligible foreign investors. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any Person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any Person into whose possession this Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Bangalore, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for observations and SEBI has given its observations. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our affairs from 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 under the U.S. Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of the BSE

Bombay Stock Exchange Ltd. ("the Exchange") has given vide its letter dated January 18, 2007 permission to this Company to use the Exchange's name in this offer Document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinised this offer Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document or

(ii) warrant that this Company's securities will be listed or will continue to be listed on the BSE; or

(iii) take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against 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 for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of this Offer Document has been submitted to the National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref:. NSE/LIST/37806-5 dated January 22, 2007 permission to the Issuer to use the Exchanges'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 scrutinised this draft 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 the NSE should not in any way be deemed or construed that the offer document has been cleared or approved by the 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 Exchanger 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 acquires 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 for any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, SEBI Bhavan, Plot No. C-4A, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration to the RoC: Registrar of Companies, Karnataka 2nd Floor, 'E' Wing, Kendriya Sadana Koramangala Bangalore 560 034

Listing

Applications have been made to the BSE and the NSE for permission to deal in and for an official quotation of our Equity Shares. The Bombay Stock Exchange Limited is the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by BSE and NSE , Selling Shareholders and our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it (i.e., from the date of refusal or within 15 days from the date of Bid/Offer Closing Date, whichever is earlier), then our Company shall, on and from expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company and the Selling Shareholders with the assistance with the BRLM shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within seven working days of finalisation of the basis of allotment for the Offer.

Consents

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, the Auditors, the Legal Advisors, the Bankers to our Company, the Bankers to the Offer; and (b) the Book Running Lead Manager, the Syndicate Members, the Escrow Collection Bankers, Monitoring Agency and the Registrar to the Offer to act in their respective capacities, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

M/s Haribhakti & Co, Chartered Accountants, our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

Expert Opinion

Except as stated elsewhere in this Prospectus (in particular in the sections entitled ''Statement of Tax Benefits'' and ''Financial Statements'' at page nos. 35 and 80 of this Prospectus), we have not obtained any expert opinions.

Offer - Related Expenses

The expenses of this Offer includes, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Offer are as follows:

Activity	Expense (Rs. in Millions)	As a % of Total Offer Expenses	As a % of Total Offer Size
Lead management, underwriting and selling commission*	39.66	47.42	3.93
Advertisement & Marketing expenses*	24.06	28.77	2.38
Printing, stationery including transportation of the same*	12.66	15.14	1.25
Registrar's fees*	0.56	0.67	0.06
Legal fees*	1.80	2.15	0.18
Others*	4.89	5.85	0.48
Total estimated Offer expenses	**83.63**	**100.00**	**8.28**

Fees Payable to the Book Running Lead Manager and Syndicate Members

The total fees payable to the Book Running Lead Manager and Syndicate Members (including underwriting commission and selling commission) will be as stated in the Engagement Letter with the BRLM, a copy of which is available for inspection at the Registered Office of our Company and reimbursement of their out of pocket expenses.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with our Company and Selling Shareholders dated December 18, 2006, a copy of which is available for inspection at the Registered Office of our Company.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Underwriting Commission And Brokerage On Previous Issues

Since this is an Initial Public Offering of Equity Shares of our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Particulars regarding Public or Rights during the Last Five Years

We have not made any previous rights and public issues in India or abroad in the five years preceding the date of this Prospectus.

Previous issues of shares otherwise than for cash

Except as stated in the section entitled "Capital Structure" on page 16 of this Prospectus and "Our History and Corporate Structure" on page no. 62 of this Prospectus, our Company has not issued any Equity Shares for consideration otherwise than cash.

Companies Under The Same Management

We do not have any Company under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956, which had made any capital issue during the last three years.

Promise v/s Performance

Our Company nor any Group or associate companies have not made any previous rights and public issues.

Listed Ventures of Promoters

Our promoters do not have any listed venture.

Outstanding Debentures or Bonds

We have no outstanding debentures or bonds.

Outstanding Preference Shares

There are no outstanding preference shares issued by our Company

Option to Subscribe

Equity Shares being offered through this Prospectus can be applied for in Dematerialised Form only.

Stock Market Data for Our Equity Shares

This being an Initial Public Offer of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Offer, the Selling Shareholders and us will provide for retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances

We and the Selling Shareholders estimate that the average time required by us or the Registrar to the Offer to address routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. R. Vijayakumar, as the Compliance Officer and he may be contacted in case of any pre-Offer or post-Offer-related problems. He can be contacted at the following address:

Mr. R. Vijayakumar
Company Secretary
Page Industries Limited
Abbaiah Reddy Industrial Area
Jockey Campus
No. 6/2 & 6/4 Hongasandra
Begur Hobli
Bangalore 560 068
Karnataka
Tel: +91 80 2573 2952
Fax: +91 80 2573 2215
Email: pageipo@jockeyindia.com

Change in Statutory Auditors

In the year 2005-06, consequential to the resignation of M/s P V Menon & Associates, Chartered Accountants, Bangalore, M/s Haribhakti & Co, Chartered Accountants, Mumbai have been appointed as Statutory Auditors of the Company from the year 2005-2006. Except this, there have been no changes in the auditors of our Company during the last three years.

Capitalisation of Reserves Or Profits

We have not capitalised its reserves or profits since inception five years, except as stated in the section titled “Capital Structure” on page 16 of this Prospectus.

Revaluation of Assets

We have not revalued our assets since incorporation.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Bid-cum-Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the allotment advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the Offer of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, FIPB, the Reserve Bank of India, ROC and/or other authorities, as in force on the date of the Offer and to the extent applicable.

Authority for the Offer

The Board of Directors have, pursuant to a resolution passed at its meeting held on September 30, 2006, authorised the Issue, subject to the approval of the shareholders of our Company under Section 81 (1A) of the Companies Act. Our shareholders have authorised the Issue vide a special resolution adopted pursuant to Section 81 (1A) of the Companies Act, passed at the Extra-ordinary General Meeting held on December 15, 2006.

The Selling Shareholders have authorised the Offer for Sale vide Power of Attorney dated December 11, 2006.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act and our Memorandum and the Articles of Association and shall rank *pari passu* in all respects with our existing Equity Shares, including rights in respect of dividends. The Allottees in receipt of Allotment of Equity Shares under this Offer will be entitled to dividends and other corporate benefits, if any declared by the Company after the date of Allotment. See the section titled “Main Provisions of the Articles of Association” on page no. 161 of this Prospectus.

Mode of payment of Dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act, 1956.

Face Value and Offer Price

The Equity Shares with a face value of Rs. 10 each are being offered in terms of this Prospectus at a price of Rs. 360/- per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares. The face value of the shares is Rs. 10 and the Floor Price is 36 times of the face value and the Cap Price is 39.5 times of the face value.

Compliance with SEBI Guidelines

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 1956, the terms of the listing agreement executed with the Stock Exchanges, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to, among other things, voting rights, dividend, forfeiture and lien, transfer and transmission, see the section titled “Main Provisions of the Articles of Association” on page no. 161 of this Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI Guidelines, trading in Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity

Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment through this Offer will be done only in electronic form in multiples of one Equity Share subject to a minimum allotment of 15 Equity Shares.

NOMINATION FACILITY TO THE INVESTOR

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder(s), may nominate any one Person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A Person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall have the same rights 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 the Registered Office of our Company or at the Registrar and Transfer Agents of our Company.

In the nature of the rights stated in Section 109B of the Companies Act, any person who becomes a nominee in the manner stated above, shall upon the production of such evidence as may be required by the Board of Directors, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, the Board of Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Notwithstanding anything stated above, since the allotment in the Offer will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Fresh Issue to the public to the extent of the amount payable on application, including devolvement on Underwriters, if any, within 60 days from the Bid Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after we become liable to pay the amount (i.e., 60 days from the Bid Closing Date), we shall pay interest prescribed under Section 73 of the Companies Act.

The requirement of minimum subscription is not applicable to the Offer for Sale.**Further in terms of Clause 2.2.2A of the SEBI Guidelines, our Compny shall ensure that the number of prospective allotees to whom Equity Shares will be allotted will be not less than 1000.**

In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with competent courts/authorities in Bangalore, India.

Subscription by Non-Residents, NRI, FIIs, Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions

There is no reservation for any Non-Residents, NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions and such Non-Residents, NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions will be treated on the same basis with other categories for the purpose of allocation subject to applicable law and specific shareholding limits.

As per RBI regulations, OCBs cannot participate in the Offer.

Application in Offer

Equity Shares being offered through this Prospectus can be applied for in the Dematerialised form only.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLM reserve the right not to proceed with the Offer at anytime after the Bid/Offer Opening Date but before allotment, without assigning any reason thereof. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bids after the Bid/Offer Closing Date.

Arrangement for Disposal of Odd Lots

Since the market lot of our Equity Shares will be one, no arrangements for disposal of odd lots is required.

Restrictions on Transfer of Shares and Alteration of Capital Structure

The shares being offered by way of Offer for Sale, shall be subject to the provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. The transfer of shares by a Non-Resident (i.e NRI, incorporated non-resident entity, erstwhile OCB, foreign national, FII) to an Indian Resident shall be in accordance with the RBI Circular dated October 4, 2004. By the said RBI Circular dated October 4, 2004 the Indian Government has dispensed with the requirement of obtaining prior approval of the Government (FIPB) and the RBI in respect of transfer of shares by way of sale from non- residents to residents subject to the conditions and reporting requirements contained therein.

There are certain restrictive covenants in the agreements that we have entered into with the Banks and financial institutions. These restrictive covenants require us to seek the prior permission of the said banks for various activities, including amongst others, entering into and scheme of expansion, taking up any new activity, invest or lend money except in the normal course of business, confining our Company's entire banking with the lender, etc.

