DRAFT RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956
Dated May 07, 2008
(The Draft Red Herring Prospectus will be updated upon RoC filing)
100% Book Building Issue

GINI & JONY LIMITED

(Our Company was originally incorporated on November 11, 1994 as Gini and Jony Apparrel Private Limited under the Companies Act, 1956. The name of our Company was changed to Gini & Jony Apparel Private Limited on December 24, 2002. Further with effect from November 13, 2006, the name was changed to Gini & Jony Private Limited and the Company also became public limited company under the name Gini & Jony Limited. The registered office of our Company was shifted on November 16, 2006 from A-2/470 Shah & Nahar Industrial Estate, Dhanraj Mills Compound, Lower Parel, Mumbai 400013 to its present location at A-601, Citi Point, Next to Kohinoor Continental, Andheri-Kurla Road, Andheri-East, Mumbai 400059. For details of the change in our name and change in our registered office, see "History and Certain Corporate Matters" on page [●] of this Draft Red Herring Prospectus)

Registered Office : A-601, Citi Point, Next to Kohinoor Continental, Andheri-Kurla Road, Andheri-East, Mumbai 400059
Company Secretary and Compliance Officer : Mr. Gaurav Thakur
Tel : (+91 22) 40911000 **Fax :** (+91 22) 40911111 **Email :** investor@giniandjony.com **Website :** www.giniandjony.com

PUBLIC ISSUE OF 3,000,000 EQUITY SHARES OF THE FACE VALUE Rs. 10/- EACH OF GINI & JONY LIMITED ("G&J" OR THE "COMPANY" OR THE "ISSUER" FOR CASH AT A PRICE OF Rs. [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF Rs. [●] PER EQUITY SHARE) AGGREGATING Rs. [●] MILLION (THE "ISSUE"). THE ISSUE WILL CONSTITUTE 25.04 %OF THE FULLY DILUTED POST ISSUE PAID-UP EQUITY CAPITAL OF THE COMPANY.

PRICE BAND: Rs. [●] TO Rs. [●] PER EQUITY SHARE OF FACE VALUE Rs. 10/- EACH

THE FLOOR PRICE IS [●] TIMES THE FACE VALUE AND THE CAP PRICE IS [●] TIMES THE FACE VALUE

In case of revision in the Price Band, the Bidding/ Issue Period shall be extended for three additional working days after such revision of the Price Band subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will 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 also by indicating the change on the website of the Book Running Lead Manager ("BRLM") and at the terminals of the Syndicate.

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation to Mutual Funds registered with Securities and Exchange Board of India ("SEBI") and the remaining QIB portion shall be available for allocation to the QIBs including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

RISK IN RELATION TO FIRST ISSUE

This being the first public issue of the Equity Shares by the Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10/- each and the Issue Price is [●] times of the face value. The Issue Price (as determined by the Company in consultation with the BRLM, 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 the Company or regarding the price at which the Equity Shares will be traded after listing.

IPO GRADING

This Issue has been graded by [●] and has been assigned the "IPO Grade [●]" indicating [●], through its letter dated [●]. The IPO grading is assigned on a five point scale from 1 to 5 with an "IPO Grade 5" indicating strong fundamentals and an "IPO Grade 1" indicating poor fundamentals. For details regarding the grading of the Issue, see the section "General Information" beginning on page [●] of this Draft Red Herring Prospectus.

GENERAL RISKS

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

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on BSE and NSE. We have received in-principle approval from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●] respectively. For the purposes of the issue, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
Edelweiss Capital Limited, 14th floor, Express Towers, Nariman Point, Mumbai - 400 021, India. Tel.: +91 22 40863535, Fax: +91 22 22882119 Website: www.edelcap.com E-mail: gnj.ipo@edelcap.com Investor grievance email: edelcapredressal@edelcap.com SEBI Reg No. INM000010650 Contact person: Mr. Jibi Jacob	**INTIME SPECTRUM REGISTRY LIMITED** C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078. Tel: (+91 22) 25960320, Fax: (+91 22) 25960329 Website: www.intimespectrum.com Email: gin&jony.ipo@intimespectrum.com SEBI Reg No.INR000003761 Contact Person : Mr. Sachir Achar

ISSUE SCHEDULE	
BID/ISSUE OPENS ON : [●], **2008**	**BID/ISSUE CLOSES ON :** [●], **2008**

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DEFINITIONS AND ABBREVIATIONS

Term	Description
"We", "Us" or "Our"	Unless the context otherwise requires, Gini & Jony Limited and its subsidiaries on a consolidated basis, as described in this Draft Red Herring Prospectus
"the Company", "our Company", "the Issuer" or "G&J"	Unless the context otherwise requires, Gini & Jony Limited, a public limited company incorporated under the Companies Act

Company Related Terms

Term	Description
Articles/Articles of Association	The Articles of Association of our Company
Auditors	The statutory auditors of the Company, in this case being Bhageria Naredi & Associates, Chartered Accountants
Board of Directors/Board	The board of directors of the Company or a committee constituted thereof
Director(s)	Director(s) of the Company unless otherwise specified
GJFFL	GJ Freedom Fashions Limited, a wholly owned subsidiary of Gini & Jony Limited.
GJGPPL	G & J Garment Processors Private Limited, a wholly owned subsidiary of Gini & Jony Limited.
Gini & Jony Group	Gini & Jony Limited, GJ Freedom Fashions Limited, G & J Garment Processors Private Limited and Realflag Multitrade Private Limited
IPO Committee	Committee of the Board of Directors of the Company and Chief Financial Officer authorised to take decisions on matters related to / incidental to this Issue
Memorandum/ Memorandum of Association	The Memorandum of Association of the Company
Promoters	Mr. Prakash Lakhani, Mr. Jaikishan Lakhani, Mr. Anil Lakhani, Mrs. Jyoti Lakhani, Mrs. Varsha Lakhani and Mrs. Manisha Lakhani
Promoter Group	The Promoters, the immediate relatives of the Promoters and such entities as prescribed under explanation II to clause 6.8.3.2 of the SEBI (DIP) Guidelines
RMPL	Realflag Multitrade Private Limited a promoter group company.
Registered Office of the Company	A-601, Citi Point, Next to Kohinoor Continental, Andheri Kurla Road, Andheri (E), Mumbai 400 059
Subsidiaries	The subsidiaries of the Company, namely, GJ Freedom Fashions Limited and G & J Garment Processors Private Limited.

Issue Related Terms

Term	Description
Allotment/Allot/Allotment of Equity Shares	Unless the context otherwise required, allotment of Equity Shares pursuant to this Issue
Allottee	The successful Bidder to whom Equity Shares are being / have been allotted
Banker (s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account for the Issue will be opened and in this case being [●] and [●]
Bid	An indication to make an offer made during the Bidding Period by a Bidder to subscribe to our Equity Shares at a price within the Price Band, including all revisions

	and modifications thereto
Bid Price/ 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 Issue
Bid cum Application Form	The form in terms of which the Bidder shall make an indication to make an offer to subscribe to the Equity Shares of the Company and which will be considered as the application for allotment of the Equity Shares in terms of the Red Herring Prospectus
Bid / Issue Closing Date	The date after which the Syndicate shall not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional language newspaper with wide circulation at the place where the registered office of the Issuer is situated
Bid / Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional language newspaper with wide circulation at the place where the registered office of the Issuer is situated
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Draft Red Herring Prospectus and the Bid cum Application Form
Bidding Period / Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids, including any revision thereof
Book Building Process	Book Building route as provided in Chapter XI of the SEBI (DIP) Guidelines, in terms of which the Issue is being made
BRLM/ Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Edelweiss Capital Limited
Business Day	Any day on which commercial banks in Mumbai are open for business.
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Cut-off/ Cut-off Price	This refers to any price within the Price Band. A Bid submitted at Cut-off/Cut-off Price is a valid Bid at all price levels within the Price Band
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account to the Issue Account, which in no event shall be earlier than the date on which the Prospectus is filed with the RoC
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/DRHP	This Draft Red Herring Prospectus, issued in accordance with Section 60B of the Companies Act, 1956 and SEBI (DIP) Guidelines which does not have, interalia, the particulars of the Issue Price and the size of the Issue. Upon filing with RoC atleast three days before the Bid/Issue Opening Date, it will become the Red Herring Prospectus. It will become a Prospectus upon filing with RoC after determination of the Issue Price
DP ID	Depository Participant's identity
Equity Share(s)	Equity share(s) of the 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 and the remainder of the Bid Amount, if any, collected thereafter.
Escrow Agreement	Agreement dated [●] entered into amongst the Company, the Registrar, the Escrow Collection Bank(s) and the BRLM for collection of the Bid Amounts and for remitting refunds, (if any), of the amounts collected, to the Bidders on the terms and conditions thereof
Escrow Collection Bank(s)	The banks, which are clearing members, and registered with SEBI as Bankers to

	an Issue at which the Escrow account will be opened, in this case being [●] and [●]
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lowest end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted
IPO Grading Agency	[●]
Issue or Public Issue or Offer	Public issue of 3,000,000 Equity Shares of the face value Rs. 10/- each for cash at a price of Rs. [●] per Equity Share (including a premium of Rs. [●] per Equity Share) aggregating Rs. [●] million.
Issue Size	Issue of 3,000,000 Equity Shares of the face value of Rs. 10/- each at a premium of Rs. [●] per Equity Shares offered through this Draft Red Herring Prospectus
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of this Draft Red Herring Prospectus, as determined by the Company in consultation with the BRLM on the Pricing Date
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, which may range from 10% to 100% of the Bid amount
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion or upto 75,000 Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion
Non-Institutional Bidders	All Bidders that are neither Qualified Institutional Buyers nor Retail Individual Bidders and who have Bid for an amount more than Rs. 100,000/- (but not including NRIs)
Non-Institutional Portion	The portion of the Issue not less than 450,000 Equity Shares of face value Rs. 10/- each available for allocation to Non-Institutional Bidders
Pay-in-date	Bid or Issue Closing Date or the last date specified in the CAN sent to the Bidders, as applicable
Pay-in-Period	This term means (i) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid / Issue Opening Date and extending until the Bid/Issue Closing Date, and (ii) with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in-Date
Price Band	Being the Price band of a minimum price (Floor price) of Rs.[●]/- and the maximum price (Cap Price) of Rs. [●]/-, including any revisions thereof
Pricing Date	The date on which the Company in consultation with the BRLM, finalises the Issue Price
Prospectus	The Prospectus, filed with RoC containing, inter-alia, the Issue Price that is determined at the end of the Book Building Process, the Issue Size and certain other information
Public Issue Account	In accordance with Section 73 of the Companies Act, 1956, an account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date
Qualified Institutional Buyers/ QIBs	Public Financial Institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, Scheduled Commercial Banks, Mutual Funds registered with SEBI, Multilateral And Bilateral Development Financial Institutions, 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 (IRDA), Provident Funds with a minimum corpus of Rs 250 mn and Pension Funds with a minimum corpus of Rs. 250 mn and National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of

	India published in the Gazette of India.
QIB Portion	The portion of the Issue not more than 1,500,000 Equity Shares of face value Rs.10/- each available for allocation to QIBs including reservation of 5% for Mutual Funds
RHP or Red Herring Prospectus	The Red Herring Prospectus to be 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 the size of the Issue. The Red Herring Prospectus will be filed with the ROC at least 3 days before the Bid/ Issue opening Date and will become a Prospectus after filing with RoC a fter the pricing and allocation
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Account shall be made
Refund Banker	[●]
Refund through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS as applicable
Registrar/ Registrar to the Issue	Intime Spectrum Registry Limited
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who apply or BID for Equity Shares for an amount not in excess of Rs. 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue not less than 1,050,000 Equity Shares of face value Rs. 10 each 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)
Syndicate / Members of the Syndicate	BRLM and Syndicate members collectively
Syndicate Agreement	The agreement dated [●] to be entered into among the Company, and the members of the Syndicate, in relation to the collection of Bids in this Issue
Syndicate Members	Intermediaries registered with SEBI and stock exchanges and eligible to act as Underwriters
TRS or Transaction Registration Slip	The slip or document issued by any of the Syndicate Members to the Bidders as proof of registration of the Bid
Underwriters	The BRLM and the members of the Syndicate who are signatories to the Underwriting Agreement
Underwriting Agreement	The Agreement dated [●] among the Underwriters and the Company to be entered into on or after the Pricing Date

Conventional & General Terms

Term	Description
Companies Act	The Companies Act, 1956 as amended from time to time
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996 as amended from time to time
FEMA	The Foreign Exchange Management Act, 1999 as amended from time to time and the regulations framed thereunder
FII(s)	Foreign Institutional Investors (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	Period of twelve months ended March 31 of that particular year, unless otherwise specified
FIPB	Foreign Investment Promotion Board, Ministry of Finance, Government of India
Government/ GoI	Government of India
Indian GAAP	Generally Accepted Accounting Principles in India
IT Act / Income Tax Act	The Income Tax Act, 1961, as amended from time to time
NRI/Non-Resident Indian	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a person resident outside India) Regulations, 2000
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 Foreign Exchange Management (Transfer or Issue of Security by a person resident outside India) Regulations, 2000
SEBI Act	The Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI (DIP) Guidelines	The Securities and Exchange Board of India (Disclosure & Investor Protection) Guidelines, 2000 as amended from time to time including instructions and clarifications issued by SEBI from time to time
Stock Exchanges	BSE and NSE

Abbreviations

Term	Description
9MFY08	Nine Months period from April 01 to December 31, 2007
Amt.	Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
A/c	Account
AGM	Annual General Meeting
B&M	Buying and Merchandising
BSE	The Bombay Stock Exchange Limited

Term	Description
CAGR	Compounded Annual Growth Rate
Capex	Capital Expenditure
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CMAI	The Clothing Manufacturer Association of India
CRM	Customer Relationship Management
EBITDA	Earning Before Interest, Tax, Depreciation and Amortisations
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FII (s)	Foreign Institutional Investors Registered with SEBI
FY	Financial Year
GDP	Gross Domestic Product
GoI	Government of India
HUF	Hindu Undivided Family
Intime	Intime Spectrum Registry Limited
IPO	Initial Public Offering
JV	Joint Venture
MD	Managing Director
Misc.	Miscellaneous
Mn / mn	Million
MNC	Multi National Company
NA	Not Applicable
NAV	Net Asset Value
NOC	No Objection Certificate
NR	Non-Resident
NRE Account	Non Resident External Account
NRI(s)	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Pvt.	Private
QIB	Qualified Institutional Buyer
RBI	The Reserve Bank of India
ROC	The Registrar of Companies Mumbai
RONW	Return on Net Worth
Rs. / Rupees / INR	Indian Rupees
SEBI	The Securities and Exchange Board of India
Sec.	Section
SIA	Secretariat for Industrial Assistance

Term	Description
SIS	Shop-in-shops
sq.ft.	Square feet
SSI	Small Scale Industry
TUFS	Technology Upgradation Fund Scheme
UK	United Kingdom
US/USA	United States of America
USD or $ or US $	United States Dollar
VAT	Value Added Tax
w.e.f	With effect from

Technical/Industry Related Terms

Term	Description
AQL	Acceptable Quality Level
B2B	Business to Business
CAD/CAM	Computer Aided Design / Computer Aided Manufacturing
CRM	Customer Relationship Management
EBO	Exclusive Brand Outlets
EPCG Scheme	Export Promotion Capital Goods Scheme
FF Stores	Freedom Fashion Stores
Flat Sketch	A sketch which is used to interpret a design into produceable form.
FSO	Factory Seconds Outlets
IFA	Images Fashion Award
LFS	Large Format Stores
Mark down	Additional discount / rebate / promotional support passed out to end consumer to liquidate slow moving / left over merchandise
MBO	Multi Brand Outlets which are not owned by Us
Mood Board	A graphic board which depicts theme and direction for the fabric, colours , trims, graphics , print etc.
Proto Sample	Sample to check size and fit
SKU/SKUs	Stock Keeping Unit; The lowest level of inventory identifier that uniquely identifies every item a company inventories, down to size, shape, color, and weight
SIS	Shop in Shop
Theme	Its a collection of garment bound by design elements like colours / fabric and normally released together at the same time at retail.
Torso	Body excluding the neck, head and limbs

All other words and expressions used but not defined in this Draft Red Herring Prospectus, but defined in the Companies Act, 1956, the SEBI DIP Guidelines or in the Securities Contracts (Regulation) Act, 1956 and/ or the Rules and the Regulations made thereunder, shall have the meanings respectively assigned to them in such Acts or the Rules or the Regulations made thereunder or any statutory modification or re-enactment thereto, as the case may be.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless indicated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines. Our fiscal year commences on April 1 and ends on March 31, so all references to a particular fiscal year are to the 12-month period ended March 31 of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

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

Currency of Presentation

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "$", "US$", "U.S.$", "USD", "U.S. Dollar(s)" or "US Dollar(s)" are to United States Dollars, the official currency of the United States of America.

This Draft Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees (and certain Indian Rupee amounts into U.S. Dollars and other currency amounts). These have been presented solely to comply with the requirements of Clause 6.9.7.1 of the SEBI Guidelines. These translations should not be construed as a representation that such Indian Rupee or U.S. Dollar or other currencies could have been, or could be, converted into Indian Rupees, as the case may be, at any particular rate or at all. Unless otherwise specified, all currency translations provided herein have been made based on the RBI reference rate specified at December 31, 2007, i.e. US$1.00=Rs.39.41.

Industry and Market Data

Unless stated otherwise, industry data used in this Draft Red Herring Prospectus has been obtained from industry publications. 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 we believe that the industry data used in this Draft Red Herring Prospectus is reliable, it has not been verified by any independent source.

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

FORWARD LOOKING STATEMENTS

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

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

1. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have a material adverse effect on our operations, results of operations and financial condition;

2. Loss or shutdown of operations of our Company at any times due to labour unrest or strikes;

3. The monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates;

4. Changes in the foreign exchange control regulations in India;

5. Foreign exchange rates, equity prices or other rates or prices;

6. The performance of the financial markets in India;

7. General economic and business conditions in India;

8. Changes in political and social conditions in India;

9. Potential mergers , acquisitions or restructurings resulting in increased competition;

10. Any adverse outcome in the legal proceedings in which our company is involved;

11. Change in prices of raw material we consume and products we produce;

12. Changes in tax benefits and incentives and other regulations applicable to our industry, including various tax laws;

13. Our ability to retain our management team and professionally qualified personnel;

For further discussion of factors that could cause our actual results to differ from our expectations, see the sections titled "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages [●], [●] and [●] of this Draft Red Herring Prospectus. Neither our Company nor any of the Underwriters nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof. In accordance with SEBI requirements our Company and the BRLM will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

RISK FACTORS

An investment in the Company's Equity Shares involves a high degree of risk. You should carefully consider the risks described below as well as other information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Company's Equity Shares. *The risks described in this section are those that we consider to be the most significant to the offering of our Equity Shares. If any of the following events occur, our business, financial condition, results of operations and prospects could materially suffer, the trading price of the Company's Equity Shares could decline, and you may lose all or part of your investment. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks mentioned herein.*

Unless otherwise stated, the financial information of the Company used in this section is derived from our restated consolidated financial statements.

Internal Risk Factors

1. There are 3 criminal Cases pending against our Company and its Promoters.

Criminal Cases

1	M/s Kanodia Fashions filed a complaint against our Company, Mr. Prakash Lakhani, Anil Lakhani and Jaikishan Lakhani bearing case No. 596/S/2005 under section 138 read with section 141 of the Negotiable Instruments Act in the Metropolitan Magistrate's 30th Court at Kurla now shifted to the Metropolitan Magistrate's 50th Court Vikhroli, Mumbai for dishonour of two cheques alleged to have been given to the complainant which were returned with an endorsement "Account Closed". The accused made an application bearing No. C.C. N596/SS/2005 in the Metropolitan Magistrate's 50th Court at Vikhroli, Mumbai for calling upon the complainant to produce the document as stated in the application, the same was rejected by the order November 16, 2007. Another application was made by the accused calling the complainant as defence witness, the same was also rejected by the Metropolitan Magistrate's 50th Court at Vikhroli, Mumbai and the same was challenged in the High court by application No. 3995 of 2007 but was rejected by order dated January 11, 2008. Against the order dated January 11, 2008 a criminal review has been filed by the accused bearing No. 353 of 2008 in High Court of Bombay. However, the Hon'ble Court has declined to review its own order by its order dated Februray 22, 2008. The said complaint is still pending in the above mentioned court for hearing.
2	M/s Berlia Trading & Holding (P) Limited filed a complaint against our Company, Mr. Prakash Lakhani, Anil Lakhani and Jaikishan Lakhani and others bearing criminal complaint No 5660/2003 under section 406/420/380 of Indian Penal Code in the court of Chief Metropolitan Magistrate at Calcutta for criminal breach of trust. M/s Berlia Trading & Holding (P) Limited has alleged that our Company took Rs. 0.6 million by way of security for appointing it as franchisee of our Company. The said complaint was rejected by Metropolitan Magistrate, Kolkata by order dated March 23, 2007. The complainant has preferred criminal revision bearing CR No.90/2007 against the said order on the grounds that said order was bad in law. The Complainant has prayed to set aside the impugned order dated March 23, 2007 and order of stay on the impugned order. The said matter is pending for hearing in the above mentioned court.
3	Mr. Ghanee Hanief filed a complaint against our Company, Mr. Prakash Lakhani, Anil Lakhani and Jaikishan Lakhani and others bearing PCR No. 22/05 under section 378/383/419/420/506 B read with 120 B and 34 of Indian Penal Code in the court of the XI ADDL. C.M.M at Bangalore. Mr. Ghanee Hanief has alleged that our Company made false promises and representations with intention to cheat as our Company failed to sign the franchisee agreement and carried out threat, misrepresentation, fraud, cheating and threat to life. He has prayed in the complaint that matter be referred under section 156(3) to the jurisdictional police to investigate the matter or in alternatively take cognizance for having committed alleged offences under section 378,383,419,420,506B read with 120 B and Section 34 of the Indian Penal Code. The case is pending for hearing.

For the details of these outstanding criminal cases against our company, please refer to the Section "Outstanding Litigations, material developments and other disclosures" beginning on page no. [●] of this DRHP.

2. ***There are litigations pending against our Company and its Promoters.***

Our Company and its Promoters are involved in legal proceedings and claims in relation to certain civil, labour, arbitration and taxation matters incidental to our business and operations are pending at different levels of adjudication before various courts and tribunals. We are also subject to claims arising from sales tax disputes and other government levies such as octroi and entry tax. Should any new developments arise, such as a change in Indian law or rulings against us by trial or appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities. We can give no assurance that these legal proceedings will be decided in our favour. Any adverse decision may adversely affect our business and results of operations.

Cases filed against our Company and its promoters

Type of legal proceedings	Total number of pending cases / show cause notices / summons	Financial Implications (to the extent quantifiable) (Rs. in million)
Civil Cases	3	4.82
Show cause notices	6	0.97
Tax Cases	1	5.63
Labour Cases	11	Not Quantifiable

For the details of outstanding litigations against the company and its promoters please refer to the Outstanding Litigations material developments and other disclosures beginning on page no. [●] of this DRHP.

3. ***We have limited protection of our intellectual property.***

The "GINI & JONY" trademark, name and logo are not registered. Although we have filed various trademark applications for our trademark, name and logo with the Registrar of Trademarks, the same is pending for acceptance, no assurance can be provided that such applications will be approved. Until such time that we receive registered trademarks, we can only protect our trademark, name and logo through any action under relevant common laws, including seeking any relief against "passing off", which is the unauthorised use of a mark considered to be similar to another's registered or unregistered trademarks.

We operate in a competitive environment where generating and maintaining brand recognition is a significant element of our business strategy. If we fail to successfully obtain or enforce our trademark or our logo, we may need to amend or change our logo. Any such change could require us to incur additional costs and could have a material adverse effect on our brand equity, business, financial condition and prospects.

For further details, see Section "Regulatory and other Approvals" on page [•] of this Draft Red Herring Prospectus.

4. ***Opposition for trademarks from third parties.***

Our applications for the registration for our trademarks may be opposed by third parties. Notice for opposition has been filed against us for using the trademark "Gini & Jony". This Notice has been filed by Gini Silk Mills Limited with the Registrar of the Trademarks, Trade Marks Registry, Mumbai opposing our application No. 1344757 and 1344758. Gini Silk Mills has alleged that our trademark "Gini & Jony" resembles its trademark "Gini" and our registration is prohibited under section 11(b) of the Trade and Merchandise Marks Act, 1958. During the pendency of these proceedings, we may be injuncted from using the said trademark and hence shall be unable to use the same in respect of our products. If we are unable to defend ourselves successfully, our business and our brand could be adversely affected and also can lead to changing the name of our brand.

5. ***Possible infringement of Intellectual Property Rights***

Levi Strauss (India) Private Limited ("LSIL") has sub licensed the trademarks Levi's ® and an unregistered trademark

Sykes™ to our Company and we sell merchandise under the brand name Levi's Sykes Junior. Any act of intellectual property infringement over these trademarks may also impact our business from the Levi's Sykes Junior trademark.

6. Our business is highly competitive and depends on consumer spending patterns.

The premium kidswear industry is highly competitive. The threat of competition emerges not only from the organized but also from the unorganized sector and from domestic brands like Ruff Kids, Little Kangaroo, Zapp, Liliput, Weekender Kids etc. Our Company also faces competition from several other domestic and foreign brands present in the market and new brands that may enter in the future. In such a competitive environment, our brands may face considerable pressure to sustain customer loyalty and brand equity.

The presence of Indian and international branded apparels in the market-place has created tremendous competition in the kidswear industry and the dynamics of industry are also changing, consequent to such structural changes. This has resulted in stiff competition from domestic as well as global players.

We face a variety of competitive challenges including:

- anticipating and quickly responding to changing consumer demands;
- maintaining favorable brand recognition and effectively marketing our products to consumers in several diverse market segments;
- developing innovative, high-quality products in sizes, colors and styles that appeal to consumers of varying age
- sourcing merchandise efficiently;
- pricing our products effectively and achieving customer perception of value;
- providing strong and effective marketing support; and
- maintaining high levels of consumer traffic.

Our business is sensitive to a number of factors that influence the levels of consumer spending, including political and economic conditions such as recessionary environments, the levels of disposable consumer income, consumer debt, interest rates and consumer confidence. Declines in consumer spending on apparel and accessories could have an adverse effect on our operating results.

7. Non availability of tax benefits in the future may adversely affect results of our operations

Our manufacturing facility for apparels at Daman enjoys Income Tax exemption under section 80(IB) of the Income Tax Act, 1961 for a period of ten years beginning from April 01, 2002.

Similarly our other manufacturing facility for apparels at Baddi at Plot No.'s 2D and Plot No. 47 also enjoys Income Tax exemption under 80(IC) of the Income Tax Act, 1961 for a period of ten years beginning from April 01, 2005 and April 01, 2006 respectively.

Also in accordance with and subject to the provisions of sub section 4 of section 8 of the Central Sales Tax Act, 1956 and vide notification no. DMN/CST/35/2054 dated 05/02/2003 issued by the Dadra and Nagar Haveli Gazette, the company is entitled for sales tax exemption on sales effected during interstate trade or commerce to a registered dealer or the Government, of goods manufactured, processed or assembled in the Union Territory of Dadra and Nagar Haveli upto December 31, 2017 or for a period of 15 years from the date of first sale or from the date of first consignment/ branch transfer of goods manufactured, processed or assembled by such industry on or after its registration under the Central Sales Tax Act, 1956, whichever is earlier.

In accordance with and subject to the provisions of sub section 4 of section 8 of the Central Sales Tax Act, 1956 and vide notification no. EXN-F(9)2/99 dated 23/07/1999 issued by the Governor of Himachal Pradesh, the company being registered as a dealer with Excise and Taxation Department, Himachal Pradesh, is entitled to lower Central Sales Tax @

1% in respect of the sale in the course of Inter-State trade to a registered dealer or the government, of goods manufactured, processed or assembled in the State of Himachal Pradesh. Non availability of such exemptions in future may affect our profitability.

8. ***We must successfully gauge fashion trends and changing consumer preferences to succeed.***

Our success is largely dependent upon our ability to gauge the fashion tastes of our customers and to provide merchandise that satisfies customer demand in a timely manner. The branded kidswear business fluctuates according to changes in consumer preferences dictated, in part, by fashion and season. To the extent we are not able to forecast the market trends for our merchandise or the products, our sales will be adversely affected and the markdowns required to move the resulting excess inventory will adversely affect our operating results.

The merchandise has to be conceived well in advance of the season and frequently before fashion trends are evidenced by customer purchases. In addition, the cyclical nature of our business requires us to carry a significant amount of inventory, especially prior to peak selling seasons when we build up our inventory levels. We must enter into contracts for the sourcing of the raw materials well in advance of the applicable selling season. As a result, we are vulnerable to demand and pricing shifts and to suboptimal selection and timing of merchandise purchases. In some of cases, longer lead time in procurement of merchandise may make it more difficult for us to respond rapidly to new or changing fashion trends or consumer acceptance for our products. If sales do not meet expectations, too much inventory may cause excessive markdowns and, therefore, lower than planned margins.

9. **We have not identified the land for setting up our proposed plant**

Presently, our manufacturing facilities are spread across two locations at Daman and Baddi (H.P.) with a total annual capacity of 1.60 million pieces. One of the objects of our issue is to set up additional manufacturing facility at Vapi near our existing manufacturing facility at Daman, in order to meet the growing demand. However we are still in the process of identifying the suitable location for setting up the manufacturing facility in the vicinity of our existing manufacturing unit at Daman and the estimated cost of purchase of 6 acres of land would be approximately Rs. 22.0 million including cost of site development and registration. In case of any delay in acquiring the land or increase in land cost, our estimated project cost and project implementation schedule will be adversely affected.

10. **We are yet to identify the locations for certain planned EBO-FF Stores, EBO- G&J stores & EBO-Palm Tree Stores. Also we are yet to enter into letters of intent / memorandum of understanding for some of our stores.**

One of the objects of our issue is to expand our retail network by expanding FSO, SIS in Large Format Stores and Multi Brand Outlets. At present we have 60 EBO's catering our various brands. We have planned additional 60 EBO – Freedom Fashion(FF), 50 EBO-Gini & Jony (G&J) & 450 EBO- Palm Tree(PT). As on March 31, 2008, out of the proposed 560 stores we are yet to identify the locations for the 349 planned EBO. Further out of the identified 211 EBO we have not yet entered into letters of intent / memorandum of understanding for 152 planned expansion of our EBO. There can be no assurance that we will be able to enter into such agreements on terms and condition favorable to us. Even for the locations that have been tied up by us, we cannot assure you that we will get timely possession of such locations so as to enable us to set up our stores in a timely manner. Non – availability or delay in availability of retail space at the desired place / location or increase in prices of the proposed retail spaces for which definitive agreements have not been entered may adversely affect our estimates of project cost.

As the success of any retail business lies largely in identifying the best possible location at a competitive cost, we have teams which are dedicated towards finding locations or franchises who may be interested in opening exclusive brand outlets. Our Company has to compete with other branded apparel retailers to book locations for our exclusive brand outlets on a continuous basis. We cannot assure you that we will be able to expand and grow at the rate at which we may desire to, as we may not be able to book/find locations that we believe will be necessary for implementing our expansion plans. If we are not able to book/find the locations at the time and place that we desire, the same may have a material adverse impact on our results of operation.

***11.* Our inability to fulfil our export obligation under the EPCG scheme could subject us to payment of customs duties together with interest**

We presently import and shall continue to import plant & machinery under Export Promotion Capital Goods Scheme (EPCG Scheme). One of the conditions subject to which license under EPCG Scheme is granted is to achieve export obligations based on concessional import duty availed. Any deficit on our part to fulfill the required export obligation will subject us to pay proportionate customs duty saved under the EPCG Scheme together with interest. Further, for our existing business operations, we had imported plant & machinery under EPCG Scheme. If we fail to achieve our export obligation, our total liability towards duty saved on account of EPCG Scheme as on December 31, 2007 is Rs. 4.28 Million and interest thereon.

12. We have entered into foreign currency (Derivative) swap arrangement to reduce interest cost on our borrowings which could result into potential losses.

As of December 31, 2007, our rupee denominated secured borrowings amounted to Rs. 886.99 Million. Further we have entered into foreign currency swap agreements as per the provisions contained in the 2000 International Swaps and Derivatives Association, Inc. (ISDA) definitions amounting to Rs.200 Million (expiring on February 3, 2009) and Rs, 100 Million (expiring on September 25, 2008) in different foreign currencies such as Swiss Franc and US Dollars to reduce interest cost. As on December 31, 2007, the mark to market liabilities on this account amounted to Rs. 10.20 Million. This liability is contingent in nature and if at the time of expiry/ voluntary termination of the contract, the foreign currencies continue to move in a direction which is unfavourable to the positions taken by us, we could incurr losses which would adversely affect our financial results.

13. Our inability to fulfil our export obligation in relation to our manufacturing facility at Baddi would adversely affect our financial position.

We have set up one of our manufacturing plant at Plot no 47 & 2-D, Export Promotion Industrial Park, Phase 1 Jharmajri, Baddi, Tehsil, Nalagarh, District, Solan Himachal Pradesh. This land was acquired by us from the Government of Himachal Pradesh on a 95 years lease at a concessional rate of Rs. 550 per Sq. MT. One of the conditions for granting us the land was that the land should be used to setup a manufacturing unit and export at least 33% of the annual total production. In case of plot no. 47, if we fail to fulfil this obligation, we will have to pay the land premium equivalent to four times the prevailing land premium failing which the land allotment/lease deed shall be cancelled and the plot shall be liable for resumption. In case plot no, 2-D if we fail to fulfil this obligation, the lessor is free to resume the plot or change the cost of land and development which is at present at Rs. 1,500 per Sq.Mt. As at December 31, 2007, the contingent liability on the lease premium on Baddi units pending export obligation amounted to Rs. 14.61 million.

14. The market for real estate is competitive.

Our ability to effectively buy/lease real estate to open new stores depends upon the availability of real estate that meets our criteria, including traffic, square footage, co-tenancies, lease economics, demographics, and other factors, and our ability to negotiate terms that meet our financial targets. In addition, we must be able to effectively renew our existing store leases. Failure to secure real estate locations adequate to meet annual targets, may affect our growth and could have a material adverse effect on our results of operations.

15. Any polarisation in labour relations may subject us to industrial unrest, slowdowns and increased wage costs.

India has stringent labour legislation that protects the interest of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employer upon retrenchment. Although, we currently have harmonius relations with our employees and they are currently not unionised, there can be no assurance that we will continue to have such relations or that the employees will not unionize in the future. If our relations with the employees are strained, it may become difficult for us to maintain our existing labour policies, and our business may be adversely affected.

16. ***Our growth is dependent on strategy development.***

Our ability to grow our existing brands and develop or identify new growth opportunities depends in part on our ability to appropriately identify, develop and effectively execute strategies and initiatives. Failure to effectively identify, develop and execute strategies and initiatives may lead to increased operating costs without offsetting benefits and could have a material adverse effect on our results of operations.

17. ***Our efforts to expand through franchising and similar arrangements may not be successful and could impair the value of our brands.***

We enter into franchisee agreements for some of our EBOs to operate stores. Under these agreements, third parties operate, or will operate, stores that sell apparel, procured from us, under our brand names. We can provide no assurance that these arrangements will be successful. Presently of 60 EBOs, 49 are managed by franchisees and the balance 11 are operated by us.We plan to continue increase in the number of franchisee managed EBOs as part of our expansion plans. The effect of these arrangements on our business and results of operations is uncertain and will depend upon various factors, including the demand for our products in new locations and our ability to successfully identify appropriate third parties to act as franchisees, distributors or in a similar capacity. In addition, certain aspects of these arrangements are not directly in our control, such as the ability of these third parties to meet their projections regarding store openings and sales. Moreover, while the agreements we have entered into and plan to enter into in the future provide us with certain termination rights, to the extent that these third parties do not operate their stores in a manner inconsistent with our requirements regarding our brand identities and customer experience standards, the value of our brands could be impaired.

18. ***Our success depends in large part upon our Promoters and senior management team and the loss of members of this team could negatively impact our business.***

We are highly dependent on our Promoters and the senior members of our management team for the management of our daily operations and the planning and execution of our business strategy. The competition for senior executives in our industry is severe, and if we loose the services of these or other key individuals and are unable to find suitable replacements in a timely manner, our ability to realise our strategic objectives could be impaired.