Pursuant to the Trademark License Agreement dated January 1, 2005 executed between our Company and Jockey International Inc., Jockey International Inc. has the following rights:

- Jockey International Inc. shall have the right forthwith to terminate the agreement by notifying our Company 30 days in advance on the occurrence of the following events:
  - (i) If our Company or its owners sells or transfers or is required by law to sell or transfer to any other person, so many shares or ownership interest such that the present management shall cease to own or control more that 50% ; or if such buyer is a competitor of our Company or Jockey International Inc. or an affiliate of such competitor; or
  - (ii) If our Company sells or transfers or is required by law to sell or transfer that part of its undertaking which is concerned with the manufacture and sale of the Licensed Products.
- Our Company shall at the earliest possible instance, give written notice to Jockey International Inc. of any proposed or imminent merger, consolidation, reorganisation, sale or other transfer of ownership or control. Upon receipt of the said notice, Jockey International Inc. shall have the right to determine whether to terminate the agreement or not.

Prior to the coming into force of the Foreign Exchange Management Act, 1999, our Company had obtained the approval of the RBI for the issuance of equity shares to non-resident individuals of Indian origin with repatriation benefits under the 40% scheme. In this regard the RBI had conveyed its approval for the issuance of the equity shares subject to, *inter alia*, the following condition:

(i) the equity shares shall not be sold or transferred by way of gift or otherwise without the prior approval of the RBI. However, transfer of the shares by way of gift to a close relative as defined by the Companies Act, 1956 shall not require the prior approval of the RBI. Similarly, if the shares are sold in the stock market and the sale proceeds are credited to the NRO account with a bank in India with no right of repatriation, specific approval of the RBI will not be necessary.

OFFER STRUCTURE

The present Offer of 2,804,000 Equity Shares of Rs. 10/- each at a price of Rs. 360 for cash, aggregating Rs.1009.44 million comprising a Fresh Issue of 1,412,354 Equity shares by our Company and an Offer For Sale of 1,391,646 Equity shares by the Selling Shareholders is being made through the Book Building Process. Our Company undertakes that the Offer to the public shall not be less than 25% of the total post Offer paidup capital of our Company. The Offer is being made through a 100% Book Building Process.

	Employees	**QIBs**	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares*	Up to 15,000 Equity Shares	Up to 1,394,500 Equity Shares.	Minimum of 418,350 Equity Shares or Net Offer less allocation to QIB Bidders and Retail Individual Bidders.	Minimum of 976,150 Equity Shares or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders.
Percentageof Offer size available for Allocation	Up to 0.53% of the Offer	Upto 50% of the Net Offer or the Net Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders. However, upto 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Minimum of 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders.	Minimum of 35% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allocation if Respective Category is oversubscribed	Proportionate	Proportionate as follows:(a) 69,725 Equity Shares shall be allocated on a proportionate basis to Mutual Funds in the Mutual Funds Portion; (b) 1,324,775 Equity Shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate.	Proportionate.
Minimum Bid	15 Equity Shares and thereafter in multiple of 15 Equity Shares.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of 15 Equity Shares.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of 15 Equity Shares.	15 Equity Shares and in multiples of 15 Equity Shares
Maximum Bid	Not exceeding 15,000 Equity Shares	Such number of Equity Shares not exceeding the Net Offer, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Offer subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.

	Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Bid Lot	15 Equity Shares and in multiples of 15 Equity Shares	15 Equity Shares and in multiples of 15 Equity Shares	15 Equity Shares and in multiples of 15 Equity Shares	15 Equity Shares and in multiples of 15 Equity Shares
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply**	Eligible Employees as on November 30, 2006	Public Financial institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, Mutual Funds, foreign institutional investors registered withSEBI, multilateral and bilateral development financial institutions, and State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law	Resident Indian individuals, NRIs, HUF (in the name of Karta), companies, bodies corporate, scientific institutions societies and trusts.	Individuals, including NRIs and HUF (in the name of Karta), such that the Bid Amount does not exceed Rs. 100,000.
Terms of Payment	Margin Amount applicable to Employees Bidders shall be payable at the time of submission of Bid-cum-Application Form to the members of the Syndicate	Margin Amount applicable to QIB Bidders shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate.	Margin Amount applicable to Non -Institutional Bidders shall be payable at the time of submission of Bid-cum-Application Form to the members of the Syndicate.	Margin Amount applicable to Retail Individual Bidders shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate.
Margin Amount	Full Bid Amount on bidding.	At least 10% of the Bid Amount on bidding.	Full Bid Amount on bidding.	Full Bid Amount on bidding.

* Subject to valid Bids being received at or above the Offer Price. Undersubscription, if any, in any portion, would be allowed to be met with spillover from any other portions at the discretion of our Company and Selling Shareholders, in consultation with BRLM.

Under subscription, if any, in the Employee reservation Portion would be included in the Net Offer and allocated in accordance with the description in Basis of Allocation.

However, if the aggregate demand by Mutual Funds is less than 69,725 Equity Shares (assuming QIB Portion is 50% of the Net Offer size, i.e. 1,394,500 Equity Shares), the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, 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 BRLM.

** In case the Bid-cum-Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form

Bidding Period/Offer Period

BID/OFFER OPENED ON	**FEBRUARY 23, 2007**
BID/OFFER CLOSED ON	**FEBRUARY 27, 2007**

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bidding Period/Offer Period as mentioned above at the bidding centres mentioned on the Bid-cum-Application Form except that on the Bid Closing Date, the Bids shall be accepted **only between 10 a.m. and 3 p.m.** (Indian Standard Time) and uploaded till such time as permitted by the BSE and NSE.

We reserve the right to revise the Price Band during the Bidding Period/Offer Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

In case of revision in the Price Band, the Bidding Period/Offer Period will be extended for three additional days after revision of Price Band subject to the Bidding Period/Offer Period not exceeding 10 days. Any revision in the Price Band and the revised Bidding Period/Offer Period, if applicable, will be widely disseminated by notification to BSE and NSE by issuing a press release, and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate.

OFFER PROCEDURE

Book Building Procedure

This Offer is being made through the 100% Book Building Process up to 50% of the Net Offer to Public shall be available for allocation on a proportionate basis to QIBs, including upto 5% of the QIB Portion shall be available for compulsory allocation to Mutual Funds only and the remainder of the Qualified Institutional Buyers portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer price. Further, not less than 35% of the Net Offer to Public shall be available for allocation on a proportionate basis to the Retail Individual Bidders and not less than 15% of the Net Offer to Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price.

Bidders are required to submit their Bids through the Syndicate. QIB bids can be submitted only through the Syndicate. In case of QIB Bidders, our Company and the Selling Shareholders in consultation with the BRLM reserve the right to reject any QIB Bid procured by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the bidder at the time of rejection of bid. In case of Non Institutional Bidders, Retail Bidders and bids under the Employee Reservation Portion, we and the selling shareholders would have a right to reject the Bids only on technical grounds.

Investors should note that Equity Shares would be allotted to all successful Bidders only in Dematerialised form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity shares on Allotment shall be traded only in the Dematerialised segment of the Stock Exchanges.

Bid-cum-Application Form

Bidders shall only use the Bid-cum-Application Form bearing the stamp of a member of the Syndicate for making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, despatch of the CAN and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorised us and the selling shareholders to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid-cum-Application Form
Indian Public or NRIs applying on a non-repatriation basis	White
Non-residents including NRIs, FIIs, Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institution applying on repatriation basis	Blue
Eligible Employees	Pink

Who Can Bid?

1. Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians, in single or joint names (not more than three);
2. HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: “Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in Equity Shares;
4. Indian mutual funds registered with SEBI;
5. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI regulations, as applicable);
6. Venture capital funds registered with SEBI;
7. Foreign venture capital investors registered with SEBI subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Offer;

8. FIIs registered with SEBI subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Offer;
9. State Industrial Development Corporations;
10. Insurance companies registered with the Insurance Regulatory and Development Authority;
11. Provident funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in Equity Shares;
12. Pension funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in Equity Shares;
13. Trusts registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorised under their constitution to hold and invest in Equity Shares;
14. Eligible Non-residents including NRIs and FIIs on a repatriation basis or a non-repatriation basis subject to applicable local laws;
15. Scientific and/or industrial research organizations authorised under their constitution to invest in Equity Shares.
16. Any other QIBs permitted to invest, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Offer;
17. Multilateral and bilateral development financial institutions; and
18. Permanent Employees of the Company who are on the pay-roll of our Company as on November 30, 2006.

Note: The BRLM and Syndicate Member shall not be entitled to subscribe to this Offer in any manner except towards fulfilling their underwriting obligations, if any. However, associates and affiliates of the BRLM, and Syndicate Members may subscribe for Equity Shares in the Offer, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Applications by Mutual Funds

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 69,725 Equity Shares, allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds portion

The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any 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.

Applications by NRIs

NRI Bidders to comply with the following:

1. Individual NRI Bidders can obtain the Bid -cum-Application Forms from our Registered Office, members of the Syndicate or the Registrar to the Offer.

2. NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid -cum-Application Form meant for resident Indians (White in colour). All instruments accompanying bids shall be payable in **Mumbai** only.

Applications by FIIs

As per current regulations, the following restrictions are applicable for investment by FIIs:

The Offer of Equity Shares to a single FII should not exceed 10% of the post-Offer paid-up capital of our Company (i.e. 10% of 11,153,874 Equity Shares). In respect of an FII investing in Equity Shares of our Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of our Company or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual As of now, the aggregate FII holding in our Company cannot exceed 24% of the total paid-up capital of our Company. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as of this date, no such resolution has been recommended for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of “know your client” requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids and revision of the Bids by Eligible NRIs. FIIs and Foreign Venture Capital Funds registered with SEBI and multilateral and bilateral development financial institutions on repatriation basis :

Bids and Revision to Bids must be made:

1. On the prescribed Bid-cum-Application Form or the Revision Form, as applicable ([blue] in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).

3. Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation. Other Non- Resident Bidders for a minimum of such number of Equity Shares and in multiples of 15 thereafter that the Bid Amount exceeds Rs. 100,000. For further details, see the section titled “Offer Procedure - Maximum and Minimum Bid Size” beginning on page no. 140 of this Prospectus.

4. Bids by NRIs and FIIs on a repatriation basis shall be in the names of individuals or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

5. Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their Non-Resident External (NRE) accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Eligible NRIs and FIIs and they will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the government of India, OCBs cannot participate in this Offer. Further, NRIs, who are not Eligible NRIs, are not permitted to participate in this Offer.

The information above is given for the benefit of the Bidders. Our Company, Selling Shareholders and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Applications by Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for investments by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investors) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund registered with SEBI should not exceed 25 % of the corpus of the venture capital fund, a Foreign Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

a. For Retail Individual Bidders: The Bid must be for a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter, subject to maximum Bid amount of Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the maximum Bid amount is more than Rs. 100,000 then the same would be considered for allocation under the Non-Institutional Bidders category. The Cut-off option is given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Offer Price as determined at the end of the Book-Building Process.

b. For Non-Institutional Bidders and QIBs Bidders: The Bid must be for a minimum of such Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 15 Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Offer. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by the regulatory or statutory authorities governing them. **Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Offer Closing Date and is required to pay QIB Margin upon submission of Bid.**

In case of revision of bids, the Non Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, the same would be considered for allocation under the Retail portion. Non Institutional Bidders and QIB Bidders are not allowed to Bid at ‘cut-off’.

c. For Bidders in the Employee Reservation Portion: The Bid must be for a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter. The maximum Bid in this portion cannot exceed 15,000 Equity Shares. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the Bidding Options not exceeding Rs. 1,00,000 may bid at Cut-off price. The allotment in the employee reservation portion will be on proportionate basis.

Bidders are advised to ensure that any single Bid 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 this Prospectus.

Method and Process of Bidding

(a) Our Company and Selling Shareholders has filed the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Offer opening date.

(b) The Company, the Selling Shareholders and the BRLMs shall declare the Bid/Offer Opening Date, Bid/Offer Closing Date and Price Band at the time of filing the Red Herring Prospectus with ROC and also publish the same in three widely circulated newspapers (one each in English, Hindi and Kannada). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XX-A of the SEBI DIP Guidelines, as amended vide SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 dated January 25, 2005.

The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to potential investors.

(c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid-cum-Application Form can obtain the same from our Registered office or from any of the BRLM /Syndicate Members and should approach any of the BRLMs or Syndicate Member or their authorised agent(s) to register their bids.

(d) Investors who are interested in subscribing for our Company’s Equity Shares should approach any of the BRLM or Syndicate Member or their authorised agent(s) to register their Bid.

(e) The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the members of the Syndicate. Bid-cum-Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

(f) The Bidding/Offer Period shall be a minimum of three working days and shall not exceed seven working days. The members of the Syndicate shall accept Bids from the Bidders during the Bidding/Offer Period in accordance with the terms of the Syndicate Agreement

(g) The Price Band has been fixed at Rs. 360 to Rs. 395 per Equity Shares of Rs. 10 each, Rs. 360 being the lower end of the Price Band and Rs. 395 being the higher end of the Price Band. The Bidders can bid at any price within the Price Band, in multiples of Rs. 1 (One)

(h) The Company and the Selling Shareholders in consultation with the BRLMs, reserve the right to revise the Price Band, during the Bidding Period, in accordance with SEBI Guidelines. The higher end of the Price Band should not be more that 20% of the lower end of the Price Band. Subject to compliance with immediately preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band disclosed in the Red Herring Prospectus.

(i) The Company and the Selling Shareholders, in consultation with the BRLMs, can finalise the Offer Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

Bidding

a) Our Company, the Selling Shareholders and the BRLM shall declare the Bid/Offer Opening Date, Bid/Offer Closing Date and Price Band at the time of filing the Red Herring Prospectus with RoC, and also publish the same in one English national daily, one Hindi national daily and one regional daily newspaper. This advertisement shall contain the disclosures as prescribed under SEBI Guidelines The BRLM and Syndicate Members shall accept Bids from the Bidders during the Offer Period.

b) The Bidding Period shall be a minimum of three working days and not shall not exceed seven working days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in two national newspapers (one each in English and Hindi) and a regional newspaper also by indicating on the websites of the BRLM and at the terminals of the members of the Syndicate the Bidding Period may be extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding 10 working days.

c) Each Bid-cum-Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" below) and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares bid for by a Bidder at or above the Offer Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

d) The Bidder cannot bid on another Bid-cum-Application Form after his or her Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate will be treated as multiple bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph 'Build-up of the Book and Revision of Bids' on page no. 144 of this Prospectus.

e) During the Bidding Period, Bidders may approach the Syndicate Member to submit their Bid. Every Syndicate Member shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids.

f) Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph 'Terms of Payment' on page no. 143 of this Prospectus.

g) The BRLM and Syndicate Member will enter each bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form. It is the responsibility of the Bidder to obtain the TRS from the members of the Syndicate.

Bids at Different Price Levels

(a) The Price Band has been fixed at Rs. 360 to Rs. 395 per Equity Share of Rs. 10 each, Rs. 360 being the Floor Price and Rs. 395 being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of 15 Equity Shares. In accordance with SEBI Guidelines, our Company and the Selling Shareholders in consultation with the BRLM reserves the right to revise the Price Band during the Bidding Period by informing the stock exchanges, releasing a press release, disclosure on the website of the members of the Syndicate, if any and notification on the terminal of the members of the Syndicate. In case of a revision in the Price Band, the Offer will be kept open for a period of three working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days. Our Company and the Selling Shareholders in consultation with BRLM, can finalise the Offer Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(b) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders** and Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding option not exceeding Rs. 100,000 **may bid at "Cut-off". However, bidding at "Cut-off" is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**

(c) Retail Individual Bidders who bid at the Cut-Off price and Eligible Employees bidding under the Employee Reservation Portion at Cut Off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price and Eligible Employees bidding under the Employee Reservation Portion at Cut-Off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders (i.e. the total number of Equity Shares allocated in the Offer multiplied by the Offer Price) and Eligible Employees bidding under the Employee Reservation Portion, Retail Individual Bidders and Eligible Employees shall receive the refund of the excess amounts from the Escrow Account or the Refund Account, as the case may be.

(d) The Price Band can be revised during the Bidding Period in which case the maximum revisions on either side of the Price Band shall not exceed 20% fixed initially.

(e) Any revision in the Price Band shall be widely disseminated including by informing the Stock Exchanges, issuing Press Release and making available this information on the Bidding terminals.

(f) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 15 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

(g) In case of an upward revision in the Price Band announced as above, the Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion, who had bid at Cut-Off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the Revised Price Band, with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs.100,000, the Bid will be considered for allocation under the Non Institutional category in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price

(h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion, who have bid at Cut-Off price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(i) During the Bidding/Offer Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band during the Bidding/Offer Period using the printed revision Form which is a part of the Bid-cum-Application Form.

(j) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(k) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.

(l) Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

Application in the Offer

Equity Shares being issued through the Red Herring Prospectus can be applied for in the dematerialised form only.

ESCROW MECHANISM

1. Our Company and the Selling Shareholders and members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favor the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account for the Offer. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and an Escrow Agreement to be entered into amongst our Company, the Selling Shareholders, the BRLM, Escrow Bankers and Registrar to the Offer. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Offer Account of the Company and to the Account of the Selling Shareholders with the Bankers to the Offer as per the terms of the Escrow Agreement and Red Herring Prospectus. Payments of refunds to the Bidders shall also be made from the Escrow Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

2. The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), our Company, the Selling Shareholders, the Registrar to the Offer , BRLM and the Syndicate to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Account

Each Bidder shall pay the applicable margin amount, with the submission of the Bid-cum-Application Form draw a cheque or demand draft in favour of the Escrow Account of the Escrow Collection Bank (for details refer to the paragraph 'Payment Instructions' on page no. 150 of this Prospectus) and submit the same to the member of the Syndicate with whom the Bid is being submitted. Bid-cum-Application Forms accompanied by cash shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid-cum-Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s). The Escrow Collection Bank will hold all monies collected for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds in respect of those Bidders whose Bids have been accepted from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Offer Account with the Banker(s) to the Offer and to the Account of the Selling Shareholders with the Bankers to the Offer. The balance amounts after the transfer to the Public Offer Account, lying credited with the Escrow Collection Banks shall, on the Designated Date be transferred to the Refund Account, held by the Refund Banker for the benefit of the Bidders who are entitled to a refund. No later than 15 days from the Bid/Offer Closing Date, the Refund Banker shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allocation, to the Bidders.

Each category of Bidders (i.e., QIBs, Non Institutional Bidders and Retail Bidders and Eligible Employees bidding under Employee Reservation) would be required to pay their applicable Margin Amount at the time of the submission of the Bid-cum-Application Form. The details of the Margin Amount payable is mentioned under the section titled 'Offer Structure' on page no. 134 of this Prospectus and will be available with the Syndicate and will be as per the Syndicate Agreement. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Offer Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the Syndicate Members by the BRLM. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable Margin Rate for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid Form. The excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder as per the modes of payment of refund as detailed in page 155 within 15 days from the Bid/Offer Closing Date, failing which we shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

QIB bidders will be required to deposit a margin of 10% at the time of submitting their bids. After the Offer Closing Date / Bid Closing Date, the level of subscription in all categories shall be determined. Based on the level of subscription, additional margin money, if any, shall be called from QIBs.

Electronic Registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE . There will be at least one on-line connectivity to each city where the Bids are accepted.

(b) BSE and NSE will offer a screen-based facility for registering Bids for the Offer. This facility will be available on the terminals of the Syndicate Member and their authorised agents during the Bidding Period. Syndicate Member can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Offer Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) The aggregate demand and price for bids registered on the electronic facilities of BSE and NSE will be uploaded on regular interval in accordance with SEBI guidelines and market practices, consolidated and displayed on-line at all the bidding centers during the bidding period. This information can be accessed on BSE's website at "www.bseindia.com" or on NSE's website at "www.nseindia.com"

(d) At the time of registering each Bid, the Syndicate Member shall enter the following details of the investor in the on-line system:

- Name of the investor (**Investors should ensure that the name given in the Bid-cum-Application form is exactly the same as the number in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in Joint names, investors should ensure that the Depository account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form.)**
- Investor Category such as Individual, Corporate, NRI, FII or Mutual Fund, etc.
- Numbers of Equity Shares bid for
- Bid Amount
- Bid-cum-Application Form number
- Margin Amount paid upon Submission of Bid-cum-Application form; and
- Depository Participant Identification No. and Client Identification No. of the Demat Account of the Bidder

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to request and obtain the TRS from the members of the Syndicate.** The registration of the Bid by the Syndicate Member does not guarantee that the Equity Shares shall be allocated either by the Syndicate Member or our Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) We, in consultation with the BRLM reserve the right to reject any QIB Bid procured by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the bidder at the time of rejection of bid. In case of Non-Institutional Bidders and Retail Bidders we would have a right to reject the Bids only on technical grounds listed on page no 152 in this Prospectus.