19. ***Limited term of the agreements entered into by us***

We have entered into agreements with Levi Strauss (India) Private Limited ("LSIL"), Benetton India Private Limited and Reebok India Company. As of December 31, 2007 revenue from all these three brands accounted for approximately 9% (Levi's Sykes Junior 7.30% and others approximately 1.7%) of the total revenue of the Company. The term of these agreements are till November 20, 2008, August 31, 2010 and December 28, 2009 respectively. If these agreements are not renewed, we may not be able to leverage the brands strengths of these three reputed companies and our revenues will be affected. Any change of terms and conditions in the agreements on renewal may also affect our future revenues and profits.

For further details please see section "Our Business" on page [●] of the DRHP.

20. ***Some of our Agreements with Large Format Stores are in the process of renewal***

Some of our agreements with Large Format Stores have expired and are in the process of renewal. If these agreements are not renewed, our revenues will be affected. Any change of terms and conditions in the agreements on renewal may also affect our future revenues and profits.

21. Approvals for implementation of the objects of the Issue

We will require various statutory permissions and utility connections in relation to the implementation of the objects of the Issue. These include shops & establishment permissions, factory licences, labour licenses, power, water and telephone connections, etc. If any of such permissions, licenses or utility connections are not received, or are received on unfavourable terms, it could adversely affect implementation of the objects of the Issue by our Company.

22. Raw materials including fabric, which constitutes the largest component of our material costs, is sourced from external suppliers based on our assessments of periodic requirements

We are dependent on external suppliers for the timely supply of raw materials. We procure our raw material from manufacturers and authorized distributors appointed by the manufacturers based on our requirement. We analyze the production requirement on a monthly basis; based on which we place orders to our suppliers. Fabric procurement constitutes a significant part of our cost and total lead time. Any substantial delay in supply or non conformance to quality requirements by our suppliers can impact our ability to meet our customer requirements and thus impact our profitability. Further, if we fail to correctly analyse our product requirement or non-availability of required raw materials or any other item of production in desired quantity and quality at the right time may adversely affect our sales commitment and profitability.

23. Our success depends upon our ability to attract and retain talented professionals

Our ability to sustain our growth depends, in large part, on our ability to attract, train, motivate and retain qualified professional. Any inability to hire and retain our employees will impair our ability to continue to expand our business. Particularly, an increase in the rate of attrition from our design and distribution team will adversely affect our growth strategy. We may loose members of our design and distribution team to our clients or competitors. However, any strike, work stoppage or other industrial action in future cannot be ruled out.

24. Risk in relation to distribution channels

We are engaged in the manufacture and distribution of kidswear through our wide distribution network. As on March 31, 2008 our pan-India distribution network is spread over 108 cities comprising of 60 EBOs, 28 Distributors, 124 SISs and 38 FSOs. Our 28 Distributors sell our products to 706 MBOs across India Any disruption in the distribution channels viz. Distributors, EBO, MBO, SIS and FSO due to technical or natural reasons, will adversely impact our business and we may incur losses. While expanding our distribution network in future, wrong selection of the distribution channel in terms of combination of exclusive stores and non exclusive stores, location of our own stores, selection of multi-brand outlets, large format stores and number of stores, etc. may adversely impact our business. Success of our business is highly dependent on optimizing retail locations. Failure in determining the right location and delay in availability and opening of the stores can have an adverse impact on our business.

25. We do not have long term contracts with our buyers and our revenues are dependent on a limited number of customers. The loss of our major customer(s) or a decrease in the volume of apparels they source from us may adversely affect our revenues and profitability.

While we have been dealing with some of our buyers for the past many years, we do not have any long term contracts with them. Any change in the buying pattern of our buyers can adversely impact our business and profits. Further, in the absence of such long term contracts there can be no assurance that a particular buyer would continue to purchase apparel from us in the future. Further, a reduction in purchase order placed by our buyers may adversely affect our business and revenues.

Our major customers, which source apparels from us, include large retailers, MBO and various distributors. We derive significant part of our revenue from these major customers. The number of apparels procured by these customers vary from month to month and they purchase apparels from us based on their sales estimates for the next season. There are a number of factors that impact customer demand from these customers, which may not be predictable.

In addition, we may lose customers due to various commercial reasons, including competition from our competitors. Our customers may also decide to reduce the quantity of apparel sourced from us because of changing market conditions and other factors, internal and external, relating to their business. The loss of any of the major customers or a decrease in the volume of the apparels they buy from us or decrease in the price of apparels may adversely affect our revenue and profitability.

26. Merchandise obsolescence risk

We strive to keep our merchandise collections in-line with the latest fashion trend in the kidswear industry. However our merchandise faces the risk of changing consumer preferences and fashion due to which our mark down costs at various levels of sales such as End of Season Sales, FSO's may increase and thus may adversely impact our profitability.

27. Restrictive covenants under some of our loan agreements

We are subject to usual and customary restrictive covenants in agreements that we have entered into with our banks for short-term loans and long-term borrowings. These restrictive covenants require us to seek the prior permission of the banks for various activities, including amongst others, alteration of the capital structure, raising of fresh capital, incurring expenditure on new projects, entering into any merger / amalgamation / restructuring, change in management etc. However, these restrictive covenants may affect some or all of the rights of our shareholders, including those mentioned in the "Financial Indebtedness" on Page [●] of this Draft Red Herring Prospectus.

28. We are subject to restrictive covenants in respect of Shareholder Agreement dated April 25, 2005 with Reliance Energy Investments Limited and Subscription and Shareholders Agreement with Arisaig India Fund Limited dated 17 February 2006.

There are certain restrictive covenants *in respect of* Shareholder Agreement dated April 25, 2005 with Reliance Energy Investments Limited and Subscription and Shareholders Agreement with Arisaig India Fund Limited dated 17 February 2006.These restrictive covenants require the Company to obtain the prior written consent, among other things, changes in the Company's capital structure, issue of new shares, declaration of dividend, sale or transfer of business, royalty to be charged for licensing brands, voluntary winding up, material transaction with connected persons, appointment of Director or Head of Finance and or Accounts, Capital expenditure in excess of Rs 3 million or investment in excess of Rs 2 million, raising debt in excess of 5 million, all related party transaction in excess of 1 million per annum, change in acoounting year or registered office , amendments to the MOA and AOA, increase in share capital, agreement relating to intellectual property, Approval of new scheme or plan or grant of Employees Stock Option, sweat equity shares to any person or entity, including any modification to any new or existing scheme or plan ,Setting up of salary and benefits of any employee with a total cost to the Company or any subsidiaries exceeding Rs. 5 million per annum,Changes to material accounting policies or practices, or any change in the financial year for preparation of audited accounts,Taking any steps towards or to appoint any advisors in connection with a potential sale or flotation of the Company. There can be no assurance that the Company will be able to comply with these financial or other covenants or that it will be able to obtain the consents necessary to take the actions it believes are necessary to operate and grow its business or which are in the interest of its shareholders.

29. Risk of cannibalising of sales due to distribution agreements with Reebok India Company, Benetton India Private Limited and trademark license agreement with Levi Strauss (India) Private Limited

We have signed distribution agreements with Benetton India Private Limited and Reebok India Company and trademark sub-license agreement with Levi Strauss (India) Private Limited. It is possible that merchandise belonging to Benetton India Private Limited, Reebok India Company and Levi Strauss (India) Private Limited would compete with our branded merchandise and hence adversely impact our business. Any future product launches by these companies in our product category will result in direct competition to our products and brands.

30. Our manufacturing facilities are scattered in different states and are vulnerable to disruptions

Our manufacturing facilities are located in Daman (Union Territory) and Baddi (Himachal Pradesh). Any disruption in any one of these facilities due to any unforeseen adverse event may impact our production capability. These scattered facilities also impose a problem of managing logistics and day to day operations.

31. ***We had negative cash flows from operating and investing activities in the past***

We had negative operating and investing cash flows for each of the previous five financial years and nine months ended December 31, 2007.
The table below summarizes our cash flows in the years ended March 31, 2003, 2004, 2005, 2006, 2007 and 9M FY2008:

As At	9MFY08	FY07	FY06	FY05	FY04
Net Cash from Operating Activities After Prior Period Adjustments	(44.66)	(100.95)	(66.55)	(28.02)	(21.67)
Net Cash used in Investing Activities	(220.83)	(192.88)	(203.99)	(23.98)	(17.00)

For more details, see the "Financial Statements" on page [●] of this Draft Red Herring Prospectus.

32. ***Inability to compete effectively in our new business ventures***

We intend to use a part of the proceeds of the Issue to set-up manufacturing facilities. We may face certain unforeseen technical and financial difficulties which may delay our planned schedule of implementation of the project and we may face loss of money, material and manpower.

33. ***We have not placed orders or entered into agreements for substantial portions of our planned investments from the net proceeds of the Issue***

We have not yet entered into letters of intent / memorandums of understanding / definitive agreements for purchase of machinery as contemplated under the objects of the Issue. We have not yet entered into letters of intent / memorandums of understanding / definitive agreements for a substantial portion of our planned expansion of our retail network, which we currently propose to fund by the net proceeds of the Issue. Any increase in prices of the machinery or in the lease rentals or the property prices in respect of the proposed retail spaces, for which definitive agreements have not been entered, may adversely affect our estimates of project cost. There can be no assurance that we will be able to enter such letters of intent / memorandums of understanding / definitive agreements on terms and conditions favourable to us. Even for the locations that have been tied up by us, we cannot assure you that we will get timely possession of such locations so as to enable us to set up exclusive brand outlets in a timely manner. We have not yet placed orders for any plant and machinery. Accordingly, prospective investors in the Issue will need to rely upon the judgment of our management with respect to the use of proceeds in this respect. In the event we are unable to enter into arrangements at favourable terms and conditions, as expected and assumed by us, or in a timely manner. Any difficulties in obtaining timely support of plant and machinery may adversely imact the implementation of the projects. Furthermore, we have not identified the general corporate purposes for which we intend to utilize a portion of the net proceeds of the Issue. In the event we are unable to enter into arrangements at favorable terms and conditions, as expected and assumed by us, or in a timely manner or at all, we may not be able to reap the expected benefits from the net proceeds of the Issue and our financial results may suffer.

34. ***IT systems changes may disrupt our supply chain.***

Our success depends, in large part, on our ability to source and distribute merchandise efficiently. We continue to evaluate and are currently implementing modifications and upgrades to our information technology systems supporting the product pipeline, including merchandise planning and inventory management. Modifications involve replacing legacy systems with successor systems or making changes to legacy systems. We are aware of inherent risks associated with replacing and changing these core systems, including accurately capturing data and possibly encountering supply chain disruptions, and believe we are taking appropriate action to mitigate the risks through testing, training and staging implementation as well as ensuring appropriate commercial contracts are in place with third-party vendors supplying such replacement technologies. We have completed implementation of the Perpetual and Financial inventory system and have launched an initiative to replace our merchandise planning system, which will be rolled out in a phased approach over one year.

35. ***We have significant planned capital expenditure; our capital expenditure plans may not yield the intended benefits.***

The funds being raised through the Issue are proposed to be utilized towards certain capital expenditures described in the "Objects of the Issue" commencing on page [●] of this Draft Red Herring Prospectus. Our Company operates in a competitive business environment and the capital expenditure plans of our Company may not yield the intended results and benefits. The total fund requirement is based on internal management estimates and has not been appraised by any bank or financial institution or any other agency. Any cost overrun or short supply of requisite funds will partially or completely disrupt our planned use of the funds to be raised through this Issue.

36. ***We are dependent on third parties for the supply and transportation of our apparel from our manufacturing units at Baddi and Daman, which are subject to various uncertainties and risks.***

We depend on road and railways to deliver our apparel from our manufacturing units at Baddi and Daman. We rely completely on third parties to provide such services. Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure or other events could impair our ability to supply our apparel to our customers. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

37. ***Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material adverse effect on our business.***

Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. Accordingly, to the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our results of operations or cash flows may be affected. Although we intend to maintain adequate insurance against losses, there is a risk that our insurance policies may not be sufficient in covering all losses in which we or any third parties may suffer. If we suffer an event for which we are not adequately insured, there is a risk that it could have a material adverse effect on our business, results of operations and financical condition. Also we neither have any Directors and Officers (D&O) Insurance Policy nor any Keyman Insurance Policy.

38. ***Seasonality of business***

The sales of the Company are seasonal with higher sales during the festive season which is from August to March. Any disturbances/disruptions during this period may lead to reduction in sales and have an impact on the performance of the Company.

39. ***Our success depends upon our ability to sustain effective implementation of our business and growth strategy.***

Our Company has experienced significant growth in its business in past few years. The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Whilst we believe that we have successfully executed our business strategy in the past, there can be no assurance that we will be able to execute our strategy on time and within the estimated budget, or that we will meet the expectations of targeted customers. We expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and growth strategy could have a material adverse effect on our business, financial condition and profitability.

40. Crystallising of Contingent liabilities may affect our profitability

As on March 31, 2007 and December 31, 2007, our contingent liabilities are as follows:

(Rs. million)

Particulars	**9MFY08**	**FY07**
- Bank Guarantee	2.58	2.55
- Letter of Credits	2.89	-
- Income Tax under Appeal	5.63	-
- Civil/criminal matters pending in Courts, the company has not acknowledged the claims	7.00	3.55
- Lease Premium on Baddi units pending export obligation	14.61	14.61
- Textile Cess	0.96	-
- Custom Duty saved on EPCG License pending export obligation	4.28	4.28
- The company has entered foreign currency swap agreement as per the provisions contained in the 2000 ISDA definitions of Rs.300.00 million .The mark to market liabilities on this account as on 31.12.2007 was Rs. 10.20 million. This liability is contingent in nature and maturity of the same depends, how the forex market behaves during the contractual period.	10.20	-
Total	**48.15**	**24.99**

Crystallization of any of the above liabilities may require us to honour the demands raised, if any, which may adversely impact our profitability.

41. Our Subsidiary companies have incurred losses in the past

GJGPPL has incurred loss of Rs. 0.40 million for the period ending December 31, 2007 and GJFFL has incurred loss of Rs. 9.01 million and Rs. 46.26 Million for period ending June 30, 2006 and March 31, 2007 respectively.

42. We have entered and expect to enter into Related Party Transactions

Our Company has in the past entered into and expects to continue to enter into related party transactions. The aggregate value of the Related Party transactions for FY05, FY06 and FY07 and 9M FY07 is Rs. 3.75 Million, Rs. 11.05 Million, Rs. 236.48 Million and Rs. 196.80 million respectively. For further details, please refer to the Notes to the Risk Factors appearing on page [•] of this Draft Red Herring Prospectus and the notes to our financial statements relating to the related party transactions in the section "Financial Information – Related Party Transactions" on page[•] of this Draft Red Herring Prospectus.

43. The market price of our Equity Shares may be adversely affected by additional issues of equity or equity linked securities by the Company or by sale of a large number of our Equity Shares by our significant shareholders

We may finance our growth plans through additional equity offerings. Any future issuance of equity or equity-linked securities by our Company may dilute the shareholding of investors in our Equity Shares and could adversely affect the market price of our Equity Shares. Although our Promoters are subject to lock-in as per applicable SEBI Guidelines, sale of a large number of our Equity Shares by any significant shareholder after the expiry of the lock-in periods could adversely affect the market price of our Equity Shares. In addition, any perception by investors that such issuances or sale might occur could also affect the trading price of our Equity Shares.

External Risk factors

1. Taxes and other levies imposed by the Government of India or other state governments, as well as other financial policies and regulations, may have a material adverse effect on our business and finance.

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include customs duties, excise duties, sales tax, income tax, value added tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Currently we benefit from certain tax benefits that results in a decrease in the effective tax rate There can be no assurance that these tax incentives will continue in the future.

2. ***The Company operates in globally competitive business environment and any changes in regulatory environment relating to manufacturing in the country or for marketing its products within and outside the country will impact the business of the Company.***

   Our Company keeps itself abreast of the various developments in relation to the regulatory environment and gears itself in order to comply with such regulatory changes. Whenever such policy change affect our Company's business, our Company works towards complying with or reckoning the policy changes and adopts appropriate strategies to sustain its business.

3. ***Any changes in regulations or applicable government incentives would materially adversely affect our operations and growth prospects***

   We are subject to various regulations and policies. For details see section titled "Regulations and Policies" beginning on page [•] of the Draft Red Herring Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations.

4. ***Wage pressures in India may prevent our Company from sustaining its competitive advantage and may reduce its profit margins.***

   Wage costs in India have historically been significantly lower than the wage costs in the developed countries for comparably skilled professionals in the textile industry, which has been one of our competitive strengths. However, wage increases in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. The buoyancy in the Indian textile industry with the opening up of global trade may lead to an increase in wage costs which could result in increased cost for textile professionals. This can impact the performance and margins of players in the industry in India and may result in a material adverse effect on our business.

5. ***An economic downturn may negatively impair our Company's operating results.***

   Any temporary or permanent loss of equipment or systems, or any disruptions to basic infrastructure such as power and telecommunications would impede our ability to provide services to our customers and could expose us to liability claims.

6. ***Force majeure events, terrorist attacks and other acts of violence or war involving India, the United States or other countries could adversely affect the financial markets, result in a loss of customer confidence and adversely affect our business, results of operations, financial conditions and cash flows.***

   Certain events that are beyond our control, and other acts of violence or war (including civil unrest, military activity and hostilities among neighbouring countries), which may involve India, the United States or other countries, and may adversely affect worldwide financial markets, which could lead to economic recession. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. More generally, any of these events could lower confidence in India. Any such event could adversely affect our financial performance or the market price of the Equity Shares.

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

   The prices of our Equity Shares on the Stock Exchanges may fluctuate after this Issue as a result of several factors including:

   a. Volatility in the Indian and global securities markets;

b. Our results of operations and performance;
c. Performance of our competitors, the Indian apparel manufacturing industry and the perception in the market about investments in the apparel manufacturing sector;
d. Adverse media reports on our Company or the Indian apparel manufacturing industry;
e. Changes in the estimates of our performance or recommendations by financial analysts;
f. Significant developments in India's economic liberalization and deregulation policies; and
g. Significant developments in India's fiscal and environmental regulations.

Further, valuations in the apparel manufacturing sector have changed over the last several months and current valuations may not be sustainable in the future and may also not be reflective of future valuations for the industry.