(h) It is to be distinctly understood that the permission given by BSE and NSE 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 BRLM are cleared or approved by BSE and NSE ; 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 Promoters, our management or any scheme or project of our Company.

(i) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by the BSE and NSE ; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

Build-Up of the Book and Revision of Bids

(a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the BSE or NSE mainframe on a regular basis.

b) The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.

(c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or he had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Member**. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid**.

(h) In case of discrepancy of data between BSE or NSE and the Syndicate Member, the decision of the BRLM based on physical records of Bid-cum-Application Forms shall be final and binding to all concerned.

Price Discovery and Allocation

(a) After the Bid/Offer Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with us.

(b) Our Company and the Selling Shareholder, in consultation with the BRLM shall finalise the "Offer Price", the number of Equity Shares to be allotted in each investor category.

(c) The allocation for QIBs upto 50% of the Net Offer (including 5% specifically reserved for Mutual Funds) would be on a proportionate basis in consultation with Designated Stock Exchange subject to valid bids being received at or above the Offer Price. The allocation to Non-Institutional Bidders and Retail Individual Bidders of, minimum of 15% of net Offer and a minimum of 35% of the net Offer, respectively, would be on proportionate basis, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Offer Price.

(d) Under subscription, if any, in any of the categories would be allowed to be met with spill over from any of the other categories at the discretion of our Company and Selling Shareholders, in consultation with the BRLM. Under subscription, if any, in the Employee reservation Portion would be included in the Net Offer and allocated in accordance with the description in Basis of Allocation.

(e) Allocation to eligible NRIs or FIIs or Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on repatriation basis will be subject to the terms and conditions stipulated by RBI and applicable laws

(f) The BRLM, in consultation with our Company and Selling Shareholders, shall notify the Syndicate Member of the Offer Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) Our Company and the Selling Shareholder reserves the right to cancel the Offer any time after the Bid/Offer Opening Date but before allotment without assigning any reasons whatsoever.

(h) In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Offer closing Date.

(i) The allotment details shall be put on the website of the Registrar to the Offer.

Signing of Underwriting Agreement and RoC Filing

(a) Our Company, the Selling Shareholders, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Offer Price.

(b) After signing the Underwriting Agreement, our Company would update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Offer Price, Offer Size, underwriting arrangements and would be complete in all material respects.

(c) We will file a copy of the Prospectus with the RoC, Karnataka in terms of Section 56, Section 60, and Section 60B of the Companies Act.

Annoucement of Pre-Offer Advertisement

Subject to Section 66 of the Companies Act, our Company shall after receiving final observation, if any, on the Red Herring Prospectus with SEBI, publish an advertisement, in the form prescribed by the SEBI DIP guidelines in an English national daily with vide circulation, one national newspaper and a Kannada newspaper.

Advertisement Regarding Offer Price And Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English, Hindi and regional language newspapers with wide circulation in the place where our Registered Office is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Offer Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note

After the determination of Offer Price, the following steps would be taken

(a) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM, or the Registrar to the Offer shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Offer. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that the date of Allotment of the Equity Shares to all Bidders, in all categories, shall be done on the same date.The BRLM or Registrar to the Offer shall send to the Syndicate Member a list of their Bidders who have been allocated Equity Shares in the Offer.

(b) The BRLM or Syndicate Members would then send the CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Offer Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated Equity Shares and who have already paid the Margin Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Offer subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be a deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Offer Price for all the Equity Shares to be allotted to such Bidder.

(d) The issuance of a CAN is subject to ''Allotment Reconciliation and Revised CANs'' as set forth below:

Notice to QIB: Allotment Reconciliation and Revised CANs

After the Bid/Offer Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid applications received. Based on the electronic book, QIBs will be sent a CAN , indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the Offer of a revised CAN) for the QIB to pay the entire Offer Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(1) Our Company will ensure that the allotment of Equity Shares is done within 15 days of the Bid/Offer Closing Date. After the funds are transferred from the Escrow Account to the Public Offer Account and the Refund Account on the Designated Date, we would allot the Equity Shares to the allottees. Our Company would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the allottees shall be completed within two working days of the date of finalisation of the basis of allotment. In case, our Company fails to make allotment or transfer within 15 days of the Bid/ Offer Closing Date, interest would be paid to the investors @15% per annum.

(2) In accordance with the SEBI DIP Guidelines, Equity Shares will be issued and allotment shall be made only in the dematerialised form to the allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Offer.

GENERAL INSTRUCTIONS

Do's:

a) Check if you are eligible to apply;

b) Complete the Bid-cum-Application Form after reading all the instructions carefully;

c) Ensure that the details about Depository Participant and Beneficiary Account are correct as Equity Shares will be allotted in the dematerialised form only;

d) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;

e) Ensure that you have been given a TRS for all your Bid options;

f) Submit Revised Bids to the same member of the Syndicate through whom the Original Bid was placed and obtain a revised TRS;

g) Ensure that the bid is within price band;

h) Investors must ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depository Account is held. In case, the Bid-cum- Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same sequence as they appear in the Bid-cum- Application Form;

i) If your Bid is for Rs. 50,000 or more, ensure that you mention your PAN allotted under the I.T. Act and ensure that you have attached a copy of your PAN card or PAN allotment letter should be submitted with the Bid-cum-Application Form. In case you do not have a PAN, ensure that you provide a declaration in Form 60 or 61 as the case may be together with the permissible documents as address proof.

j) Ensure that demographic details (as defined herein below) are updated true and correct in all respects.

Don'ts:

a) Do not Bid for lower than the minimum Bid size;

b) Do not Bid/ revise Bid price to less than the lower end of the price band or higher than the higher end of the price band;

c) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the member of the Syndicate;

d) Do not pay the Bid amount in cash/by money order or by postal order or by stock-invest;

e) Do not send Bid-cum-Application Forms by post; instead submit the same to members of the Syndicate only;

f) Do not Bid at cut off price (for QIBs, non-institutional bidders and bidders bidding under the Employee Reservation Portion for whom the bid amount exceeds Rs. 100,000/-);

g) Do not fill up the Bid-cum-Application Form such that the Equity Shares bid for exceeds the Offer size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations; and

h) Do not submit Bid accompanied with Stock-invest.

i) Do not provide your GIR number instead of your PAN as bid is liable to be rejected on those ground.

j) Do not Bid if you are prohibited from doing so under the law of your local jurisdiction.

INSTRUCTIONS FOR COMPLETING THE BID-CUM-APPLICATION FORM

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from the BRLM or Syndicate Member.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRI or FII or Foreign Venture Capital Fund applying on repatriation basis and Pink for Eligible Employees)

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum- Application Forms or Revision Forms are liable to be rejected.

(c) The Bids from the Retail Individual Bidders must be for a minimum of 15 Equity Shares and in multiples of 15 thereafter subject to a maximum Bid amount of Rs. 100,000/-.

(d) For Non-institutional and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceed Rs. 1,00,000 and in multiples of 15 Equity Shares thereafter. All Individual Bidders whose maximum bid amount exceeds Rs. 100,000 would be considered under this category. Bids cannot be made for more than the Net Offer Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.

(e) For bidder in the Employee reservation portion, the bid must be for a minimum of 15 Equity Shares and shall be in multiples of 15 Equity Shares thereafter subject to a maximum of 15,000 Equity shares. The allotment in the employees reservation portion will be on a proportionate basis. However, in case of oversubscription in the employee reservation portion, the maximum allotment in the employee reservation portion will be capped at upto 15,000 equity shares.

(f) In single name or in joint names (not more than three, and in the same order as their Depository Participants details).

(g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids by Eligible Employees

1. For the purpose of the Employee Reservation Portion, Eligible Employee means permanent employees of our company who are on the pay-roll of our Company as on November 30, 2006
2. Bids under Employee Reservation Portion by Eligible Employees shall be made only in the prescribed Bid-cum-Application Form or Revision Form (i.e. Pink colour Form).
3. Eligible Employees, as defined above, should mention the Employee Number at the relevant place in the Bid-cum-Application Form.
4. The sole/ first bidder should be Eligible Employees as defined above.
5. Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.
6. Bids by Eligible Employees will have to bid like any other Bidder. Only those bids, which are received at or above the Offer Price, would be considered for allocation under this category.
7. Bidding at cut-off is allowed only for employees whose bid amount is less than or equal to Rs. 1,00,000. Bids made by the employees under both employee reservation portion as well as in the net offer shall not be treated as multiple bids.
8. If the aggregate demand in this category is less than or equal to 15,000 Equity Shares at or above the offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
9. Any under subscription in Equity Shares reserved for Employees would be treated as part of the Net Offer and Allocation to be made in accordance with the description in Basis of Allotment or Allocation as described in page 156 of this Prospectus.
10. If the aggregate demand in this category is greater than 15,000 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

Bidders bank account details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid-cum-Application Form, the Registrar to the Offer will obtain from the Depository the Bidders bank account details. These Bank Account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refunds through direct credit or ECS. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor our Company shall have any responsibility and undertake any liability for the same**.**

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE

NAME GIVEN IN THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN, WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID-CUM-APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid-cum-Application Form, the Registrar to the Offer will obtain from the Depository demographic details of the Bidders such as address, bank account details for making refunds or give credit through Direct Credit, NEFT, RTGS or ECS and occupation ("Demographic Details"). Hence, Bidders are advised to immediately update their bank account details including Magnetic Ink Character Recognition (MICR) Code (a nine digit code appearing on a cheque leaf) as appearing on the records of the depository participant, and carefully fill in their Depository Account details in the Bid-cum-Application Form. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor our Company nor the Refund Banker nor the Registrar shall have any responsibility and undertake any liability for the same.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and making refunds as per the modes disclosed and the Demographic Details given by Bidders in the Bid-cum-Application Form would not be used for these purposes by the Registrar.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid-cum-Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

Allocation Advice/CANs/ refund orders/ refund advice would be mailed at the address of the Bidders as per the Demographic Details received from the Depositories. Bidders may note that delivery of allocation advice/CANs/ refund orders/ refund advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidders in the Bid-cum-Application form would be used only to ensure dispatch of refund orders. In the case of refunds through electronic modes as detailed in page 155 of this Prospectus, Bidders may note that of refund may get delayed if the bank particulars obtained from the Depositories are incorrect. Please note that any such delay shall be at the Bidders sole risk and neither we nor the Selling Shareholder nor the Escrow Collection Bank nor the BRLM's shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Bids under Power of Attorney

In case of Bids made pursuant to a Power of Attorney or by limited companies, corporate bodies, registered societies, 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 and Articles of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids 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 Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids 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 Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by Mutual Fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application

Form. Failing this, our Company and the Selling shareholder reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the Power of Attorney along with the Bid-cum-Application form, subject to such terms that we may deem fit.

We, in our absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar to the Offer that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Offer shall use Demographic Details as given in the Bid-cum-Application Form instead of those obtained from the depositories.

Payment Instructions

Our Company, the Selling Shareholders and the BRLM shall open an Escrow Account with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in the Offer.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account:

(a) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid-cum-Application Form draw a payment instrument for the Bid Amount in favor of the Escrow Account and submit the same to the members of the Syndicate.

(b) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Offer Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the Syndicate Member by the BRLM.

(c) The payment instruments for payment into the Escrow Account should be drawn in favor of:

  (i) In case of QIBs: "**Escrow Account- Page Industries Public Offer – QIB-R**"

  (ii) In case of non resident QIB Bidders: "**Escrow Account- Page Industries Public Offer – QIB-NR**"

  (iii) In case of Resident Retails and Non Institutional Bidders: "**Escrow Account – Page Industries Public Offer**"

  (iv) In case of Non Resident Retail and Non Institutional Bidders: "**Escrow Account – Page Industries Public Offer – NR**"

  (v) In case of Eligible Employees : "**Escrow Account-Page Industries Public Offer – Employee"**

(d) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.

(e) In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

(f) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder by the Refund Banker from the Refund Account. Any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays, etc for the Equity Shares being offered through the Offer for Sale, will be reimbursed by the Selling Shareholders to our Company

(g) The monies deposited in the Escrow Account will be held for the benefit of the Bidders until Designated Date.

(h) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Offer Account with the Bankers to the Offer. Further, on the Designated Date, the

Escrow Collection Banks shall transfer all amounts liable to be refunded to unsuccessful bidders and the excess amounts paid on Bidding to the Refund Account held by the Refund Banker for the benefit of the Bidders entitled to a refund..

(i) On the Designated Date and no later than 15 days from the Bid/Offer Closing Date, the Refund Banker shall, from the Refund Account, refund all amounts payable to unsuccessful bidders and also the excess amount paid on Bidding, if any.

(j) Payments should be made by cheque, or Demand Draft drawn on any bank (including a Co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the center where the Bid-cum-Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stock Invest/ money orders/ postal orders will not be accepted.

(k) Bidders are advised to mention the number of Bid-cum-Application form on the reverse of the cheque/Demand Draft to avoid misuse of instruments submitted along with the Bid-cum-Application form

Payment by Stock Invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.001/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate Member at the time of submission of the Bid.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection center of the Syndicate Member will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favor of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Offer to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as probable multiple master.

2. In this master, a check will be carried out for the same PAN/GIR numbers. In cases where the PAN/GIR numbers are different, the same will be deleted from this master.

3. The addresses of all these applications from the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters, i.e., commas, full stops, hashes etc. Sometimes, the name, the first line of the address and pin code will be converted into a string for each application received and a photo match will be carried out among all the applications processed. A print-out of the addresses will be made to check for common names. Applications with the same name and same address will be treated as multiple applications.

4. The applications will be scanned for similar DPID and client identity numbers. In cases where applications bear the same numbers, these will be treated as multiple applications.

5. After the aforesaid procedures, a print-out of the multiple master will be taken and the applications physically verified to tally signatures and also father's/husband's names. On completion of this, the applications will be identified as multiple applications. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Funds and such Bids in respect of more than one scheme of the Mutual Funds will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Bidders in the Employee Reservation portion can also bid in the Net Offer to the Public and such bids shall not be treated as multiple bids.

6. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number (PAN)

Where Bid(s) is/are for Rs. 50,000/- or more, the Bidder or in the case of an Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the Income Tax Act, 1961. **The copy of the PAN card or PAN allotment letter is required to be submitted with the Bid-cum-Application form.** Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.** In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid-cum-Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the Sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.**

Our Right to Reject Bids

Our Company, the Selling Shareholders and the BRLM reserve the right to reject any QIB Bid provided the rejection is at the time of receipt of Bid and the reason for rejection of the Bid is communicated to the Bidder at the time of rejection of Bid. In case of Non-Institutional Bidders, Retail Individual Bidders and Bidders in Employee reservation portion, we and the BRLM have a right to reject bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the bidder's address at the bidders's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected among others on the following technical grounds:

1) Amount paid doesn't tally with the highest number of Equity Shares bid for;
2) Age of First Bidder not given;
3) Bids by Persons not competent to contract under the Indian Contract Act, 1872, including minors, insane Persons;
4) PAN photocopy/PAN communication/Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given if Bid is for Rs. 50,000 or more and GIR number given instead of PAN number;
5) Bids for lower number of Equity Shares than specified for that category of investors;
6) Bids at a price less than lower end of the Price Band;
7) Bids at a price more than the higher end of the Price Band;
8) Bids at cut-off price by Non-Institutional and QIB Bidders;
9) Bids for number of Equity Shares which are not in multiples of 15;
10) Category not ticked;
11) Multiple bids as defined in the Red Herring Prospectus;
12) In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
13) Bids accompanied by Stock invest/ money order/postal order/cash;
14) Signature of sole and / or joint bidders missing;
15) Bid-cum-Application Form does not have the stamp of the BRLM or Syndicate Member;
16) Bid-cum-Application Form does not have Bidder's depository account details;

17) In case no corresponding record is available with the Depository that matches three parameters: name of Bidder (including sequence of names of joint holders), depository participant identification number and beneficiary account number;

18) Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Offer Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Form;

19) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

20) Bids by OCBs; and

21) Bid by U.S. residents or U.S persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the U.S. Securities Act of 1933.

22) Bids by persons who are not eligible to acquire Equity Shares of our Company, in terms of all applicable laws, rules, regulations, guidelines and approvals.

23) 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;

24) Bids by NRIs not disclosing their residential status.

25) Bids by Employees of the Company not eligible to apply in the Employee reservation portion.

26) Bids where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s) and

27) Bid in respect of whereof the Bid-cum-Application forms do not reach the Registrar prior to finalisation of the basis of allotment.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Offer shall be allotted only in a Dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements have been signed among us, the respective Depositories and the Registrar to the Offer:

a) A tripartite agreement dated February 13, 2007 with NSDL, us and Registrar to the Offer;

b) A tripartite agreement dated February 13, 2007 with CDSL, us and Registrar to the Offer.

All bidders can seek allotment only in dematerialised mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Bid-cum-Application Form or Revision Form.

c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

d) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

e) Non-transferable allotment advice will be directly sent to the Bidder by the Registrar to this Offer. Refunds will be made directly by the Registrar to the Offer as per the modes disclosed.

f) If incomplete or incorrect details are given under the heading 'Request for Equity Shares in electronic form' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.

g) The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.

h) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

i) The trading of the Equity Shares of our Company would be in Dematerialised form only for all investors.

Communications

All future communications in connection with Bids made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft, number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre or post offer related problems such as non-receipt of letters of allotment, credit of allotted shares in respective beneficiary accounts, refund orders etc.

Disposal of Investor Grievances by our Company

We estimate that the average time required by us or the Registrar to the Offer for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. R. Vijayakumar, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Offer or post-Offer-related problems. He can be contacted at the following address:

Mr. R. Vijayakumar
Company Secretary
Page Industries Limited
Abbaiah Reddy Industrial Area
Jockey Campus
No. 6/2 & 6/4 Hongasandra
Begur Hobli
Bangalore 560 068
Karnataka
Tel: +91 80 2573 2952
Fax: +91 80 2573 2215
Email: pageipo@jockeyindia.com

DISPOSAL OF APPLICATIONS AND APPLICATION MONIES

We shall ensure dispatch of allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of Allotment. In case of applicants who receive refund through ECS, direct credit, NEFT or RTGS, the refund instruction will be given to the clearing system within 15 days from the Bid/ Offer Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund

Our Company shall dispatch refund orders, as per the procedure mentioned under section “Despatch of Refund Orders” on page no 155 of this Prospectus

We will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Offer.

We shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 7 (seven) working days finalsation of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI (DIP) Guidelines we further undertake that:

- allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid /Offer Closing Date;
- dispatch of refund orders within 15 (fifteen) days of the Bid /Offer Closing Date would be ensured; and
- we shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if Allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated

September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

- Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received except where the refund or portion thereof is made in electronic manner as described above. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Payment of Refund

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification (DP ID) number and Beneficiary Account Number provided by them in the Bid-cum-Application Form, the Registrar to the Offer will obtain from the Depository, the Bidders bank account details including the nine digit Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor our Company nor the Refund Banker nor the Registrar shall have any responsibility and undertake any liability for the same.

Desptach of Refunds Orders

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS — Payment of refund would be done through ECS for applicants having an account at any of the following 15 centres: Ahmedabad, Bangalore. Bhubneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the nine-digit MICR code as appearing on a cheque leaf from the Depository. The payment of refund through ECS is mandatory for applicants having a bank account at any of the 15 centres named hereinabove, except where the applicant is otherwise disclosed as eligible to receive refunds through direct credit or RTGS.
2. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.