Notes to risk factors:

- Public issue of 3,000,000 Equity Shares of the face value Rs. 10/- each for cash at a price of Rs. [●] per Equity Share (including a premium of Rs. [●] per Equity Share) aggregating Rs. [●] million, comprising of a Issue of 3,000,000 Equity Share of the face value of Rs. 10/- each by the Company The Issue will constitute 25.04% of the fully diluted post Issue paid-up capital of the Company.

- The average cost of acquisition of Equity Shares by our Promoters is Mr. Prakash Lakhani – Rs. 1.61; Mr. Jaikishan Lakhani – Rs. 1.47; Mr. Anil Lakhani – Rs. 1.47; Mrs. Jyoti Lakhani – Rs. 1.23; Mrs. Varsha Lakhani Rs. 0.79; Mrs. Manisha Lakhani – Rs. 0.69. For details see the section "Capital Structure" beginning on page [•] of this Draft Red Herring Prospectus.

- The networth of our Company was Rs. 503.33 million as on March 31, 2007 and Rs. 591.70 million as of December 31, 2007, as per our restated standalone financial statements under Indian GAAP.

- Our Company was originally incorporated on November 11, 1994 as Gini and Jony Apparrel Private Limited under the Companies Act, 1956. The name of the Company was finally changed to to the current name, Gini & Jony Limited on November 13, 2006. For details of the change in our name, see "History and certain Corporate Matters" on page [●] of this Draft Red Herring Prospectus.

- All information shall be made available by the BRLM and our 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.

- For details of transactions in the securities of our Company by the Promoter, the Promoter Group and the Directors in the last six months, see section "Capital Structure – Notes to the Capital Structure" beginning on page [●] of this DRHP.

- Trading in Equity Shares for all investors shall be in dematerialized form only.

- Except as mentioned in the section "Capital Structure" on page [●] we have not issued any shares for consideration other than cash

- The NAV per Equity Share of Rs. 10 each was Rs. 57.07 as on March 31, 2007 and Rs. 65.87 as of December 31, 2007, as per our restated standalone financial statements under Indian GAAP.

- Investors may contact the BRLM or the Compliance Officer for any complaint, information or clarifications pertaining to the Issue. Our Company shall not provide any selective or additional information to a section of investors in any manner.

- Refer to the notes to our financial statements relating to related party transactions in the "Related Party Transactions" beginning on page [●] of this Draft Red Herring Prospectus. The aggregate value of the Related Party transactions for FY05, FY06 and FY07 and 9M FY07 is Rs. 3.75 Million, Rs. 11.05 Million, Rs. 236.48 Million and Rs. 196.80 million respectively.

- Investors may note that in case of over-subscription in any category, allotment to QIBs, Non-Institutional Bidders and Retail Individual Bidders shall be on a proportionate basis. For more information, please refer to the "Basis of Allocation" beginning on page no. [•] of this Draft Red Herring Prospectus.

- Investors are advised to refer to the chapter titled "Basis for Issue Price" beginning on page no. [•] of this Draft Red Herring Prospectus.

- Except as disclosed in the "Our Promoters and Promoter Group" or "Our Management" beginning on pages [●] and [●] respectively, none of our Promoters, our Directors and our key managerial personnel have any interest in the Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares or Employee stock options held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, members, partners and / or trustee and to the extent of the benefits arising out of such shareholding.

- The Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue will be allotted on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories, at the sole discretion of our Company in consultation with the BRLM.

SUMMARY OF OUR INDUSTRY AND BUSINESS

The kidswear segment, which is part of the apparel industry, forms a sub-set of the textile industry. The Indian textiles industry is one of the largest organised industries in the country in terms of employment and number of operational units. Besides providing employment opportunities, a large number of subsidiary industries are dependent on this sector – including manufacturing machinery, accessories, stores, ancillaries, dyes and chemicals. (Source: IMAGES Yearbook '08). Started in 1850s, the Indian textile industry has gradually grown to become one of the significant contributors to the Indian economy. As per the Annual Report (2006-07) of the Ministry of Textiles, the industry contributes 14% to industrial production, 4% to the GDP and 16.63% to the export earnings of the country. Generating direct employment for approximately 35 million people in the organized sector, the industry is the country's second-largest employer after agriculture.

We are one of India's leading manufacturers of premium lifestyle Kidswear. Our business activities primarily includes designing, manufacturing, branding and selling of ready-made apparels and other lifestyle accessories for kids, under our various brands. Our brand "Gini & Jony" has become one of the leading kidswear brands in the country.

Background and Evolution

Mr. Prakash Lakhani, along with his two brothers Mr. Jaikishan Lakhani and Mr. Anil Lakhani, promoted the Company in November 1994. It became a public limited company on November 13, 2006 and the name of the Company was changed to Gini & Jony Limited. For details please refer to section titled "Our History and other Corporate Matters" on page no. [●] of this Draft Red Herring Prospectus.

We cater mainly to four segments through our in-house brands as given below:

1. Super premium segment - 'Gini & Jony'
2. Premium segment - 'GJ JEANS UNLTD.'
3. Mid-market segment - 'Palm Tree' & Red River
4. Niche segment - ' Gini & Jony Knowledge Wear'

We believe that a diverse and wide distribution channel forms the backbone of our selling and marketing strategy. Our distribution channel broadly comprises of network of Exclusive Brand Outlets (EBO), mix of Distributors, Shop-in-Shops (SIS) and Factory Seconds Outlet (FSO). Our wholly owned subsidiary, GJFFL distributes our products through its network of Exclusive Brand Outlets (EBO). As on March 31, 2008, our pan-India distribution network is spread over 108 cities comprising 60 EBO, 28 Distributors, 124 SIS and 38 FSO. Our 28 Distributors sell our products to 706 MBO, across India. We also have our sales offices at Gurgaon (Haryana) & Kolkata (West Bengal) and support office at Tirupur (Tamil Nadu) which oversee the marketing and distribution functions of the Company.

We are also vendors to schools in India for supply of quality school uniforms under our brand 'Gini & Jony - Knowledge Wear'. For FY 2008, we had executed orders for 29 schools. Currently, as on March 31, 2008, we have received orders from 39 schools.

We have a Licensee agreement with Levi Strauss (India) Pvt Limited, under which we design, manufacture and market Kidswear under the name of their kidswear Brand "Levi's Sykes Junior" We are also all India distributors of Benetton India Private Limited and Reebok India Company for their kidswear category in India.

Our wholly owned subsidiary GJFFL, sells our own branded, Licensee and distribution range through its EBO.

Our manufacturing facilities, having area of around 78,000 square feet & 36,071 square feet, are spread across 2 locations at Daman (U.T) and Baddi (Himachal Pradesh) respectively and employ approximately 1,400 personnel. We manufacture apparels at our facilities at Daman and Baddi and also outsource them from manufacturers/ vendors as per the design and manufacturing specification provided by us. At present we have a total apparel production capacity of 1.6 million pieces per annum. Our manufacturing facilities are fully backed by product development set-up, design studio and efficient sampling infrastructure to provide quality products to our customers in India and abroad.

We are members of the Clothing Manufacturers Association of India, Retailers Association of India and are registered as member-exporter with Apparel Export Promotion Council since October 10, 1995.

Our restated standalone revenue for the year ended March 31, 2006, March 31, 2007 and the nine month period ended December 31, 2007 were Rs. 754.54 million, Rs 1,079.78 million and Rs 1165.65 million respectively. Our restated standalone profit after tax for the year ended March 31, 2006, March 31, 2007 and the nine month period ended December 31, 2007 were Rs. 58.34 million, Rs 84.96 million and Rs 87.85 million respectively.. Our consolidated restated revenues and profit after tax for the 9 month period ended December 31, 2007 were Rs. 1242.31 million and Rs. 90.73 million respectively.

Our Strengths

We believe that the following are our primary competitive strengths:

- Established brand in the kidswear segment
- Design and merchandising expertise
- Widespread and multi-channel distribution network
- Tie-up with reputed international brands
- Developed manufacturing facilities
- Experienced and professional management team

Our Strategy

Our mission is to maintain and consolidate our position as the leading premium lifestyle brand in the kids segment. In order to achieve our mission, our business strategy comprises the following:

- Increased product lines
- Strengthening our current brands and introduction of more brands
- Increased presence in retail stores
- Capacity enhancement
- Strengthing our ‘Knowledge Wear’ brand

For further details on our business, please refer to Section ‘Our Business’ beginning on page [●] of this Draft Red Herring Prospectus.

SUMMARY OF FINANCIAL DATA

The following tables set forth summary financial information derived from our standalone restated financial statements as of and for the fiscal years ended March 31, 2003, 2004, 2005, 2006, 2007 and nine months period ended December 31, 2007 and restated consolidated financial statements for the nine months period ended December 31, 2007; prepared in accordance with Indian GAAP and SEBI guidelines. The restated financial statements have been restated as described in the Auditors' Report included therewith, in the section titled 'Financial Information & Auditors report' beginning on page [●] of this Draft Red Herring Prospectus.

The Summary financial data presented should be read in conjunction with our financial statements, the notes thereto and the section titled "Management Discussion and Analysis of Financial Condition and Results of Operations" on page [●] of this Draft Red Herring Prospectus.

A. Standalone Restated Financial Statements

							(Rs. in Million)
Statement of Standalone Assets and Liabilities (As Restated)							
	As at	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
I	**Fixed Asset**						
	Gross Block	420.85	320.37	86.72	75.98	62.09	47.39
	Less : Accumulated Depreciation	45.55	31.68	21.84	17.80	12.69	9.05
	Net Block	375.30	288.69	64.88	58.18	49.40	38.34
	Less : Revaluation Reserves	-	-	-	-	-	-
	Capital Work in Progress	126.89	122.32	199.06	12.65	2.33	-
	Net Block after adjustment of Revaluation Reserve	**502.19**	**411.01**	**263.94**	**70.83**	**51.73**	**38.34**
II	**Investments**	**152.28**	**37.09**	**2.34**	**0.05**	**0.09**	**0.09**
III	**Current Assets, Loans & Advances**						
	Inventories	434.47	363.45	279.51	249.18	198.90	120.52
	Sundry Debtors	398.11	284.13	160.53	116.20	74.81	68.82
	Cash and Bank Balances	45.54	23.90	24.38	6.15	3.84	0.73
	Loans & Advances	206.95	179.61	124.80	21.57	23.28	12.90
		1,085.07	**851.09**	**589.22**	**393.10**	**300.83**	**202.97**
IV	**Liabilities and Provisions**						
	Secured Loans	886.99	504.19	217.97	202.73	130.53	93.80
	Unsecured Loans	115.59	156.72	107.88	29.52	40.33	17.31
	Current Liabilities & Provisions	127.57	122.02	103.78	94.82	102.04	68.74
	Provision for Tax (Net)	2.23	0.40	2.95	1.32	1.08	0.16
	Deferred Tax Liability	15.46	12.53	6.87	5.57	4.28	3.09
		1,147.84	**795.86**	**439.45**	**333.96**	**278.26**	**183.10**
V	**Net Worth (I+II+III-IV)**	**591.70**	**503.33**	**416.05**	**130.02**	**74.39**	**58.30**
VI	**Represented by**						
	Share Capital						
	(Issued, Subscribed and Paid up)	89.83	89.83	88.13	60.00	15.00	15.00
	Share Application Money	-	-	-	15.00	-	-

	Reserves & Surplus	508.36	420.51	335.55	55.02	59.39	43.30
	Less : Revaluation Reserve	-	-	-	-	-	-
		598.19	**510.34**	**423.68**	**130.02**	**74.39**	**58.30**
	Less: Miscellaneous Expenditure to the extent not w/off	6.49	7.01	7.63	-	-	-
	Net Worth	**591.70**	**503.33**	**416.05**	**130.02**	**74.39**	**58.30**

(Rs. in Million)

Statement of Standalone Profit & Loss Account (As Restated)

	Particulars — Period/Year Ended on	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
I	**Income**						
	Operating Income	1,163.39	1,073.33	752.51	505.74	335.96	282.36
	Other Income	2.26	6.45	2.03	1.49	1.26	0.53
	Total	**1,165.65**	**1,079.78**	**754.54**	**507.23**	**337.22**	**282.89**
II	**Expenditure**						
	Cost of Raw Material Consumed/Sold	652.69	679.22	340.27	247.67	188.03	156.42
	Manufacturing Expenses	113.79	123.33	88.68	74.59	58.34	47.41
	(Increase)/Decrease in Stock	(66.17)	(106.38)	9.67	(49.18)	(81.70)	(43.03)
	Employees Cost	137.38	103.70	73.75	46.80	34.55	24.65
	Operating & Administrative Expenses	44.27	48.28	62.29	42.82	28.80	24.17
	Selling & Distribution Expenses	109.76	72.93	71.88	71.74	68.32	46.22
	Total	**991.72**	**921.08**	**646.54**	**434.44**	**296.34**	**255.84**
	Profit Before Interest, Depreciation and Tax (I-II)	**173.93**	**158.70**	**108.00**	**72.79**	**40.88**	**27.05**
	Interest & Financial Charges	53.92	42.51	32.50	22.08	17.97	10.57
	Depreciation	14.21	10.64	6.72	5.11	3.64	2.61
	Miscellaneous Expenses W/off	1.14	1.53	-	-	0.01	0.01
	Profit Before Tax	**104.66**	**104.02**	**68.78**	**45.60**	**19.26**	**13.86**
	Provision for Taxes :						
	Current Tax	12.70	11.85	8.35	3.68	1.98	1.41
	Fringe Benefit Tax	1.18	1.55	0.79	-	-	-
	Deferred Tax	2.93	5.66	1.30	1.29	1.19	0.42
	Profit After Tax, as Restated	**87.85**	**84.96**	**58.34**	**40.63**	**16.09**	**12.03**
	Profit brought forward from Previous Year	166.09	81.13	22.79	27.16	21.07	19.04
	Profit Available for Appropriation	**253.94**	**166.09**	**81.13**	**67.79**	**37.16**	**31.07**
	Appropriations :						
	Transfer to General Reserve	-	-	-	45.00	10.00	10.00
	Balance Carried to Balance Sheet	253.94	166.09	81.13	22.79	27.16	21.07
		253.94	**166.09**	**81.13**	**67.79**	**37.16**	**31.07**

B. Consolidated Restated Financial Statements

Statement of Consolidated Assets and Liabilities, As Restated As At December 31, 2007

		(Rs. in Million)
I	**Fixed Asset**	
	Gross Block	487.28
	Less : Accumulated Depreciation	53.86
	Net Block	433.42
	Less : Revaluation Reserves	-
	Capital Work in Progress	134.36
	Net Block after adjustment of Revaluation Reserve	**567.78**
II	**Goodwill (On Consolidation)**	**57.13**
III	**Investments**	0.16
IV	**Current Assets, Loans & Advances**	
	Inventories	537.42
	Sundry Debtors	454.52
	Cash and Bank Balances	46.85
	Loans & Advances	119.89
	Deferred Tax Assets	27.30
		1,185.98
V	**Minority Interest**	2.06
VI	**Liabilities and Provisions**	
	Secured Loans	932.63
	Unsecured Loans	125.67
	Current Liabilities & Provisions	140.35
	Deferred Tax Liability	15.46
		1,214.11
VII	**Net Worth (I+II+III+IV-V-VI)**	**594.88**
VIII	**Represented by**	
	Share Capital	
	(Issued, Subscribed and Paid up)	89.83
	Share Application Money	-
	Reserves & Surplus	511.55
	Less : Revaluation Reserve	-
		601.38
	Less: Miscellaneous Expenditure to the extent not w/off	6.50
IX	**Net Worth**	**594.88**

Statement of Consolidated Profit & Loss Account, As Restated for the period ended on December 31, 2007

		(Rs. in Million)
I	**Income**	
	Operating Income	1,240.05
	Other Income	2.26
	Total	**1,242.31**
II	**Expenditure**	
	Cost of Raw Material Consumed	657.71
	Manufacturing Expenses	107.74
	(Increase)/Decrease in Stock	(66.17)
	Employees Cost	149.20
	Operating & Administrative Expenses	78.57
	Selling & Distribution Expenses	130.51
	Total	**1,057.56**
	Profit Before Interest, Depreciation and Tax (I-II)	**184.75**
	Interest & Financial Charges	58.04
	Depreciation	17.36
	Miscellaneous Expenses W/off	1.15
	Profit Before Tax	**108.20**
	Provision for Taxes:	
	Current Tax	12.70
	Fringe Benefit Tax	1.28
	Deferred Tax (Net)	3.49
	Profit After Tax	90.73
	Add : Share of Minority Interest	0.19
	Profit brought forward from Previous Year	166.21
	Profit Available for Appropriation	**257.13**
	Appropriations :	
	Transfer to General Reserve	-
	Balance Carried to Balance Sheet	257.13
		257.13

THE ISSUE

Issue of Equity Shares			**3,000,000 Equity Shares**
Of which:			
	Qualified Institutional Buyers (QIBs) Portion (Allocation on a proportionate basis)		Not more than 1,500,000 Equity Shares
	Of which		
	Available for Mutual Funds only		Upto 75,000 Equity Shares
	Balance of QIB Portion (available for QIBs including Mutual Funds)		Not more than 1,425,000Equity Shares
	Non-Institutional Portion (Allocation on a proportionate basis)		Not less than 450,000 Equity Shares
	Retail Portion (Allocation on a proportionate basis)		Not less than 1,050,000 Equity Shares
Pre and post-Issue Equity Shares			
	Equity Shares outstanding prior to the Issue		8,983,000 Equity Shares
	Equity Shares outstanding after the Issue		11,983,000 Equity Shares
Use of Issue Proceeds			
	See section "Objects of the Issue" on page [●] of this Draft Red Herring Prospectus for information about the use of the Issue Proceeds.		

(1) Attention of all QIBs is required towards the following:

1. Once a QIB has applied for our issue, the QIB will not be allowed to withdraw the application, after the Bid Issue / Closing date.

2. Each QIB including Mutual Funds will be required to deposit 10% margin money with application.

(2) Subject to valid Bids being received at or above the Issue Price, under–subscription, if any, in any of the categories would be allowed to be met with spill over *interse* from any other category, at the sole discretion of our Company in consultation with the BRLM.

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GENERAL INFORMATION

Our Company was originally incorporated on November 11, 1994 as Gini and Jony Apparrel Private Limited under the Companies Act, 1956. The name of the Company was changed to Gini & Jony Apparel Private Limited on December 24, 2002. Further with effect from November 13, 2006, the name was changed to Gini & Jony Private Limited and the Company became public limited Company under the name Gini & Jony Limited. For details of changes in the registered office, see the section "History and Certain Corporate Matters" beginning on page [●] of this Draft Red Herring Prospectus.