   Our Company, in consultation with the BRLMs and the Registrar may decide to use the National Electronic Funds Transfer (''NEFT'') facility for payment of refunds.
3. Direct Credit—Applicants having their bank account with the Refund Banker shall be eligible to receive refunds, if any, through direct credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company.
4. RTGS—Applicants having a bank account at any of the 15 centres detailed above, and whose Bid Amount exceeds Rs. 1 million, shall have the option to receive refunds, if any, through RTGS. Such eligible applicants who indicate their preference to receive refunds through RTGS are required to provide the IFSC code in the Bid-cum-Application Form. In the event of failure to provide the IFSC code in the Bid-cum-Application Form, the refund shall be made through the ECS or direct credit, if eligibility is disclosed. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit will be borne by the applicant.
5. Please note that only applicants having a bank account at any of the 15 centres where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed hereinabove. or all the other applicants, including applicants who have not updated their bank particulars along with the nine-digit MICR Code, the refund orders will be dispatched ''Under Certificate of Posting'' for refund orders of value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Some refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Interest in case of delay in dispatch of allotment letters/making refunds

We agree that allotment of securities offered to the public shall be made not later than 15 days from the Bid/Offer Closing Date. We further agree that we shall pay interest at 15% per annum if the allotment letters/refunds orders have not been dispatched to the applicants within 15 days of the Bid/ Offer Closing Date or if in a case where refund or portion thereof is made in an electronic manner, the refund instructions have not been given to the clearing system in a disclosed manner within 15 days from the Bid/

Offer Closing Date, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer.

In case of revision in the Price Band, the Bidding/Offer Period will be extended for three additional days after revision of Price Band. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the BSE and NSE, by issuing a press release, and also by indicating the change on the web site of the BRLM and at the terminals of the Syndicate.

Basis of Allotment or Allocation

For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail Individual Bidders will be made at the Offer Price.
- The Net Offer Size less allocation to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have bid in the Offer at a price that is equal to or greater than the Offer Price.
- If the aggregate demand in this category is less than or equal to 976,150 Equity Shares at or above the Offer Price, full allotment shall be made to the Retail Individual Bidders to the extent of their valid bids.
- If the aggregate demand in this category is greater than 976,150 Equity Shares at or above the Offer Price, the allotment shall be made on a proportionate basis upto a minimum of 15 Equity Shares and in multiples of 1 Equity Share there after. For the method of proportionate basis of allotment, refer below.

For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non-Institutional Bidders will be made at the Offer Price.
- The Net Offer Size less allotment to QIBs and Retail Portion shall be available for allotment to Non-Institutional Bidders who have bid in the Offer at a price that is equal to or greater than the Offer Price.
- If the aggregate demand in this category is less than or equal to 418,350 Equity Shares at or above the Offer Price, full allotment shall be made to Non-Institutional Bidders to the extent of their valid bids.
- In case the aggregate demand in this category is greater than 418,350 Equity Shares at or above the Offer Price, allotment shall be made on a proportionate basis upto a minimum of 15 Equity Shares and in multiples of 1 Equity Share there after. For the method of proportionate basis of allotment refer below.

For QIBs

- Bids received from the QIB Bidders at or above the Offer Price shall be grouped together to determine the total demand under this portion. The allotment to all the QIB Bidders will be made at the Offer Price.
- The QIB Portion shall be available for allotment to QIB Bidders who have bid in the Offer at a price that is equal to or greater than the Offer Price.
- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

    (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

    (ii) In the event that the aggregate demand fom Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Offer Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for allotment to all QIB Bidders as set out in (b) below;

  (b) In the second instance allotment to all QIBs shall be determined as follows:

    (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

    (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

(iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate allotment to QIB Bidders shall be upto 1,394,500 Equity Shares.

For Employee Reservation Portion

- Bids received from the eligible Employees at or above the Offer Price shall be grouped together to determine the total demand under this portion. The allocation to all the successful Employees will be made at the Offer Price.
- If the aggregate demand in this portion is less than or equal to 15,000 Equity Shares at or above the Offer Price, full allocation shall be made to Employees to the extent of their demand.
- If the aggregate demand in this portion is greater than 15,000 Equity Shares at or above the Offer Price, allocation shall be made on a proportionate basis upto a minimum of 15 Equity Shares and in multiples of 1 Equity Share there after. For the method of proportionate basis of allocation, refer below.
- Only eligible Employees shall apply under the Employee reservation portion.

  Undersubscription, if any, in any portion, would be allowed to be met with spillover from any other portions at the discretion of our Company and Selling Shareholders, in consultation with BRLM.

  Under subscription, if any, in the Employee reservation Portion would be included in the Net Offer and allocated in accordance with the description in Basis of Allocation.

Method of proportionate basis of allotment in the QIB, Retail and Non-Institutional portions

In the event of the Offer being over-subscribed, we shall finalise the basis of allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Offer shall be responsible for ensuring that the basis of allotment is finalised in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportionate basis as explained below:

- Bidders will be categorised according to the number of Equity Shares applied for.
- The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- In all Bids where the proportionate allotment is less than 15 Equity Shares per Bidder, the allotment shall be made as follows:
- Each successful Bidder shall be allotted a minimum of 15 Equity Shares; and
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.
- If the proportionate allotment to a Bidder is a number that is more than 15 but is not a multiple of one (which is the marketable lot), the number in excess of the multiple of one would be rounded off to the higher multiple of one if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower multiple of one. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.
- If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares. The basis of allocation on a proportionate basis shall be finalised with the Designated Stock Exchange.

Letters of allotment or refund orders

Our Company shall give credit to the beneficiary account with Depository Participants within two working days from the date of the allotment of Equity Shares. Applicants having bank accounts at any of the 15 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Electronic Credit Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or Real Time Gross Settlement (RTGS). In case of other applicants, our Company shall ensure despatch of refund orders, if any, of value up to Rs. 1,500 by “Under Certificate of Posting”, and shall dispatch refund orders of Rs. 1,500 and above, if any, by registered post or speed post. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter (refund advice) through “Under Certificate of Posting” intimating them about the mode of credit of refund within 15 days of closure of Offer.

Our Company shall ensure despatch of refund orders/refund advice, if any, by “Under Certificate of Posting” or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS or NEFT, as applicable, only at the sole or First Bidder’s sole risk within 15 days of the Bid Closing Date/Offer Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Issuer.

In accordance with the requirements of the Stock Exchanges and SEBI Guidelines, our Company undertakes that:

- Allotment & Transfer shall be made only in dematerialised form within 15 days from the Bid/Offer Closing Date;
- Despatch of refund orders/ refund advice shall be done within 15 days from the Bid/Offer Closing Date; and
- Our Company shall pay interest at 15.0% per annum (for any delay beyond the 15-day time period as mentioned above), if allotment is not made, refund orders/ credit intimation are not despatched and in case where a refund is made through electronic mode, the refund instructions have not been given to the clearing system, and demat credit within the 15-day time prescribed above, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer.

Our Company will provide adequate funds required for the cost of despatch of refund orders/ refund advice/ allotment advice to the Registrar to the Offer.

Save and except refunds effected through the electronic mode i.e ECS, direct credit, NEFT or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. The bank charges, if any, for encashing such cheques, pay orders or Demand Drafts at other centres will be payable by the Bidders.

Undertaking by our Company

We undertake as follows:

- that the complaints received in respect of this Offer shall be attended to expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allotment;
- that the funds required for making refunds to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Offer by us;
- that where refunds are effected through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the Offer giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of the refund.
- that no further issue of Equity Shares shall be made till the Equity Shares issued through this Prospectus are listed or until the bid monies are refunded on account of non-listing, under-subscription etc.
- refunds shall be made as per the modes disclosed and allotment advice shall be dispatched to NRIs or FIIs or foreign venture capital investors registered with SEBI within the specified time.

Undertakings by the Selling Shareholders

Each of the Selling Shareholders undertake as follows:

- the Equity Shares being sold pursuant to the Offer for Sale are free and clear of any liens or encumbrances, and shall be transferred to the successful Bidders within the specified time; and
- that no further offer of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Bid monies are refunded on account of non-listing, undersubscription etc.
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of Offer, giving details of the bank where refunds shall be credited alongwith the amount and expected date of electronic credit of refund;

- That the Selling Shareholder has authorised the Compliance Officer and Registrars to the Offer to redress complaints, if any, of the investors;

Utilisation of Offer proceeds

The Board of Directors of our Company certifies that:

(a) 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 73 of the Companies Act;

(b) details of all monies utilized out of this Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such unutilised monies have been invested; and

(c) Details of all unutilized monies out of this 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.

(d) We and the Selling Shareholders shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

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 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 the 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. No person shall make a Bid in pursuance of this Issue unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors making a bid in response to the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to subscribed to the Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the BRLM, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor whether such investor is eligible to subscribe to Equity Shares of our Company.

Investment by FIIs/NRI/VCF

Under present regulations, the maximum permissible FII investment in our Company is restricted to 24% of our total issued capital. This can be raised to 100% by adoption of a Board resolution and special resolution by our shareholders; however, as of the date hereof, no such resolution has been recommended to Board or our shareholders for adoption.

The allotment/ transfer of Equity Shares of NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI shall be subject to the conditions as may be prescribed by the government of India or RBI while granting such approvals.

Under the FEMA, FIIs and NRIs are permitted to subscribe for shares of an Indian company making a public offer without prior RBI approval.

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs and FIIs and all Non-Resident, NRI and FII applicants will be treated on the same basis as other categories for the purpose of allocation.

As per the RBI regulations, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, ''U.S. persons'' (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to ''qualified institutional buyers'', as defined in Rule 144A of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-Issue paid-up capital of our Company (i.e., 10% of 11,153,874 EquityShares. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital of our Company where such sub-account is a foreign corporate or an individual.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations, 1995, an FII or its sub-account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of ‘‘know your client’’ requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

As per the current regulations, the following restrictions are applicable for investments by venture capital funds and foreign venture capital funds registered with the SEBI:

The SEBI (Venture Capital) Regulations, 1996, and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with the SEBI. Accordingly, the holding by any venture capital fund should not exceed 25% of the corpus of the such venture capital fund.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Prospectus. Bidders are advised to make their own independent investigations and ensure that the number of Equity Shares bid for does not exceed the applicable limits under relevant laws or regulations. However, we shall update this Prospectus and keep the public informed of any material changes in matters concerning the business and operations until the listing and commencement of trading of the Equity Shares.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

SHARE CAPITAL

3. The Authorised Share Capital of the Company shall be such as given in Clause V of the Memorandum of Association or as altered from time to time.