Registered & Corporate Office of our Company

Gini & Jony Limited
A-601, Citi Point, Next to Kohinoor Continental,
Andheri-Kurla Road, Andheri-East, Mumbai 400059
Tel: 91 22 40911000
Fax: 91 22 40911111
Website: www. giniandjony.com
Registration Number: 11 – 82837
Corporate Identification Number: U18101MH1994PLC082837

Address of Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra, located at the following address:
Registrar of Companies, Maharashtra
100, Everest Building,
Marine Drive, Mumbai 400002, India.

Board of Directors

The following persons constitute our Board of Directors.

Name and Designation	DIN
Mr. Prakash Lakhani Chairman & Managing Director	00021761
Mr. Jaikishan Lakhani Executive Director	00021684
Mr. Anil Lakhani Executive Director	00026145
Mr. Ajay Kumar Agrawal Executive Director*	00278298
Mr. Rajesh Mehra Non-Executive Director	00026176
Mr. Pradeep Kumar Sarkar Independent Director	01082282
Mr. Amitabh Taneja Independent Director	00031257
Mr. Rahul Mehta Independent Director	00165521
Mr. Ramanathan Sriram Independent Director	00065069
Mr. Rajesh M Chaturvedi Independent Director*	02020044

* Appointed as an additional director

For further details regarding the Board, please refer to “Our Management” on page [●] of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Our Company Secretary and Compliance Officer is Mr. Gaurav Thakur. His contact details are as follows:

A-601, Citi Point,
Andheri-Kurla Road, Andheri-East,
Mumbai 400059
Tel : (+9122) 40911000
Fax: (+9122) 40911111
Email: investor@giniandjony.com

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

Book Running Lead Manager

Edelweiss Capital Limited
14th floor, Express Towers,
Nariman Point, Mumbai – 400 021, India.
SEBI Reg No. INM000010650
Tel.: +91 22 40863535, Fax: +91 22 22882119
E-mail: gnj.ipo@edelcap.com
Investor Grievance Id: edelcapredressal@edelcap.com
SEBI Reg No. INM000010650
Contact person: Mr. Jibi Jacob

Syndicate Member:

[●]

Legal Advisors to the Issue

Khaitan & Co.
4th & 5th Floor
Meher Chambers
R.K Marg, Ballard Estate
Mumbai 400 001, India
Tel: (+91 22) 6636 5000
Fax: (+91 22) 6636 5050

Registrar to the Issue

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup – (W),
Mumbai 400 078.
Tel: (+91 22) 2596 0320
Fax: (+91 22) 2596 0329
Website: www.intimespectrum.com
Email: gini&jony.ipo@intimespectrum.com
SEBI Reg No.INR000003761
Contact Person: Mr. Sachir Achar

Bankers to the Issue and Escrow Collection Banks

[●]

Bankers to the Company

State Bank of India
Industrial Finance Branch,
1st Floor, Lekhraj Bhavan,
SakiviharRoad, Sakinaka,
Andheri (E), Mumbai 400072
Tel:+91-22-28503287
Fax:+91-22-28524651
Contact Person: Mr. A.A. Vitekar
Email: aavitekar@sbi.co.in

Punjab National Bank
Mid Corporate Branch
Brady House, V.N. Road
Fort, Mumbai 400023
Tel:+91-22-22042252
Fax:+91-22-22049294
Contact Person: Mr. Ramana C. V
E-mail: bradyhouse@pnb.co.in

HDFC Bank Limited
Emerging Corporates Group
Trade World, 'A' Wing, 2nd Floor,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai-400 013.
Tel: +91-22-2498 8484
Fax:+91-22-2496 0773
Contact Person: Mr. Adityavikram Adukia
Email: adityavikram.Adukia@hdfcbank.com

Standard Chartered Bank
90, M.G.Road,
2nd Floor, Fort,
Mumbai - 400 001
Tel: +91-22-2498 8484
Fax: +91-22-2496 0773
Contact Person: Ms. Meenakshi Shenoy
Email: meenakshi.shenoy@in.standardchartered.com

Statutory Auditors to the Company

M/s Bhageria Naredi & Associates
Chartered Accountants
Address: B-303, Citi Point, J.B.Nagar,
Andheri -Kurla Road, Andheri-East,
Mumbai 400 059
Tel: (+91 22) 40104772
Fax: (+91 22) 28213456
Email:bhageria.naredi@gmail.com

Inter Se Allocation of Responsibilities between the BRLM

The responsibilities and co-ordination for various activities in this Issue are as follows:

Sr. No.	Activity	Responsibility	Co-ordination
1	Capital Structuring with relative components and formalities such as type of instruments, etc.	Edelweiss Capital Limited	Edelweiss Capital Limited
2	Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of Draft Red Herring Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, ROC and SEBI including finalisation of Prospectus and ROC filing.	Edelweiss Capital Limited	Edelweiss Capital Limited
3	Drafting and approval of all statutory advertisement	Edelweiss Capital Limited	Edelweiss Capital Limited
4	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including corporate advertisement, brochure etc.	Edelweiss Capital Limited	Edelweiss Capital Limited
5	Appointment of other intermediaries viz., Registrar's), Printers, Advertising Agency, Syndicate Member and Bankers to the Issue	Edelweiss Capital Limited	Edelweiss Capital Limited
6	Preparation of Road show presentation	Edelweiss Capital Limited	Edelweiss Capital Limited
7	Non-Institutional and Retail marketing of the Issue, which will cover, inter alia, * Formulating marketing strategies, preparation of publicity budget * Finalise Media and PR strategy * Finalising centers for holding conferences for press and brokers * Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material	Edelweiss Capital Limited	Edelweiss Capital Limited
8	Co-ordination with Stock Exchanges for Book Building Software, bidding terminals and mock trading.	Edelweiss Capital Limited	Edelweiss Capital Limited
9	Finalisation of Pricing, in consultation with the Company	Edelweiss Capital Limited	Edelweiss Capital Limited
10	The post bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post Offer activities for the Offer involving essential follow up steps, which include the finalisation of trading and dealing of instruments and demat of delivery of shares, with the various agencies connected with the work such as the registrar's) to the Issue and Bankers to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company.	Edelweiss Capital Limited	Edelweiss Capital Limited

Credit Rating

As this an Issue of Equity Shares, there is no credit rating for this Issue.

IPO Grading

Pursuant to the clauses 2.5A, 5.6B and 6.17.3A of the SEBI Guidelines, this Issue has been graded by [●] and has been assigned, pursuant to a letter dated [●], a grade of [●] indicating [●].The IPO grading is assigned on a 5 point scale from 1 to 5 with an "IPO grade 5" indicating strong fundamentals and an "IPO grade 1" indicating poor fundamentals. For more information on IPO Grading, see the section "Other Regulatory and Statutory Disclosures" beginning on page [●] of this Draft Red Herring Prospectus. A copy of the grading report provided by [●], furnishing the rationale for its grading is available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

A summary of the grading rationale is as follows:

[●]

Experts

Except the report of [●] in respect of the IPO grading of this Issue annexed herewith and except as stated elsewhere in this Draft Red Herring Prospectus, the Company has not obtained any expert opinions.

Trustees

As the issue is of equity shares, the appointment of Trustees is not required.

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalised after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

- The Company;
- The BRLMs;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the BRLMs;
- Registrar to the Issue; and
- Escrow Collection Banks.

The SEBI (DIP) Guidelines have permitted an issue of securities to the public through the 100% Book Building Process, wherein upto 50% of the Issue to the public shall be available for allocation on a proportionate basis to QIBs (including 5% for the Mutual Funds). In case of under-subscription, if any, in Mutual Fund category, the shares may be made available to QIBs. Further, not less than 15% of the Issue to the public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue to the public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

In accordance with the SEBI Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, QIBs are required to pay not less than 10% of the Bid Amount upon submission of the Bid cum Application Form during the Bid/Issue Period and allocation to QIBs will be on a proportionate basis. For further details, see "Terms of the Issue" on page [●] of this Draft Red Herring Prospectus.

We will comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the BRLM to manage the Issue and procure subscriptions to the Issue.

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

the Issue.

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

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

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The Issuer, in consultation with the BRLMs, 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 by the Bidders for Bidding

- Check eligibility for making a Bid (see “Issue Procedure - Who Can Bid?” on page [●] of this Draft Red Herring Prospectus);

- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

- In accordance with the SEBI Guidelines, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction;

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

- Bids by QIBs will only have to be submitted to the BRLMs.

- The Bidder should ensure the correctness of his or her Demographic Details (as defined in the “Issue Procedure-Bidder’s Depository Account Details” beginning on page [●] of this Draft Red Herring Prospectus) given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares without assigning any reason therefore.

Bid/Issue Programme

BID/ISSUE OPENS ON	**[●]**
BID/ISSUE CLOSES ON	**[●]**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form **except that on the**

Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded till (i) 5.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last date. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate members will not be responsible. Bids will be accepted only on Business Days.

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Guidelines provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date.

In case of revision of the Price Band, the Issue Period will be extended for three additional working days after revision of the Price Band subject to the total Bid /Issue Period not exceeding 10 days. Any revision in the Price Band and the revised Bid/Issue, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the web sites of the BRLMs and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares, but prior to filing of the Prospectus with RoC, the Company will enter into an Underwriting Agreement with the Underwriter for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions, as specified therein.

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

[This portion has been intentionally left blank and this will be filled in before filing of the Prospectus with RoC]

Name and Address of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Indicative Amount Underwritten (Rs. million)
Edelweiss Capital Limited 1st Floor, Mittal Chambers, Nariman Point, Mumbai 400 021. India	[●]	[●]

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriter is sufficient to enable them to discharge its respective underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

Our Board of Directors at their meeting held on [●] have accepted and entered into the Underwriting Agreement mentioned above on behalf of the Company.

Allocation among the 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 the Equity Shares allocated to investors procured by them. In the event of any default in payment , the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure/ subscribe to Equity Shares to the the extent of defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company as on the date of filing of this Draft Red Herring Prospectus with SEBI is as set forth below.

Share Capital as on the date of filing of this Draft Red Herring Prospectus	Amount in Rs. Million	
	Aggregate Value nominal value	Aggregate Value at Issue Price
A. Authorized Capital		
14,000,000 Equity Shares of face value of Rs. 10 each	140.00	[●]
B. Issued, Subscribed and Paid-Up Capital before this Issue		
8,983,000 fully paid-up Equity Shares of face value of Rs. 10 each	89.83	[●]
C. Present Issue to the public in terms of this Draft Red Herring Prospectus		
3,000,000 fully paid-up Equity Shares of face value of Rs 10 each	30.00	[●]
D. Paid-up Capital after the Issue		
11,983,000 Equity Shares of Rs. 10 each fully paid up	119.83	[●]
E. Share Premium Account		
Before this Issue	240.19	
After this Issue	**[●]**	

All equity shares issued by company are fully paid up.

Changes in Authorised Share Capital

Date	Authorised Capital (Rs.)	Face Value (Rs.)	No. of Shares	Cumulative No. of Shares	Particulars
November 11, 1994	100,000	10	10,000	10,000	Incorporation
March 1, 1995	5,000,000	10	490,000	500,000	Increase
January 12, 1999	15,000,000	10	1,000,000	1,500,000	Increase
March 28, 2005	80,000,000	10	6,500,000	8,000,000	Increase
February 7, 2006	90,000,000	10	1,000,000	9,000,000	Increase
September 6, 2006	120,000,000	10	3,000,000	12,000,000	Increase
January 24, 2008	140,000,000	10	2,000,000	14,000,000	Increase

Notes to the Capital Structure

1. ***Share Capital history of the Company***

Date of allotment and when made fully paid up	Number of Equity Shares	Cumulative Total Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of payment of consideration	Particulars	Cumulative Share Premium (Rs.)
January 31, 1995	10,000	10,000	10	10	Cash	Allotment to subscribers of Memorandum	-
September 1, 1996	90,000	100,000	10	10	Cash	Further allotment to Promoters and others	-
September 25, 1996	200,000	300,000	10	10	Cash	Further Allotment to Promoters and others	-
March 27, 1997	150,000	450,000	10	10	Cash	Further Allotment to Promoters and others	-
April 29, 1997	50,000	500,000	10	10	Cash	Further Allotment to Promoters	-
January 25, 1999	200,000	700,000	10	10	Cash	Further Allotment to Promoters and others	-
March 31, 2000	100,000	800,000	10	10	Cash	Further Allotment to Promoters	-
March 30, 2001	293,900	1,093,900	10	10	Cash	Further Allotment to Promoters and others	-
March 31, 2001	109,390	1,203,290	10	NA	Bonus	Bonus in the ratio 1:10	-
March 27, 2003	96,710	1,300,000	10	10	Cash	Preferential Allotment to Promoters and others	-
March 28, 2003	100,000	1,400,000	10	100	Cash	Preferential Allotment to others	9,000,000
March 31, 2003	100,000	1,500,000	10	100	Cash	Preferential Allotment to others	18,000,000
March 28, 2005	4,500,000	6,000,000	10	NA	Bonus	Bonus in the ratio 3:1	18,000,000
April 30,	2,000,000	8,000,000	10	50	Cash	Preferential	98,000,000

2005						Allotment to Sonata Investments Limited	
February 17, 2006	812,500	8,812,500	10	185	Cash	Preferential Allotment to Arisaig India Fund Limited	240,187,500
March 15, 2007	170,500	8,983,000	10	10	Cash	Preferential Allotment to employees	240,187,500

Other than as mentioned in the table above, we have not made any issue of shares during the preceding one year.

History of Equity Shares held by Promoters

The Equity Shares held by the Promoters were acquired/allotted in the following manner:

Name of Promoter	Date of Allotment/Transfer	Number of Shares	Face Value (Rs.)	Issue Price/ Transfer price (Rs.)	Nature of Allotment / Transfer	% of Pre Issue paid up capital	% of Post Issue paid up capital
Prakash Lakhani	January 31, 1995	2,000	10	10	Allotment of shares to Promoters	0.02	0.02
	September 01, 1996	10,000	10	10	Allotment of shares to Promoters	0.11	0.08
	January 25, 1999	50,000	10	10	Allotment of shares to Promoters	0.56	0.42
	March 31, 2000	100,000	10	10	Allotment of shares to Promoters	1.11	0.83
	March 30, 2001	80,000	10	10	Allotment of shares to Promoters	0.89	0.67
	March 31, 2001	24,200	10	NA	Bonus	0.27	0.20
	March 31, 2002	(100)	10	10	Transfer of shares by Mr. Prakash Lakhani	(0.00)	(0.00)
	December 12, 2002	(400)	10	10	Transfer of shares by Mr. Prakash Lakhani	(0.00)	(0.00)
	December 12, 2002	100	10	10	Transfer of shares to Mr. Prakash Lakhani	0.00	0.00
	March 27, 2003	20,000	10	10	Allotment of shares to Promoters	0.22	0.17
	September 27, 2003	(100)	10	10	Transfer of shares by Mr. Prakash Lakhani	(0.00)	(0.00)
	March 15, 2004	70,000	10	10	Transfer of shares to Mr. Prakash Lakhani	0.78	0.58
	March 31, 2004	(220,700)	10	NA	Transfer by gift of shares by Prakash Lakhani	(2.46)	(1.84)
	August 4, 2004	100	10	10	Transfer of shares to Mr. Prakash Lakhani	0.00	0.00
	January 28, 2005	12,100	10	10	Transfer of shares to Mr. Prakash Lakhani	0.13	0.10

	February 25, 2005	300	10	10	Transfer of shares to Mr. Prakash Lakhani	0.00	0.00
	March 28, 2005	442,500	10	NA	Bonus	4.93	3.69
	May 26, 2006	400	10	10	Transfer of shares to Mr. Prakash Lakhani	0.00	0.00
	September 25, 2006	179,600	10	NA	Transfer by gift of shares from Ms. Jyoti Lakhani	2.00	1.50
	November 12, 2007	146,960	10	NA	Transfer by gift from Late Rajkumari Lakhani	1.64	1.23
Total		**916,960**				**10.21**	**7.65**
Jaikishan Lakhani	January 31, 1995	2,000	10	10	Allotment of shares to Promoters	0.02	0.02
	September 01, 1996	10,000	10	10	Allotment of shares to Promoters	0.11	0.08
	September 25, 1996	60,000	10	10	Allotment of shares to Promoters	0.67	0.50
	March 27, 1997	50,000	10	10	Allotment of shares to Promoters	0.56	0.42
	April 29, 1997	25,000	10	10	Allotment of shares to Promoters	0.28	0.21
	January 25, 1999	25,000	10	10	Allotment of shares to Promoters	0.28	0.21
	March 30, 2001	65,000	10	10	Allotment of shares to Promoters	0.72	0.54
	March 31, 2001	23,700	10	NA	Bonus	0.26	0.20
	March 27, 2003	20,000	10	10	Allotment of shares to Promoters	0.22	0.17
	March 15, 2004	15,000	10	10	Transfer of shares to Mr. Jaikishan Lakhani	0.17	0.13
	March 15, 2004	10,000	10	10	Transfer of shares to Mr. Jaikishan Lakhani	0.11	0.08
	March 31, 2004	(170,700)	10	NA	Transfer by gift of shares by Mr. Jaikishan Lakhani	(1.90)	(1.42)
	March 28, 2005	405,000	10	NA	Bonus	4.51	3.38
	September 25, 2006	101,440	10	NA	Transfer by gift of shares from Ms.Varsha Lakhani	1.13	0.85
	September 25, 2006	128,560	10	NA	Transfer by gift of shares from Ms. Jyoti Lakhani	1.43	1.07
	November 12, 2007	146,960	10	NA	Transfer by gift from Late Rajkumari Lakhani	1.64	1.23
Total		**916,960**				**10.21**	**7.65**