SHARES

4. The Shares of the Company shall be under the control and discretion of the Board, who may allot or otherwise dispose of the same or any of them to such person or persons (whether a member of the Company or not), subject to the provisions of the Act and the Regulations contained herein upon such terms and conditions for such consideration as the Board may decide and such shares may be issued at a premium or at par or discount as per the provisions of the Companies Act, 1956. In particular, the Board may issue and allot shares towards payment or adjustment made;

   a. For the properties or goods or machineries bought by the Company; or

   b. For the discharge of loans or other liabilities of the Company; or

   c. For the services rendered to the Company; or

   d. For amounts spent for the purposes of the Company or for the conduct of the business of the Company.

   Any such shares may be issued and allotted as fully paid-up or partly paid-up shares and the shares thus issued and allotted shall be deemed to be fully paid-up or partly –up shares, as the case may be.

   Provided that option or right to call of shares shall not be given to any person or persons except with the sanction of the Company in General Meeting.

5. The Company shall have power to issue preference shares, liable to be redeemed in any manner permissible under the Act and the Board may, subject to the provisions of the Act, exercise such powers in any manner they think fit and provide for the redemption of such shares on such terms including the right to redeem at a premium or otherwise as they think fit.

6. The Board shall fix the amount payable on application, on allotment and on calls at the time of issue of shares.

7. The Board may, subject to the provisions of the Act, 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 in or debentures of the Company or his procuring or agreement to procure subscriptions, (whether absolute or conditional) for any shares in or debentures of the Company. The Company may pay such brokerage as may be lawful and reasonable.

8. An application signed by or on behalf of the 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. Every person who thus or otherwise accepts any shares or whose name is appearing on the Register, shall, for the purpose of these Articles, be a member of the Company.

9. Shares may be registered in the name of any person, company, Registered Society or other body corporate. Not more than four persons shall be registered as joint holders of any shares.

10. Where two or more persons registered as joint holders of any shares, they shall be deemed to hold the same as joint tenants with the benefit of survivorship, subject to the following provisions.

    i) The person whose name stands first in the Register in respect of such shares shall alone be entitled to delivery of the certificate thereof as also dividend on such shares;

    ii) The joint-holders shall severally as well as jointly be liable for payment of all installments and calls due in respect of such shares;

    iii) In case of death of any one or more such joint-holders, the survivor(s) shall be the only person(s) recognised by the Company as having any title or interest in such share, but the Board of Directors may require such evidence of death as may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on the shares held by him jointly with any other person;

    iv) All notices directed to be given to the members shall be given to whichever of such person is named first in the Register and notice so given shall be sufficient to all the joint-holders of such shares.

11. Every shareholder or his executor, administrator, legal representative, having in his control or at his disposal assets of the deceased shareholder, shall pay to the Company the proportion of the capital which may for the time being remain unpaid thereon at such time and in such manner as Board shall think fit.

12. Every person whose name is entered as a member in the Register of Members shall be entitled to receive within three months after allotment (or within such other period as the conditions of issue shall provide) and within one month after the application for registration of transfer, a certificate under the Common Seal of the Company specifying the share or shares held by him and the amount paid-up thereon, provided, that in respect of share or shares held jointly by several persons, the Company shall not, be bound to issue more than one share certificate and delivery of certificate for a share to such person whose name stands first in the Register of Members, shall be sufficient delivery to all such holders. Share certificates shall be issued in marketable lots without payment of any fees. Where share certificates are issued for either more or less than marketable lots, subdivision / consolidation into marketable lots shall be done free of charge.

13. If any certificate be worn out or defaced, then upon production thereof to the Company, the Company, in cancellation of old certificate, shall issue new certificate in lieu thereof. If any member requires the certificate pertaining to more than one share to be split into two or more certificates pertaining to one or more shares, the Company may cancel the old certificate and issue new certificate. If any certificate to be lost or destroyed, then, upon proof thereof to the satisfaction of the Board and on such indemnity as the Board deems adequate being given and on payment of out of pocket expenses incurred by the Company in investigating evidence, a new certificate in lieu thereof shall be given to the registered holder of the shares to which such lost or destroyed certificate shall relate.

14. Every endorsement on the certificate incorporating transfer of shares mentioned therein shall bear the signature of a Director or such other person as shall from time-to-time be authorised by the Board or any committee thereof for the purpose.

DEPOSITORY SYSTEM

15.

(i) The Company shall be entitled to dematerialize its existing shares and other securities, rematerialize its shares and other securities held in the depositories and / or offer its fresh shares and other securities in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any.

ii) Notwithstanding anything to the contrary contained in the Act or these Articles, the Depository shall be deemed to be registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

iii) A depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

iv) Every person holding shares of the Company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be a member of the Company and such beneficial owner is entitled to all the rights and benefits of a member.

CALLS ON SHARES

16. The Board may from time to time, subject to the terms on which any shares may have been issued and subject to the provisions of Section 91 of the Act make such calls as they deem fit upon the members in respect of all monies unpaid on the shares held by them respectively (whether on account of nominal value of shares or by way of premium) and each member shall pay the amount of every call so made on him at the time and place appointed by the Board. A call may be made payable by installment and shall be deemed to have been made when the resolution of the Board authorizing such call was passed. A call may be revoked or postponed at the discretion of the Board.

17. If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof, the holder for the time being in respect of the shares for which the call shall have been made or the installment shall be due, shall pay interest for the same at a such rate as may, from time-to-time, be fixed by the Board from the day appointed for the payment thereof to the time of actual payment. The Board shall be at liberty to waive payment of any such interest either wholly or partly.

18. Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the shares or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of such sum all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

19. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the amount remaining unpaid on any shares the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as may be fixed by the Board. Money so paid in excess of the amount of calls shall not rank for dividends or confer a right to participate in profits or for the purpose of voting. The Board may at any time repay the amount so advanced upon giving to such member not less than fifteen days, notice in writing.

20. On the trail 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, it 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 of the Company as the holder of one or more shares at or subsequent to the date on which money sought to be recovered is alleged to have become due; that the resolution making the call is duly recorded in the Minutes Book of the Board and the notice of such call was duly given to the member or his representative in pursuance of these Articles.

21. The money, if any, which the Board shall, on allotment of any shares being made to it, require or direct to be paid by way of deposit, premium, call or otherwise in respect of any shares allotted by it shall immediately on the inscription of the name of the allottee in the Register of Members become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.

22. Save as herein otherwise expressly provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound, except as ordered by a court of competent jurisdiction or as by statue required, to recognise any trusts whatsoever or any mortgage or charge thereon or any contingent, equitable, future, partial or any other claim to or interest in such share on the part of any person other than the registered holder, his executor or administrators or other legal representatives and other than such rights upon transmission as hereinafter provided.

FORFEITURE OF SHARES

23. If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have been incurred by the Company by reason of such non-payment.

24. The notice shall name a day (not being less than 14 days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

25. If the requirements of any such notice as aforesaid are not complied with any share in respect of which such notice has been given may, at any time thereafter, before the payment required by the notice has been made be forfeited by a resolution of the Board to the effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

26. When any share shall have been so forfeited, notice of the resolution 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, but no forfeiture shall be in any manner invalidated by any omission to give such notice or to make such entry as aforesaid.

27. Any share so forfeited shall be deemed to be property of the Company, and the Board may sell, re-allot or otherwise dispose of the same on such terms and in such manner as they think fit.

28. The Board may, at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such condition as it thinks fit or they may assign a smaller number of shares in respect of the paid-up value of the forfeited shares.

29. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall nevertheless remain liable to pay and shall forth with pay to the company all monies, which at the time of forfeiture were presently payable by him to the Company in respect of the shares together with interest at such rate as may be decided upon by the Board, whether such claim be barred by limitation on the date of the forfeiture or not but his liability shall cease, if and when the company receives payment in full or all monies due in respect of such shares. The Board may, if they shall think fit, remit the payment of such interest or any part thereof.

30. The forfeiture of a share shall involve the extinction of all interest in and all claims an demands against the Company in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

31. Upon any sale after forfeiture or surrender for enforcing a lien purported to have been exercised by virtue of the powers given, the Board may cause the purchaser's name to be entered in the Register of Members in respect of the shares sold. A duly verified declaration in writing that the declarant is a Director, Secretary or Manager of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt

of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good tile to such shares and the person to whom any such share is sold shall be registered as the holder of such shares and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

32. The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of the issue of a share, becomes payable at a fixed time, whether on account of nominal value of shares or by way of premium, as if the sum had been payable virtue of a call duly made and notified.

LIEN

33. The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) 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 and no equitable interest in any shares shall be created except upon the footing and conditions that this Article will have full effect and such lien shall extent to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this Clause.

34. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit. But no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or other legal representatives, as the case may be, and default shall have been made by him or them in the payment of the sum payable as aforesaid for seven days after the date of such notice.

35. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any transfer. Upon any such sale as aforesaid, the certificate in respect of 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 lien thereof to the purchaser or purchasers concerned.

36. The net proceeds of the sale shall be received by the Company and after payment of the cost of such sale shall be 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 be paid such member, his executors or administrators or assigns or other legal representatives, as the case may be.

TRANSFER OF SHARES

37. No share in the Company shall be transferred without the approval of the Board or a committee thereof.

38.

a) Shares in the capital of the Company shall be transferred by an instrument of transfer in writing signed by the transferor and the transferee duly stamped and such instrument of transfer shall be in the prescribed form and shall in all respects comply with the provisions of section 108 of the Companies Act, 1956, and the rules prescribed thereunder and any amendment thereof.

b) The instruments of transfer shall be in writing and all the provisions of Section 108 of the Act shall be duly complied with respect to all transfer of shares and of the registration thereof.

39. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

40. No fee shall be charged for registration of transfers or for transmission of shares or for registration of any Power of Attorney, Probate, Letter of Administration or other similar documents.

41. Subject to the provisions of Section 111 of the Act, the Board / Committee may, at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares, whether fully paid or not (notwithstanding that the proposed transferee is already a member), but in such cases, the notice of refusal to register such transfer shall be, within one month from the date on which the instrument of transfer was lodged with the company, sent to the transferee and the transferor, provided that the registration of the transfer shall not be refused on the ground that the transferor being either alone or jointly with any other person or persons is indebted to the Company on any account whatsoever except where the Board has exercised the power of lien vested in it under these Articles in respect of the shares proposed to be transferred.