Anil Lakhani	January 31, 1995	2,000	10	10	Allotment of shares to Promoters	0.02	0.02
	August 16, 1996	(14)	10	10	Transfer of shares by Mr. Anil Lakhani	(0.00)	(0.00)
	September 01, 1996	10,000	10	10	Allotment of shares to Promoters	0.11	0.08
	September 15, 1996	(19)	10	10	Transfer of shares by Mr. Anil Lakhani	(0.00)	(0.00)
	September 25, 1996	70,000	10	10	Allotment of shares to Promoters	0.78	0.58
	March 27, 1997	50,000	10	10	Allotment of shares to Promoters	0.56	0.42
	April 29, 1997	25,000	10	10	Allotment of shares to Promoters	0.28	0.21
	January 25, 1999	57,500	10	10	Allotment of shares to Promoters	0.64	0.48
	March 30, 1999	33	10	10	Transfer of shares to Mr. Anil Lakhani	0.00	0.00
	March 30, 2001	56,000	10	10	Allotment of shares to Promoters	0.62	0.47
	March 31, 2001	27,050	10	NA	Bonus	0.30	0.23
	March 27, 2003	20,000	10	10	Allotment of shares to Promoters	0.22	0.17
	March 15, 2004	5,000	10	10	Transfer of shares to Mr. Anil Lakhani	0.06	0.04
	March 31, 2004	(187,550)	10	NA	Transfer by gift of shares by Mr. Anil Lakhani	(2.09)	(1.57)
	March 28, 2005	405,000	10	NA	Bonus	4.51	3.38
	September 25, 2006	125,880	10	NA	Transfer by gift of shares from Ms. Jyoti Lakhani	1.40	1.05
	September 25, 2006	104,120	10	NA	Transfer by gift of shares from Ms. Manisha Lakhani	1.16	0.87
	November 12, 2007	146,960	10	NA	Transfer by gift from Late Rajkumari Lakhani	1.64	1.23
Total		**916,960**				**10.21**	**7.65**
Jyoti Lakhani	January 31, 1995	1,000	10	10	Allotment of shares to Promoters	0.01	0.01
	September 01, 1996	20,000	10	10	Allotment of shares to Promoters	0.22	0.17
	March 27, 1997	50,000	10	10	Allotment of shares to Promoters	0.56	0.42
	January 25, 1999	10,000	10	10	Allotment of shares to Promoters	0.11	0.08
	March 30, 1999	28,700	10	10	Allotment of shares to Promoters	0.32	0.24

	March 31, 2001	10,970	10	NA	Bonus	0.12	0.09
	March 27, 2003	10,000	10	10	Allotment of shares to Promoters	0.11	0.08
	March 31, 2004	220,700	10	NA	Transfer by gift of shares from Mr. Prakash Lakhani	2.46	1.84
	March 28, 2005	1,054,110	10	NA	Bonus	11.73	8.80
	September 25, 2006	(179,600)	10	NA	Transfer by gift of shares to Mr. Prakash Lakhani	(2.00)	(1.50)
	September 25, 2006	(128,560)	10	NA	Transfer by gift of shares to Mr. Jaikishan Lakhani	(1.43)	(1.07)
	September 25, 2006	(125,880)	10	NA	Transfer by gift of shares to Mr. Anil Lakhani	(1.40)	(1.05)
Total		**971,440**				**10.81**	**8.11**
Varsha Lakhani	January 31, 1995	1,000	10	10	Allotment of shares to Promoters	0.01	0.01
	September 01, 1996	20,000	10	10	Allotment of shares to Promoters	0.22	0.17
	January 25, 1999	10,000	10	10	Allotment of shares to Promoters	0.11	0.08
	March 30, 2001	28,600	10	10	Allotment of shares to Promoters	0.32	0.24
	March 31, 2001	5,960	10	NA	Bonus	0.07	0.05
	March 27, 2003	10,000	10	10	Allotment of shares to Promoters	0.11	0.08
	March 31, 2004	170,700	10	NA	Transfer by gift of shares from Mr. Jaikishan Lakhani	1.90	1.42
	March 28, 2005	738,780	10	NA	Bonus	8.22	6.17
	September 25, 2006	(101,440)	10	NA	Transfer by gift of shares to Mr. Jaikishan Lakhani	(1.13)	(0.85)
Total		**883,600**				**9.84**	**7.37**
Manisha Lakhani	January 31, 1995	1,000	10	10	Allotment of shares to Promoters	0.01	0.01
	September 01, 1996	20,000	10	10	Allotment of shares to Promoters	0.22	0.17
	January 25, 1999	10,000	10	10	Allotment of shares to Promoters	0.11	0.08
	March 30, 2001	19,900	10	10	Allotment of Shares to Promoters	0.22	0.17
	March 31, 2001	5,090	10	NA	Bonus	0.06	0.04
	March 27, 2003	10,000	10	10	Allotment of shares to Promoters	0.11	0.08

	March 31, 2004	187,550	10	NA	Transfer by gift of shares from Mr. Anil Lakhani	2.09	1.57
	March 28, 2005	760,620	10	NA	Bonus	8.47	6.35
	September 25, 2006	(104,120)	10	NA	Transfer by gift of shares to Mr. Anil Lakhani	(1.16)	(0.87)
	September 25, 2006	(12,500)	10	NA	Transfer by gift of shares to Mr. Chirag Lakhani	(0.14)	(0.10)
	September 25, 2006	(12,500)	10	NA	Transfer by gift of shares to Ms. Harshika Lakhani	(0.14)	(0.10)
Total		**885,040**				**9.85**	**7.39**

2. (a). Details of Promoters' contribution and Lock-in

Pursuant to the SEBI Guidelines, an aggregate of 20% of our post Issue Equity Share capital of the Company held by Promoters shall be locked in for a period of three years from the date of Allotment of Equity Shares in the Issue. The Equity Shares which are being locked in are not ineligible for computation of Promoters Contribution under clause 4.6 and 4.11 of SEBI Guidelines. Equity Shares offered by our Promoters and offered for the minimum Promoter Contribution are not subject to pledge. The details of such lock-in are given below:

a. Details of the Equity Shares forming part of Promoters' contribution, which shall be lock-in for three years, are as follows:

Name of the Promoters	Date of Allotment / acquisition	Consideration	No of Shares	Face Value (Rs.)	Issue /Acquisition Price (Rs.)	% of Pre Issue paid up capital	% of Post Issue paid up capital
Prakash Lakhani (A)							
	January 31,1995	Cash	1,000	10	10	0.01%	0.01%
	March 31, 2000	Cash	100,000	10	10	1.11%	0.83%
	March 27, 2003	Cash	14,000	10	10	0.16%	0.12%
	March 15, 2004	Cash	20,000	10	10	0.22%	0.17%
	August 04, 2004	Cash	100	10	10	0.00%	0.00%
	January 28, 2005	Cash	12,100	10	10	0.14%	0.10%
	February 25, 2005	Cash	300	10	10	0.00%	0.00%
	*March 28, 2005	Bonus	242,500	10	NA	2.70%	2.03%
	May 26, 2006	Cash	400	10	10	0.00%	0.00%
	September 25, 2006	Gift	179,600	10	NA	2.00%	1.50%
Total A			**570,000**			**6.34%**	**4.76%**
Jaikishan Lakhani (B)							
	September 25, 1996	Cash	60,000	10	10	0.67%	0.50%
	March 27, 1997	Cash	50,000	10	10	0.55%	0.42%
	January 25, 1999	Cash	25,000	10	10	0.28%	0.21%
	*March 28, 2005	Bonus	205,000*	10	NA	2.28%	1.71%
	September 25, 2006	Gift	230,000	10	NA	2.56%	1.92%
Total B			**570,000**			**6.34%**	**4.76%**
Anil Lakhani (C)							
	September 01, 1996	Cash	10,000	10	10	0.11%	0.08%
	September 25, 1996	Cash	70,000	10	10	0.78%	0.59%
	March 27, 1997	Cash	50,000	10	10	0.55%	0.42%

	March 15, 2004	Cash	5,000	10	10	0.06%	0.04%
	*March 28, 2005	Bonus	205,000	10	NA	2.28%	1.71%
	September 25, 2006	Gift	230,000	10	NA	2.56%	1.92%
Total C			**570,000**			**6.34%**	**4.76%**
Jyoti Lakhani(D)							
	March 28, 2005	Bonus	300,000	10	NA	3.34%	2.50%
Total D			**300,000**			**3.34%**	**2.50%**
Manisha Lakhani(E)							
	March 28, 2005	Bonus	300,000	10	NA	3.34%	2.50%
Total E			**300,000**			**3.34%**	**2.50%**
Varsha Lakhani(F)							
	March 28, 2005	Bonus	300,000	10	NA	3.34%	2.50%
Total F			**300,000**			**3.34%**	**2.50%**
Total A+B+C+D+E+F			**2,610,000**			**29.04%**	**21.78%**

*200,000 shares each out of 442,500 shares , 405,000 shares and 4,05,000 shares allotted on March 28 2005 to Mr Prakash Lakhani , Jaikishan Lakhani , Mr. Anil Lakhani respectively, are under pledge and hence have not been considered for Promoter contribution towards lock – in .

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution under Clause 4.6 of the SEBI Guidelines. In this connection, as per Clause 4.6 of the SEBI Guidelines, Our Company confirms the following:

i. The Equity Shares offered for minimum 20% Promoters' contribution are not acquired (during the preceding three years) for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluations reserves or reserves without accrual of cash resources or against shares which are otherwise ineligible for computation of Promoters' contribution;

ii. The minimum Promoters' contribution does not consist of Equity Shares acquired during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue;

iii. The Equity Shares held by the Promoters and offered for minimum 20% Promoters' contribution are not subject to any pledge;

iv. The minimum Promoters' contribution does not consist of any private placement made by solicitation of subscriptions from unrelated persons either directly or through any intermediary; and

v. The minimum Promoters' contribution does not consist of Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum Promoters' contribution subject to lock-in.

vi. The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as "Promoters" under Explanation I of Clause 6.8.3.2 of the SEBI Guidelines.

The Equity Shares were fully paid-up at the time of the allotment hence the date of them being made fully paid up is same as the date of allotment.

b. Details of pre-Issue Equity Share capital locked in for one year:

In terms of Clause 4.14.1 of the SEBI Guidelines, in addition to the lock-in of 20% of the post-Issue shareholding of the Promoters for three years, as specified above, the balance pre-Issue share capital of the Company (6,373,000 Equity Shares) shall be locked-in for a period of one year from the date of Allotment in the Issue. The promoters have given an undertaking to not sell/transfer/dispose of in any manner, Equity Shares forming part of the Promoters' contribution from the date of filing the Draft Red Herring Prospectus till the date of commencement of lock-in as per the SEBI Guidelines.

In terms of Clause 4.15 of the SEBI Guidelines, the locked-in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for any loans granted by such banks or financial institutions, provided that the pledge of shares is one of the conditions under which the loan is sanctioned. Further, Equity Shares locked in as minimum promoters' contribution may be pledged only in respect of a financial facility which has been granted for the purpose of financing one or more of the objects of the Issue.

In terms of Clause 4.16.1 (a) of the SEBI Guidelines, the Equity Shares held by persons other than Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to the continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

Further, in terms of Clause 4.16.1(b) of the SEBI Guidelines, the Equity Shares held by the Promoters may be transferred to and among the Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

3. Shareholding Pattern of the Company

a. Pre-Issue & Post – Issue

(i) The table below presents the shareholding pattern of Equity Shares before the proposed Issue:

The table below presents our current pre-Issue & post-Issue shareholding patterns

Category	Pre – Issue		Post – Issue	
	Number of Equity Shares	Percentage of Equity Share Capital %	Number of Equity Shares	Percentage of Equity Share Capital %
Promoters				
Prakash Lakhani	916,960	10.21%	916,960	7.65%
Jaikishan Lakhani	916,960	10.21%	916,960	7.65%
Anil Lakhani	916,960	10.21%	916,960	7.65%
Jyoti Lakhani	971,440	10.81%	971,440	8.11%
Manisha Lakhani	885,040	9. 85%	885,040	7.39%
Varsha Lakhani	883,600	9.84%	883,600	7.37%
Sub – Total (a)	**5,490,960**	**61.13%**	**5,490,960**	**45.82%**
Promoters Group individual				
Roshani Lakhani	42,680	0.48%	42,680	0.36%
Kiran Lakhani	14,960	0.17%	14,960	0.13%
Shailesh Lakhani*	13,640	0.15%	13,640	0.11%
Ashish Lakhani*	12,760	0.14%	12,760	0.11%

Chirag A Lakhani**	12,500	0.14%	12,500	0.10%
Harshika A Lakhani**	12,500	0.14%	12,500	0.10%
Sub – Total (b)	**109,040**	**1.22%**	**109,040**	**0.91%**
Public & Others				
1. Jai Kumar Jain and Satyapal Jain and Rina Jain (Jointly) 2. Bechar Patel 3. Dhanji Patel 4. Gangdas Patel 5. Suresh Patel 6. Narsi Patel 7. Manji Patel 8. Poonam Agrawal 9.Dharamshi Patel	400,000 17,000 15,000 15,000 17,000 12,000 12,000 12,700 12,000	4.46% 0.19% 0.17% 0.17% 0.19% 0.13% 0.13% 0.14% 0.13%	400,000 17,000 15,000 15,000 17,000 12,000 12,000 12,700 12,000	3.33% 0.14% 0.13% 0.13% 0.14% 0.10% 0.10% 0.11% 0.10%
Reliance Capital Limited	2,000,000	22.26%	2,000,000	16.69%
Arisaig India Fund Limited	812,500	9.04%	812,500	6.78%
Employees	57,800	0.64%	57,800	0.48%
Public & Others	-	0.00%	3,000,000	25.04%
Sub – Total (c)	**3,383,000**	**37.65%**	**6,383,000**	**53.27%**
Grand Total (a+b+c)	**8,983,000**	**100.00%**	**11,983,000**	**100.00%**

* held by Mr. Jaikishan Lakhani father and natural guardian, on behalf of Shailesh Lakhani and Ashish Lakhani.
** held by Mr. Anil Lakhani father and natural guardian, on behalf of Chirag A Lakhani and Harshika A Lakhani

4. The list of our shareholders and the number of Equity Shares held by them is provided below:

(a) Our shareholders as on the date of filing, as on date ten days prior to filing and as of two years prior to filing of this Draft Red Herring Prospectus are as follows:

As on date of filing

Our top ten shareholders as on date of filing the Draft Red Herring Prospectus with SEBI is as follows:

Sr No	Name of the Share Holders	Number of Equity Shares	% of pre Issue Equity Share Capital
1	Reliance Capital Limited	2,000,000	22.26%
2	Jyoti Lakhani	971,440	10.81%
3	Prakash Lakhani	916,960	10.21%
4	Jaikishan Lakhani	916,960	10.21%
5	Anil Lakhani	916,960	10.21%
6	Manisha Lakhani	885,040	9.85%
7	Varsha Lakhani	883,600	9.84%
8	Arisaig India Fund Limited	812,500	9.04%
9	Jai Kumar Jain, Satyapal Jain and Rina Jain (Jointly)	400,000	4.46%
10	Roshani Lakhani	42,680	0.48%
		8,746,140	**97.37%**

Ten days prior to the date of filing

Our top ten shareholders ten days prior to the date of filing the Draft Red Herring Prospectus with SEBI are as follows:

Sr No	Name of the Share Holders	Number of Equity Shares	% of pre Issue Equity Share Capital
1	Reliance Capital Limited	2,000,000	22.26%
2	Jyoti Lakhani	971,440	10.81%
3	Prakash Lakhani	916960	10,21%
4	Jaikishan Lakhani	916960	10.21%
5	Anil Lakhani	916960	10.21%
6	Manisha Lakhani	885,040	9.85%
7	Varsha Lakhani	883,600	9.84%
8	Arisaig India Fund Limited	812,500	9.04%
9	Jai Kumar Jain, Satyapal Jain and Rina Jain (Jointly)	400,000	4.46%
10	Roshani Lakhani	42,680	0.48%
		8,746,140	**97.37%**

Two years prior to the date of filing

Our top ten shareholders two years prior to the date of filing the Draft Red Herring Prospectus with SEBI are as follows:

Sr No	Name of the Share Holders	Number of Equity Shares	% of pre issue Equity Share Capital
1	Reliance Capital Limited	2,000,000	22.70%
2	Jyoti Lakhani	1,405,480	15.95%
3	Manisha Lakhani	1,014,160	11.50%
4	Varsha Lakhani	985,040	11.18%
5	Arisaig India Fund Limited	812,500	9.22%
6	Prakash Lakhani	590,000	6.69%
7	Jaikishan Lakhani	540,000	6.13%
8	Anil Lakhani	540,000	6.13%
9	Rajkumari Lakhani	440,880	5.00%
10	Jai Kumar Jain, Satyapal Jain and Rina Jain (Jointly)	400,000	4.54%
		8,728,060	**99.04%**

5 **Employee Stock Option Plans**

We have an employee stock option scheme, namely, "**Gini & Jony Employees Stock Option Scheme – 2008 (the "ESOS 2008"** in force, which is administered through the Compensation Committee appointed by the Board vide its meeting held on December 28, 2007.

The provisions of our Articles of Association enable execution of the **Gini & Jony Employees Stock Option Scheme – 2008** and grant of options thereunder to eligible employees (as defined thereunder) as per the recommendations of the Compensation Committee of our Board.

The ESOS 2008 was approved by our Board by its resolution dated December 28, 2007 and by our members at extra ordinary general meeting dated January 07, 2008, wherein approval was granted for issue of upto 5% of the aggregate of the number of the issued Equity Shares of the Company under the ESOS 2008.

Gini & Jony Limited Employees Stock Option Scheme

Particulars		Details
Options granted		296,700
Exercise price of options		Rs. 200/- per Equity Share
Total options vested		296,700
Options exercised		Nil
Total number of equity shares arising as a result of full exercise of options already granted		296,700
Options forfeited/ lapsed/ cancelled		Nil
Variations in terms of options		Nil
Money realised by exercise of options		Nil
Options outstanding (in force)		296,700
Person wise details of options granted to		
i)	Directors and key managerial employees	194,000
ii)	Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil
iii)	Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Mr. Ajay Kumar Agrawal – Executive Director (90,000)
Vesting schedule		All Options granted has been vested
Fully diluted EPS on a pre-issue basis		9.77*
Lock-in		N. A.
Impact on profits and EPS of the fiscal year 2007		NIL

*Based on nine months period ended December 31 2007.
Note 1: Details regarding options granted to our Directors and our key managerial personnel are set forth below:

Name of director/ key managerial personnel	No. of options granted	No. of options exercised	No. of options outstanding
Mr. Ajay Kumar Agrawal	90,000	Nil	90,000
Mr. Harish Mehta	20,000	Nil	20,000
Mr. Rajesh Mehra	30,000	Nil	30,000
Mr. Rahul Mehta	3,000	Nil	3,000
Mr. Pradeep Sarkar	3,000	Nil	3,000
Mr. Amitabh Taneja	3,000	Nil	3,000
Mr. Ramanathan Sriram	3,000	Nil	3,000
Mr. Ajay Nihalani	4,000	Nil	4,000
Mr. Puneet Tripathi	5,000	Nil	5,000
Mr. Sudheendra Hayagreev	4,000	Nil	4,000
Ms. Pooja Bhargava	3,000	Nil	3,000
Ms. Krina Panjwani	4,000	Nil	4,000
Mr. Gaganjit Kahlon	2,000	Nil	2,000
Mr. Kirti B Thakkar	20,000	Nil	20,000

Our directors and the key managerial personnel who have been granted options and Equity Shares on the exercise of the options pursuant to ESOS 2008 have confirmed to us that they do not intend to sell any shares arising from such options for three months after the date of listing of the Equity Shares in this Issue. Other employees holding Equity Shares at the time of listing of Equity Shares and Equity Shares on exercise of vested options may sell equity shares within the three month period after the listing of the Equity Shares. This disclosure is made in accordance with para 15.3 (b) and 15.3 (c) of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2000.