42.

a) An application for registration of transfer of shares in the company may be made either by the transferor or the transferee

b) Where the application is made by the transferor and relates to the party paid shares, the transfer shall not be registered, unless the Company gives notice of applications to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

c) For the purpose of sub-clause (b) above, notice to the transferee shall be deemed to have been duly given, if it is despatched by pre-paid registered post or under certificate of posting or any other mode of 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, if would have been delivered in the ordinary course of post.

43. No transfer shall be made to an insolvent or a person of unsound mind or a partnership in the name of the firm. In case of partly paid shares, no transfer shall be in the name of the minor

44. In no case, shall the Board / Committee be bound to inquire into the validity, legal effect or genuineness of any instrument of transfer produced by a person claiming transfer of any share in accordance with these Articles and whether they abstain from so inquiring or do so inquire or are misled, the transferor shall have no claim whatsoever upon the company in respect of the share except for dividends previously declared in respect thereof and not paid but his claim, if any, shall be against the transferee only.

45. All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer, which the Directors may decline to register, shall be returned to the person depositing the same.

46. The Company shall have no liability or responsibility whatever 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 in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said 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 required to regard or attend or give effect to any notice which may be given to it of any equitable right, title, 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.

NOMINATION

51. Subject to the provisions of Section 109A and 109B of the Companies Act, every holder or joint holders of shares or debentures may at any time nominate a person to whom his / their shares or debentures shall vest in the event of death and such nominee may either register himself as the holder of the shares or debentures, as the case may be or make such transfer of such shares or debentures as the deceased shareholder(s) or Debenture holder(s) could have made.

TRANSMISSION OF SHARES

52. a) On a death of a member, the survivor or survivors where the member was a joint-holder, and legal representatives where he was a sole holder shall be the only persons recognized by the Company as having any title to his interest in the shares

b) Nothing in Clause (a) shall release the estate of a deceased joint holder from any liability in respect of any shares which had been jointly held by him with other persons

c) Notwithstanding anything contained in Article 52(a) on the death of a member, where he was a sole holder, if the member has filed a nomination in the prescribed form, the nominee shall be the only person recognized by the company as having any title to his interest in the shares.

53. The executors or administrators of a deceased member, (not being a joint holder) shall be the only person(s) recognized by the Company as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators, unless they have first obtained probate or letters of administration, as the case may be, from a competent court in India, provided that in any case, where the Directors in their absolute discretion think fit, they may dispense with the production of probate or letters of administration.

54. 1. Any person becoming entitled to a share in consequence of the death or lunacy or insolvency of a member may, upon such evidence being produced as may, from time to time, properly be required by the Board / Committee and subject as hereinafter provided elect, either

b. to be registered himself as holders of the share or

c. to make such transfer of shares as the deceased or insolvent or lunatic member could have made

2. The Board / Committee shall, in either case, have the same right to decline or suspend registration, as it would have had, if the deceased or lunatic or insolvent member had transferred the shares before his death, lunacy or insolvency.

55. a) If the person entitled shall elect to be registered as holder of share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the shares.

c) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death, lunacy or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.

d) A person so becoming entitled on transmission to a share by reason of the death, lunacy or insolvency of the holder shall subject to the provisions of these Articles and of Section 206 of the Act, be entitled to the same dividends and other advantages to which he would be entitled, if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the shares, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

BUY BACK OF SHARES

56. Subject to the provisions of the Act and Rules or Guidelines made thereunder and notwithstanding anything contained in these Articles, the Board may, when and as if it thought, buy back such of Company’s own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted by law.

ISSUE OF SHARES WITH DIFFERENTIAL VOTING RIGHTS

57. Subject to the provisions of Section 86 of the Act and the rules framed thereunder, the Board may issue shares with differential voting rights as to dividend, voting or otherwise.

DIVIDENDS

123. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

124. 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.

125. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

126. On the declaration of dividend by the General Meetings it shall be paid to the shareholders in proportion to the amount paid up or credited as paid up on each share, and the period for which the amount was held as capital in the Company.

127. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company.

128. a) Unless otherwise directed, any dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint holders to that one of them first named in the Register in respect of joint-holding. Every such cheque or warrant shall be made payable to the person to whom it is sent. The Company shall not be responsible for the loss of any cheque, dividend warrant or pay slip or receipt sent by post in respect of dividends to the registered address or addresses communicated to the Office before hand by the member, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or fraudulent encashment thereof by any other means.

b) No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provisions of Section 205-A of the Act, in respect of any unclaimed or unpaid dividend.

CAPITALISATION OF PROFITS & RESERVES

131.1. The Company in General Meeting may, upon the recommendation the Board, resolve :

a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Profit and Loss Account or otherwise available for distribution; and

b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members, who would have been entitled thereto, if distributed by way of dividend and in the same proportion.

2. The sum aforesaid shall not be paid in cash but shall be applied subject to the provisions Contained in clause (3) either in or towards –

a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid; or

partly in the way specified in sub-clause (a) and

partly in that specified in sub-clause (b)

3. For the purpose of this Article a share premium account and a capital redemption reserve fund may be applied only in paying up unissued shares to be issued to the members of the Company as fully paid bonus shares,

4. The Board shall give effect to the resolution passed by the Company in pursuance of this Article;

A) 1. Whenever such a resolution as aforesaid shall have been passed, the Board shall :

a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares and

b) generally do all acts and things required to give effect thereto.

2. The Board shall have full power :

a) to make such provision by the issue of fractional certificates or by payment in cash by realizing such fractional certificates or otherwise as it thinks tit, in the case of shares becoming distributable in fractions and also.

b) To authorise any person to enter, on behalf of all members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.

3. Any agreement made under such authority shall be effective and binding on all such members.

If the Company shall have redeemed any redeemable preference shares all or any part of any Capital Redemption Fund arising from the redemption of such shares may by resolution of the Company be applied in paying up in full or in part any new shares or any shares then remaining unissued, to be issued to such members of the Company or other persons as the Directors may resolve upto an amount equal to the nominal amount of the shares so issued.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND MATERIAL DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered office of our Company located at Abbaiah Reddy Industrial Area, Jockey Campus, 6/2 & 6/4, Hongasandra, Begur Hobli, Bangalore 560 068 from 10.00 a.m to 4.00 p.m. on working days from the date from the filing of this Prospectus until the Bid/Issue Closing Date

Material Contracts

- Memorandum of Understanding dated December 18, 2006 signed between our Company, the Selling Shareholders and IL&FS Investsmart Limited, BRLM
- Memorandum of Understanding dated February 08, 2007 signed between our Company, Selling Shareholder and Sharepro Service (India) Pvt. Ltd, Registrar to the Offer.

Material Documents

- Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time-to-time.
- Copy of the Certificate of Incorporation of our Company dated November 15, 1994.
- Fresh certificate of incorporation consequent on conversion of company from Private Limited to Public Limited dated September 6, 2006.
- Copy of the Shareholders' resolution dated December 15, 2006 in relation to this Issue and other related matters.
- Resolution of the Board of Directors dated September 30, 2006 in relation to this Issue and other related matters.
- Special Power of Attorney executed by Mr. Timothy Ralph Wheeler, Director of our Company in favour of Mr. Sunder Genomal for signing and making necessary changes to this Prospectus and other related documents and Power of Attorney
- Special Power of Attorney executed by Mr. Nari Genomal and Mr. Ramesh Genomal, the Selling Shareholders in favour of Mr. Sunder Genomal for selling of their shareholding in the Offer, signing and making necessary changes to this Prospectus and other related documents and Power of Attorney
- Consents of BRLM, Registrar to the Offer, Banker to the Company, Legal Advisor to the Issue, Advisors to the Offer, Auditors to our Company, Monitoring agency, Directors, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
- Copy of the Auditors Report dated December 15, 2006 issued by Statutory Auditors of the Company, M/s Haribhakti & Co, Chartered Accountants, regarding restated financials of the Company for the last five years and for the period ended September 30, 2006 .
- Copy of the Tax Benefit Certificate dated December 15, 2006 issued by the Statutory Auditors M/s Haribhakti & Co, Chartered Accountants.
- Annual Reports for the last 5 years and for the half year ended September 30, 2006
- Copy of the Tripartite Agreement dated February 13, 2007 between NSDL, our Company and Sharepro Services (India) Pvt. Ltd.
- Copy of the Tripartite Agreement dated February 13, 2007 between CDSL, our Company and Sharepro Services (India) Pvt. Ltd.

- Trademark and License Agreement between Jockey International, Inc. & the Company (‘The Trademark and License Agreement’) dated January 01, 2005
- Technology Transfer Agreement between Jockey International, Inc. & our Company (“Technology Transfer Agreement”) dated April 01, 2006
- Copy of Canara Bank Sanction letter no CBIF:CR173:1347:06:KTR dated October 31, 2006
- Applications dated December 29, 2006 for in-principle listing approval from BSE and NSE, respectively.
- In-principle listing approvals dated January 18, 2007 and January 22, 2007 from BSE and NSE respectively.
- Due diligence certificate dated December 18, 2006 to SEBI from the BRLM.
- SEBI observation letter no CFD/DIL/SM/Issues/85654/2007 dated Febraury 06, 2007.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the applicable laws.

DECLARATION

We, the Directors of our Company and the Selling Shareholders, hereby declare that all relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956 or the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

Signed by the Directors of Page Industries Limited

Sd/-

Mr. Sunder Genomal
Managing Director

Sd/-

Mr. Timothy Ralph Wheeler
Director
(Through duly constituted Attorney
Mr. Sunder Genomal)

Sd/-
Mr. V. Sivadas
(Alternate Director to Mr. Ramesh Genomal)

Sd/-
Mr. Ravi Uppal
Director

Sd/-
Mr. P. V. Menon
(Alternate Director to Mr. Nari Genomal)

Sd/-
Mr. G. P. Albal
Director

Signed by the Selling Shareholders

Sd/-
Mr. Sunder Genomal

Sd/-
Mr. Ramesh Genomal
Through duly constituted Attorney Mr. Sunder Genomal.

Sd/-

Mr. Nari Genomal
Through duly constituted Attorney Mr. Sunder Genomal.

Date : March 01, 2007
Place : Bangalore