6. None of our Directors or key managerial personnel holds Equity Shares in the Company, except as stated in the section titled "Our Management" beginning on page [●] of this Draft Red Herring Prospectus.

7. The Directors, the Promoters, or Promoter Group their respective directors and the BRLM to this Issue have not entered into any buy-back, standby or similar arrangements for purchase of Equity Shares of the Company from any person.

8. There have been no transfers of Equity Shares by the Directors, the Promoters and the Promoter Group entities within the last six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI, except the transfer by gift from Late Rajkumari Lakhani to Mr. Prakash Lakhani, Mr. Jaikishan Lakhani and Mr. Anil Lakhani.

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

10. Other than the employee stock options granted under ESOP Schemes detailed above, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our EquityShares.

11. Our Company has not raised any bridge loan against the proceeds of this Issue.

12. 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.

13. Some of the Equity Shares held by our Promoters are pledged as on the date of this Draft Red Herring Prospectus. The Promoters may pledge their Equity Shares with banks or financial institutions as additional security for loan whenever availed of from banks or financial institutions provided pledge of Equity Shares is one of the terms of sanction of loan.

14. An oversubscription to the extent of additional upto 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of [●] Equity Shares, as applicable by finalizing the Allotment.

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

16. Save and except as disclosed in the chapter titled "Our Management" on page no. [●] of this Draft Red Herring Prospectus, none of the Directors and Key Managerial Personnel holds any Equity Shares in our Company.

17. As on the date of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is 64 excluding holders of options outstanding under ESOS. The issue of Equity Shares pursuant to ESOS is not directly or indirectly intended to be availed by persons other than the employees eligible under ESOS.

18. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated above.

19. In case of over-subscription in all categories, not more than 50% of the Issue, shall be available for Allocation on a proportionate basis to Qualified Institutional Buyers, out of which 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder, if any, of the QIB Portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

20. Under-subscription, if any, in the Retail or Non Institutional Portion would be met with spill over from other categories or combination of categories at our discretion in consultation with the BRLMs.

21. Our Company presently does not have any intention or proposal to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split/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 the Equity Shares) whether preferential or otherwise, except if our Company plans to enter into acquisitions, mergers, joint ventures or strategic alliances, subject to necessary approvals, our Company may issue Equity Shares or securities linked to Equity Shares to finance such acquisition, merger, joint venture or strategic alliance or as consideration for such acquisition, merger, joint venture or strategic alliance or for regulatory compliance or entering into any other scheme of arrangement if determined by our Board to be in the best interests of our Company.

22. 200,000 equity shares of each of the promoters are under pledge as collateral with Bank.

23. There are restrictive covenants in the agreements entered into by our Company with certain lenders for short-term and long-term borrowing. For further details, see the section "Financial Indebtedness" beginning on page [●] of this Draft Red Herring Prospectus.

24. The Promters and members of Promoter Group will not participate in this Issue.

25. As per the RBI regulations, OCB's are not allowed to participate in the Issue.

26. The company or the promoter or promoter group shall not make any payments direct or indirect /discounts / commissions allowances or otherwise under this Issue.

For further details see "Issue Structure" beginning on page [●] of this Draft Red Herring Prospectus.

Objects of the Issue

We intend to utilize the Issue Proceeds, after deducting underwriting and management fees, selling commissions and other expenses associated with the Issue (the "**Net Proceeds**") for the following objects:

- To set up garment manufacturing facility
- Investment in our Wholly owned subsidiary company GJ Freedom Fashion Limited for expanding our retail network by expanding Exclusive Brand Outlets
- Expand our retail network by expanding FSO, SIS in Large Format Stores and Multi Brand Outlets
- Up-gradation of IT infrastructure
- General Corporate Purposes
- To meet Issue related expense and
- Create a public market for equity shares by listing securities of our company on Stock Exchanges

The main objects clause set out in our Memorandum of Association enable us to undertake the existing activities and the activities for which the funds are being raised by us, through the Issue. Further, we confirm that the activities we have been carrying out until now are in accordance with the objects clause of our Memorandum of Association.

The details of the proceeds of the Issue are summarized in the table below:

Particulars	**Rs. in million**
Gross proceeds of the Issue	[●]
Issue related expenses	[●]
Net proceeds of the Issue	[●]

Utilisation of the Gross Proceeds

The intended use of gross proceeds of the Fresh Issue is summarized in the table below:

Intended Use	**Estimated Use Rs. in million**
To set up garment manufacturing facility	445.31
Investment in wholly owned subsidiary company GJFFL	571.90
Expand retail network by expanding FSO and SIS in LFS and MBO	41.20
Up-gradation of IT infrastructure	46.77
To meet Issue related expenses#	[●]
General Corporate Purposes #	[●]

Note:
Amount for general corporate purposes and issue related expenses will be decided after finalization of the Issue Price.

The fund requirement in the table above is based on internal management estimates and quotations received from third parties and has not been appraised by any bank or financial institution. The fund requirement above is based on our current business plan. In case of any increase in the actual utilisation of funds earmarked for the above activities, such additional fund for a particular activity will be met from a combination of internal accruals, additional equity or debt infusion. If the actual utilisation towards any of the aforesaid objectives is lower than what is stated above, such balance will be used for future growth opportunities and general corporate purposes.

Details of use of Issue Proceeds

1. To setup garment manufacturing facility

Presently, our manufacturing facilities are spread across two locations at Daman and Baddi (H.P.) with a total annual capacity of 1.60 million pieces. Presently, we also outsource our requirement of garment from garment manufacturing units mainly located at Bangalore and Tirupur. The demand for our garments has grown at a CAGR of 43.28% for the period 2004- 2007. To keep pace with such growing requirement and maintain a reasonable balance between our production and outsourcing, the company plans to expand manufacturing capacity by setting up a new unit.

We are looking at expanding the manufacturing capacity from existing 1.60 million pieces per annum to 5.00 million pieces per annum. As of date our company has 600 stitching machines, which are capable of producing 1.6 million pieces of average product mix related to Kids Garment consisting of Bottoms and shirts. We are further planning to build up the manufacturing capacity consisting of 1298 machines in the sewing section, which will give the company capacity to produce additional 3.4 million pieces considering the present product mix.

The advantage of setting up our own manufacturing facility is to substantially reduce our dependence on vendors and outside companies for procuring quality garments. This would also ensure that our designs are not copied or used in any format by vendors or other outside companies and help in enhancing our brand identity.

Since we have not identified the location of the plant, we have not obtained any regulatory approvals from the Director of Industries for setting up of a unit for manufacturing apparels.

The estimated fund requirement for setting up this manufacturing facility is as follows:

Sr. No.	Description	Rs. in million
1	Land & site development	22.00
2	Factory building and Interiors	125.00
3	Plant & machinery	258.31
4	Other fixed assets	25.00
5	Pre-operative expenses	15.00
	Total	**445.31**

Status of set-up of garment manufacturing unit

Land and site development

We are in the process of identifying a suitable location for setting up the manufacturing facility in the vicinity of our manufacturing unit at Daman and the estimated cost of purchase of 6 acres of land would be approximately Rs 18 million considering the prevailing per acre cost of Rs 3.00 million in the industrial area in Vapi and nearby vicinity of our manufacturing unit at Daman as per quotation dated March 27, 2008 by Dharti Developers. An additional amount of Rs 4.00 million has been considered for the purpose of registration and land development.

Factory Building and Interiors

The details of the cost of factory building and interiors are as follows:

Particulars	Amount (Rs. in millions)
200,000 sq. fts. of construction with RCC flooring	105.00
Administrative building	15.00
Compound wall	5.00
TOTAL	**125.00**

The above estimated cost of Factory Building and Interiors is as per the quotation received from Vastukala, Architects – Interiors dated February 19, 2008

Plant & Machinery

The major process and handling equipment for which we have received quotations from India Industrial Garment Machines Pvt Limited (IIGM) dated March 01, 2008 are as follows:

S. NO	TYPE OF MACHINE	MAKE	QTY	Cost (Rs. in million)	Quotation From
	CUTTING SECTION				
1	**CAD_SW_AM_AE#**	GERBER			
	Advance edition software.				
	Pattern Input				
	Pattern design station.				
	Plotter				
	Infinity Plotter (72 inch width)				
	Total		1	2.47	IIGM
2	**Pattern Cutter#**	GERBER	2	1.49	IIGM
3	**Cut Planner#**	GERBER	1	0.92	IIGM
4	**Cloth Winding Machine#**	HASHIMA	2	0.40	IIGM
5	**XLs-50#**	GERBER	2	5.74	IIGM
	Gerber spreader XLs-50 with complete accessories				
6	**Mable#**	GERBER	5	0.24	IIGM
	Mable air floatation table 18 meter X 2.2 meters.				
7	**Gerber Cuter TM#**	GERBER	2	17.22	IIGM
	Gerber cutter Xlc 7000 with complete accessories				
8	**629 (8") Blue Streak#**	EASTMAN	2	0.13	IIGM
	Straight knife cutting machine.				
9	**627 (8") Brute#**	EASTMAN	4	0.27	IIGM
	Straight knife cutting machine.				
10	**CD3H (8")#**	EASTMAN	4	0.28	IIGM
	Cloth Drill				
11	**EC-3#**	EASTMAN	8	0.24	IIGM
	Manual end Cutter				
12	**EC-700N (1500mm X 1800mm)#**	EASTMAN	2	0.46	IIGM
	Band knife cutting machine.				
	EMBROIDERY SECTION				
1	Embroidery Machine(20 head)#	BARUDAN	5	23.96	IIGM
2	Embroidery Machine(8 head)#	BARUDAN	1	2.66	IIGM
	SEWING SECTION				
1	**ETON #**	ETON	500	86.53	IIGM
	Basic production hanging conveyor system with standard				

	accessories.				
2	**DDL-8700-7-WB/SC500#**	JUKI	200	8.18	IIGM
	Single needle lockstitch machine with underbed trimmer &				
	servo motor complete set.				
3	**DDL-8700-7-WB/SC500/CP160A#**	JUKI	50	2.27	IIGM
	Single Needle, Lockstitch machine with underbed thread				
	trimmer and control panel complete set.				
4	**DDL-8700H-7-WB/SC500#**	JUKI	85	3.48	IIGM
	Single needle lockstitch machine for heavy duty application				
	complete set.				
5	**DDL-8700H-7-WB/SV500/CP150#**	JUKI	15	0.68	IIGM
	Single needle lockstitch machine for heavy duty application with underbed trimmer, servo motor & control panel				
6	**DLM-5200ND#**	JUKI	36	1.60	IIGM
	Single needle lockstitch machine with edge trimmer				
	complete set.				
7	**DLN 6390S-7/WOA/SC510/KS#**	JUKI	28	5.85	IIGM
	Bottom hemming machine complete set.				
8	**LH-3178GF#**	JUKI	70	6.61	IIGM
	Double needle lockstitch machine with large hook complete				
	set.				
9	**LH-3568SF#**	JUKI	8	0.71	IIGM
	Two needle lockstitch machine complete set.				
10	**LH-3528SSF#**	JUKI	10	0.66	IIGM
	Double needle lockstitch machine with fixed bar				
	complete set.				
11	**WX 8842-1#**	KANSAI SPL.	40	5.45	IIGM
	Two needle double chainstitch machine with top cover				
	thread complete set.				
12	**LK-1900ASS/MC-596-KSS#**	JUKI	15	2.48	IIGM
	Computer controlled bartack machine complete set.				
13	**MS-1190MF/VO46R#**	JUKI	80	12.17	IIGM
	Feed- off-the-arm machine complete set with rear puller.				
14	**MS-1261/VO45S#**	JUKI	14	2.28	IIGM
	Three needle chainstitch feed off the arm machine				
	complete set.				
15	**MO-6716S-DE4-40H#**	JUKI	80	3.18	IIGM

	Five thread overlock machine complete set.				
16	**MO-6716S-FF6-60H#**	JUKI	8	0.32	IIGM
	Double needle five thread overlock machine for heavy duty				
	application complete set.				
17	**AVP-875#**	JUKI	3	7.67	IIGM
	Automatic pocket setter complete set.				
	Alternatively				
	NS-84S (Single)#	NGAISHING	6	1.53	IIGM
	Automatic pocket creasing machine.				
18	**AMS-221E#**	JUKI	4	4.05	IIGM
	Computer controlled cyclic machine complete set.				
19	**APW-895#**	JUKI	2	2.34	IIGM
	Automatic pocket welting machine complete set.				
20	**DLR-1508P (without folder)#**	KANSAI Spl.	15	1.06	IIGM
	Four needle double chainstitch machine complete set.				
21	**DFB-1404PSF#**	KANSAI SPL	8	0.53	IIGM
	Shirt front placketing making machine complete set.				
22	**B-2000C#**	KANSAI Spl.	6	0.41	IIGM
	Belt loop making machine complete set.				
23	**MJ-3300#**	LOIVA	10	4.95	IIGM
	Auto jig machine.				
24	**MOL-254#**	JUKI	5	6.12	IIGM
	Automatic belt loop attaching machine complete set.				
MID-PROCESSING SECTION					
1	**HP-600LCS#**	HASHIMA	4	1.60	IIGM
	Fusing press.				
2	**HI-550P#**	HASHIMA	10	0.11	IIGM
	Industrial Steam Iron.				
3	**HP-450CS#**	HASHIMA	1	0.12	IIGM
	Fusing Machine.				
4	**NS-81#**	NGAISHING	4	1.21	IIGM
	Collar trimming, turning and blocking machine complete				
	set.				
5	**NS-92L#**	NGAISHING	4	0.75	IIGM
	Collar control trimmer.				
6	**NS-55#**	NGAISHING	3	0.31	IIGM
	Thread sucking machine with electric eye sensor				
7	**NS- 95#**	NGAISHING	2	0.07	IIGM
	pneumatic collar notcher.				
8	**NS-85#**	NGAISHING	4	0.83	IIGM
	Cuff Blocking Machine complete set.				

9	**NS-8143#**	NGAISHING	4	2.04	IIGM
	Collar and cuff press.				
10	**NS-860-25#**	NGAISHING	2	0.63	IIGM
	Hydraulic die cutting machine.				
11	**NS-93#**	NGAISHING	8	0.16	IIGM
	Spot welding machine.				
12	**NS-650#**	NGAISHING	10	0.91	IIGM
	Pneumatic shirt folding table.				
13	**NS-94AC#**	NGAISHING	3	0.48	IIGM
	Placket cutting machine with stacker.				
14	**NS-5503#**	NGAISHING	3	1.66	IIGM
	Sleeve placket folding and ironing machine.				
15	**NS-9084S-N#**	NGAISHING	2	0.59	IIGM
	pneumatic steam pocket creasing machine.				
16	**NS-93#**	NGAISHING	2	0.08	IIGM
	Collar curve edge notcher				
		FINISHING SECTION			
1	**LBH-1790S#**	JUKI	10	2.98	IIGM
	Computer controlled lockstitch buttonhole machine.				
	complete set.				
2	**LK-1903ASS-301/MC-596-KSS#**	JUKI	8	1.70	IIGM
	Computer controlled Lockstitch button stitch machine				
	complete set.				
3	**MEB-3200CSKA#**	JUKI	4	2.24	IIGM
	Direct Drive Eyelet Button holing Machine complete set.				
4	**T-16#**	TEKMATIC	20	1.38	IIGM
	Thread trimming machine				
5	**NS-47#**	NGAI SHING	20	1.28	IIGM
	Pneumatic Snap Attaching Machine				
6	**BLB-28***	ROTONDI	8	3.75	IIGM
	Legger				
7	**BL E-30***	ROTONDI	3	1.15	IIGM
	Topper.				
8	**TF/AL***	ROTONDI	5	3.19	IIGM
	Vertical Form Finisher				
9	Ironing System consists of				
(i)	**EC-11***	ROTONDI	20	0.21	IIGM
	Electric Steam Iron				
(ii)	**1970***	ROTONDI	20	0.85	IIGM
	Vacuum Ironing Table				
(iii)	**IGOS-57***	ROTONDI	2	0.44	IIGM
	Electric steam generator				
	Total			**258.31**	

Notes:

1) All machinery is to be imported
2) # It is assumed that 1US$ = Rs 40
3) * 1 Euro = Rs 64
4) We are yet to place orders for any of the above mentioned machinery
5) We do not propose to buy any second hand machinery from the Issue Proceeds

Other fixed assets

The cost of other fixed asset/utilities such as Furniture and Fixtures, Computers & electric installation will vary from location to location. We estimate approximately Rs. 25.00 million will be incurred by us towards utilities & electric installation and other fixed assets.

Pre-operative expenses

We also estimate approximately Rs 15.00 million towards pre-operating expenses i.e cost incurred towards employment, professional & legal fee, construction insurance and other incidental expenses towards setting up the new manufacturing unit.

Schedule of Implementation for manufacturing plant

S. No.	Activity	Commencement date	Completion date
1.	Identification and purchase of land	March, 2008	May,2008
2.	Site Development	May,2008	June,2008
3.	Construction of Factory and Building	June,2008	December,2008
4.	Ordering and Installation of Plant & Machinery	October,2008	Februray,2009
5.	Trial run and Commercial Production	February, 2009	March, 2009

2. Investment in wholly owned subsidiary company GJFFL for expansion of retail network by expanding EBO of all brands

We recognize that the organized kids wear segment has shown signs of growth over the past couple of years. We have launched EBO through our wholly owned subsidiary GJFFL, which sells our own branded, Licensee and distribution range. We have a Licensee agreement with Levi Strauss (India) Pvt Limited, under which we design, manufacture and market Kidswear under the name of their kidswear Brand "Levi's Sykes Junior" We are also all India distributors of Benetton India Private Limited and Reebok India Company for their kidswear category in India.

In order to expand and consolidate our presence in these categories, we plan to expand Exclusive Brand Outlets of Palmtree, Gini & Jony etc and Freedom Fashion Stores through our wholly owned subsidiary, GJ Freedom Fashions Limited. We shall be investing in our subsidiary in the form of equity and/or unsecured loan. For details on GJFFL, our wholly owned subsidiary please refer to the section titled 'Our Subsidiaries' on page [●] of the DRHP

At present we have 60 EBO's catering our various brands in 40 cities. We believe that exclusive stores give us greater visibility and flexibility in displaying our merchandise and reduce our dependence on third party sales. To further promote our brands, we intend to set up exclusive stores for our mid income brand 'Palm Tree' and exclusive stores in premium segment catering to Gini & Jony & other brands.

We have planned additional 60 Freedom Fashion Stores (EBO-FF), 50 Exclusive Brand Outlets of Gini & Jony (EBO-GJ) & 450 Palm Tree Stores (EBO-PT). Out of 60 EBO -FF to be opened, the company has identified 44 stores and has executed letters of intent/memorandums of understanding for 17 EBO -FF. Out of 50 EBO-G&J to be opened, we have identified 50 stores and have executed letters of intent/memorandum of understanding for 12. Out of 450 EBO-PT to be opened, we have identified 117 stores and have executed letter of intent/memorandum of understanding for 30 stores as of date. We are yet to identify the locations for the remaining 349 planned EBO- FF and EBO-P T Stores.

Set out below are the details of the letters of intent/memorandum of understanding that we have entered into as on March 31, 2008 in relation to the Planned EBOs that we propose to open:

EBO-FF

Number Of Stores	Store Format	Location tied up	Area (Sq. ft.)	Leasehold/Outright purchase	Lease rent per month Rs million)
1	FF	Cosmos Mall, Siliguri, West Bengal	3901	Lease	0.20
2	FF	Megapolis, Near Cadbury, Thane,Maharashtra	1300	Lease	0.26
3	FF	Pal Heights,Bhubaneswar, Orissa	1935	Lease	0.14
4	FF	Little World,Sector -21, Kharghar,Maharashtra	4404	Lease	0.22
5	FF	Maxus Mall,Bhayandar(W), Bhayandar,Maharashtra	2350	Lease	0.11
6	FF	Oberoi Mall,Goregaon, Mumbai,Maharashtra	3633	Lease	0.44
7	FF	GVK One, Hyderabad, Andhra Pradesh	3181	Lease	0.48
8	FF	City Centre Mall, Lawate Nagar, Nasik,Maharashtra	1990	Lease	0.12
9	FF	Z-Square Mall,M.G.Rd, Kanpur,Uttar Pradesh	2775	Lease	0.24
10	FF	C21 Mall, A.B Road, Indore,Madhya Pradesh	4050	Lease	0.22
11	FF	C21 Mall, Hoshangabad Road, Bhopal,Madhya Pradesh	3444	Lease	0.23
12	FF	Surya Mansions Pvt. Ltd. Shop no. 5,6 & &7 Kolkata	2019	Lease	0.19
13	FF	Centra Mall, Uppal, Plot No. 177D, Industrial Area, Chandigarh	1808	Lease	0.27
14	FF	The West End Mall Ludhaina,Punjab	4214	Lease	0.48

15	FF	Devshar Garments Pvt Ltd Howrah	2142	Franchisee	0.00
16	FF	Good Hope Vinimay , Conventary Sales & Ebony India Sinha Road ,CKolkatta, West Bengal	1608	Lease	0.16
17	FF	Surya Merchants, Shop No. 21 and 22, Lower ground Floor, Shopprix Mall, Vaishali, Ghazihabad, U.P.	1026	Lease	0.06

EBO - GJ

Number Of ores	Store Format	Location tied up	Area (Sq. ft.)	Leasehold/Outright purchase	Lease rent per month Rs. million)
1	EBO-GJ	High Street, Mohali, Punjab	3000	Lease	0.16
2	EBO-GJ	Sai Trendsetter, Saharanpur, Uttar Pradesh	625	Franchisee	0.04
3	EBO-GJ	Crown Interiorz, Faridabad, Haryana	1487	Lease	0.12
4	EBO-GJ	City Walk, New Delhi,	1476	Lease	0.22
5	EBO-GJ	Toddler Enterprises, Agra, Uttar Pradesh	540	Franchisee	0.00
6	EBO-GJ	Unisex Fashions High Street, Chandigarh,	1000	Franchisee	0.55
7	EBO-GJ	Poonam Mall, V.I.P Road, Nagpur,Maharashtra	1674	Lease	0.13
8	EBO-GJ	Gulmohar Mall, Sattellite Road, Ahmedabad,Gujarat	1499	Lease	0.08
9	EBO-GJ	Citi Mall 36, Raipur	926	Lease	0.06
10	EBO-GJ	Mall Hotel Ltd. The Mall Road, Varanasi Cantt, Varanasi - 221002	1472	Lease	0.10

11	EBO-GJ	Navratna S.G.Highway Properties Pvt. Ltd. Basement, Ashokwadi apt., Panchwati, Ahmedabad	1501	Lease	0.08
12	EBO-GJ	Matru Mandir, Prasad Circle, Gangapur Road, Nashik	825	Lease	0.03

EBO-Palm Tree

Number Of Stores	Store Format	Location tied up	Area (Sq. ft.)	Leasehold/Outright purchase	Lease rent per month/cost in Rs. Million)
1	EBO – PT	Lords Garments, Moradabad,Uttar Pradesh	460	Franchisee	0.02
2	EBO – PT	Shakambari Reality Pvt. Ltd., Bhagalpur, Bihari	488	Lease	0.06
3	EBO – PT	Khushboo Garments, Hosiarpur, Punjab	410	Franchisee	0.03
4	EBO – PT	Garg Creations, Aligarh, Uttar Pradesh	350	Franchisee	0.02
5	EBO – PT	Kids Plannet G-10/16, N N Mall, Keshav Raod, Coochbihar West Bengal	210	Franchisee	0.01
6	EBO – PT	Trendz,Gr. Floor, Near Broad way, Garali, Jorhat, Assam	467	Franchisee	0.02
7	EBO – PT	Kids Couture,Darjeeling, West Bengal	582	Franchisee	0.02
8	EBO – PT	High Street,Bilaspur, Chattisgarh	240	Lease	0.02
9	EBO – PT	Gannesh Associates Simpark, Kolkata, West Bengal	400	Franchisee	0.02
10	EBO – PT	High Street,Raxaul, Bihar	400	Franchisee	0.01
11	EBO – PT	Jyoti Kidswear, Twin tower (patna), Bihar	350	Franchisee	0.01

12	EBO – PT	Wiz Kids, Malviya Nagar, Raipur,Chhatisgarh	500	Franchisee	0.03
13	EBO – PT	Arham Plaza,Shahpuri, Kolhapur,Maharashtra	400	Lease	0.02
14	EBO-PT	Kids Planet,Sadar Bazaar, Shahjahanpur,U P	450	Franchisee	0.02
15	EBO-PT	General Store Pathankot,Punjab	500	Franchisee	0.02
16	EBO-PT	AG Polymer & Faberies (P) Ltd.,New Market, Kolkata	390	Lease	0.03
17	EBO-PT	Bhagwati Apparels Shri Ganga nagar, Rajasthan	455	Franchisee	0.02
18	EBO-PT	Madhuban Adlabs Gandhidham,Gujarat	236	Franchisee	0.00
19	EBO-PT	Madhuban Adlabs Jamnagar,Gujarat	236	Franchisee	0.00
20	EBO-PT	Airoli,Navi-Mumbai	650	Lease	0.06
21	EBO-PT	Shreeram Arcade Kolkatta,West Bengal	390	Franchisee	0.02
22	EBO-PT	High Street, Govind Nagar, Nashik Maharastra	450	Lease	0.01
23	EBO-PT	Shop No. 24 CWing, Manik Complex, Plot No. 16, 17, Sector 29, Vashi, Navi Mumbai	450	Lease	0.03
24	EBO-PT	Shop No. S-08, & S-09, Bhoomi Ganga Co-op Hsg. Soc. Ltd. Plot No. 4-A, Bhoomi Enclav, Mahavir Nagar, Kandivli (E), Mumbai 400067	425	Franchisee	0.04
25	EBO-PT	Anita Fashions Dehradun	360	Franchisee	0.02
26	EBO-PT	Plot No. 5/6, Sector 44, Nerul, New Mumbai.	365	Lease	0.03

27	EBO-PT	Sl-Lounge,Gandhi Nagar,Jammu	308	Franchisee	0.02
28	EBO-PT	K.C.Developers, India Pvt. Ltd, Cross road Mall, 1st floor, Civil lines, Muradabad, U.P.	470	Lease	0.03
29	EBO-PT	Kids World, Sanant Trade Centre Sevoke Road,Siliguri	340	Franchisee	0.02
30	EBO-PT	Lotus Park Plot No.150, Sharvan Sector, Near Adlab, Trimurti Chawk, Nashik	487	Lease	0.01

We intend to enter into definitive long-term lease, leave and license, conducting or other arrangement with the developers/property owners for planned new stores. We have already entered into preliminary contractual arrangements/sale deed with the developers/property owners for planned 59 new stores as detailed hereinabove and paid the earnest security deposit aggregating to Rs. 15.23 million. The same has been funded out of internal accruals.

Since we do not own all of these premises in which our stores are located, but take them on various arrangements, security deposits are payable by us on entering into the commercial arrangement with the developers/property owners.

We estimate the total fund requirement excluding security deposits on our proposed 560 stores at Rs. 437.50 million. Store Capex includes cost of interiors & cost of utilities. Cost of interiors include electricals, lighting, air conditioning, furniture, fixtures, security systems, display equipment, shop opening expenses and other establishment related expenses and cost of utilities include hangers, Manaquins, visual merchandiser and in-store IT systems.

The average cost of setting up an EBO excluding security deposit of various formats is as follows:

EBOs	**Average Carpet Area (Sq. ft.)**	**Average cost of interiors per Sq. ft. (Rs.)**	**Cost of Utilities (approx Rs. million/EBO)**
EBO-GJ	600	1200	0.13
EBO-FF	2000	1200	0.25
EBO – PT	400	1000	0.13

The average cost of interiors per sq.ft. is as per quotation received from Property Shoppe dated February 17, 2008.

We enter into contracts with vendors for the supply of the same a few months before we expect the property to be handed over to us to operate our stores. We do not envisage any difficulty in sourcing these equipment and services as these are standard equipments which is available at short notice. For the aforesaid retail outlets, we have not obtained any quotations from suppliers and have not ordered for any of the equipments.

The break up of the total cost of Rs. 571.90 million and year wise schedule of implementation of the same is as given below:

(Rs. in million)

	2009	**2010**	**Total**
Proposed EBOs	260	300	560
Security deposits*	66.16	68.24	134.40
Furniture & fixture electrical, lighting, air-conditioning, Utilities & other misc expenses	209.85	227.65	437.50
Total	**276.01**	**295.89**	**571.90**

* - Security Deposit is considered at average rentals of 4 months. However, different location would attract different rentals.

3. Expand our retail network by expanding FSO, SIS in Large Format Stores and Multi Brand Outlets.

Presently, our fashion calendar is divided into two seasons (Spring-Summer and Autumn- Winter). The fashion trend in the kids wear industry is dynamic and new designs need to be introduced at regular intervals. Consequently, after every fashion season there are left out apparels in odd lots, odd colours, odd sizes, etc. and some slow moving items. FSO are discount stores which clear these left out apparels, slow moving and seconds items throughout the year. Presently the Company has 38 FSO. The Company proposes to open 20 new FSO in mini metros and tier two cities across the country in financial year 2008-09 and 2009-10. This will help in increasing the Company's stock turnover ratio. The opening of the FSO depends upon the EBO and LFS rollout plans of the company and its concentration of sales in a particular region. As of date the company has not identified or entered into any definite agreement for proposed rollout plans of FSO.

Our products are also available in all leading large format stores such as Shoppers' Stop, Lifestyle, Reliance Stores, Big Bazaar, etc. Separate space is allocated to us in these LFS to exhibit our products. At present, we have 706 MBOs and 124 SIS. The cost of furnishing this specific space in some of LFS is our responsibility. Similar is the case in large format MBO which provide us dedicated space. We plan to open additional 190 SIS by March, 2010 and have considered a cost of furnishing of Rs.500 per sq fts towards the same. The average space allotted in SIS in LFS and MBO is 200 sq. ft. in case of budget segment and is 400 sq fts in case of premium segment catering to all the premium brands of the company.

A FSO will have an average built up area of approximately 400 sq. ft. The cost of interiors of an FSO is estimated at approximately Rs. 1000/- per sq. ft. and cost of utilities per FSO is approximately Rs. 0.10 million.

The estimated fund requirement for setting up FSO and furnishing of shop-in-shop in LFS and MBO are as follows:

(Rs. in million)

	2009	2010	Total
Proposed FSOs (Roll out plan) in numbers	10	10	20
Security deposits for FSO	1.60	1.60	3.20
Furniture & fixture incl. electrical, lighting, air-conditioning for FSO	5.00	5.00	10.00
Proposed SIS in LFS/MBO (Roll out plan) in numbers	90	100	190
Furniture & fixtures in SIS in LFS/MBO	13.00	15.00	28.00
Total	**19.60**	**21.60**	**41.20**

4. Up -gradation of Information Technology Infrastructure

Keeping in line with our focus on Information technology as a strategic advantage over competition and a growth catalyst we propose to invest in the following:

- Setting up of Data Center at our head office in Mumbai comprising of a Mail Server, ERP Server, Storage /Backup system,
- Setting up of a Disaster recovery site,
- Establishing data/voice/video link between the data center and our remote locations, i.e., warehouses, branches, C&F, retail outlets
- Integration cost of the present ERP system.

- Security of data & information being critical has also been included in the investment plan.
- Setting up of comprehensive CRM program
- Launch of B2B site for connecting our business partners with the internal processes across a common platform.

The total investment in IT has been classified into two categories:

1. Hardware Investments.
2. Software Investments.

Hardware Investments

S. No	Description	Estimated Units	Cost/Unit (Rs. in million)	Total Cost (Rs in million)
1	Server	5	0.75	3.75
2.	Data Storage Devices	1	0.8	0.80
3.	Disaster Recovery Site	1	1.30	1.30
4.	Security /Firewall System	1	0.70	0.70
5.	Data Center Setup	1	0.80	0.80
6	Switches/Routers	11	0.085	0.94
Total hardware investments				**8.29**

Software Investments

S. No	Description	Estimated Units	Cost/Unit (Rs. in million)	Total Cost (Rs. in million)
1.	ERP Software -Enterprise license (300 Users)	1	15.60	15.60
2.	ERP Software (Implementation Cost)	1	15.60	15.60
3.	PLM Software –License			2.50
4.	HR Software – Enterprise License. (2000 user)	1	1.56	1.56
5.	MS Office – User License	100	0.0165	1.65
6.	Server Licenses	10	0.032	0.32
7.	Server Cal Licenses	100	0.001	0.10
8	MS Vista Licenses	100	0.0065	0.65
9.	Security Software – Enterprise License	1	0.50	0.50
Total software investments				**38.48**

The total of hardware and software quotation totals to Rs. 46.77 million.

The above quotations are received from Ptex Solution dated February 05, 2008, Embee Software Pvt Limited dated February 05, 2008, Porwal Systems & Services dated February 12, 2008 & Logic Software dated February 14, 2008

5. General Corporate Purposes

We intend to use the balance proceeds of the Issue, if any, for general corporate purposes, including but not restricted to working capital requirement. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

6. Issue Expenses

The Issue expenses include, among others, Issue management fees, underwriting and selling commission, distribution expenses, fees payable to advisors, printing and stationery expenses, advertising and marketing expenses, listing fees to stock exchanges, registrar and depository fees. Expenses related to this Issue will be borne by our Company.

We intend to utilize approximately Rs. [●] million from the proceeds of the Issue towards the Issue expenses. This will constitute [●]% of the issue size.

The estimated Issue expenses are as follows:

(Rs. in million)

Particulars	Expense
BRLMs fee, underwriting and selling commission	[●]*
Advertising and marketing expenses	[●]*
Printing, stationery and dispatch expenses	[●]*
IPO grading fees	[●]*
Registrars fees,	[●]*
Legal Advisors expenses	[●]*
SEBI filing fees	[●]*
Other expenses (listing fees, bidding charges, depository fees, Auditor's fees etc.)	[●]*
Total estimated Issue expenses	[●]*

** To be incorporated at the time of filing the Prospectus with the RoC.*

Means of Finance

All the above Objects are proposed to be funded entirely through the proceeds of the Fresh Issue. In case of any shortfall / cost overrun, we intend to meet the capital expenditure from our internal accruals and/or term loans that may be availed from the banks/ financial institutions.

Working Capital Requirement

The net proceeds of the Issue will not be used to meet our working capital requirements as we expect sufficient internal accruals to meet our existing working capital requirements.

Interim use of proceeds

Pending utilization for the purposes described above, we intend to invest the funds in quality interest bearing liquid instruments including deposits with banks or investments in Mutual Funds or other investment grade interest bearing securities. Such investments would be in accordance with the investment policies or investment approvals approved by the Board from time to time.
Further, we confirm that no part of the proceeds from the Fresh Issue will be paid as consideration to any of our Promoters, Directors, key management personnel, associates or group companies except in the ordinary course of business.

Funds Deployed by our Company

Our Statutory Auditors, M/s/ Bhageria Naredi & Associate, Mumbai have certified vide their certificate dated April 25, 2008 that an amount of Rs. 41.62 million has been incurred upto April 25, 2008 towards the objects of the issue.

Particulars	Amount (Rs.in Million)
Issue Related Expenses	3.16
Investment in Wholly Owned Subsidiary (GJ Freedom Fashions Limited)	38.46
Total	**41.62**

This expenditure has been presently funded through our internal accruals. We intend to utilize the Issue proceeds for replenishing the internal accruals to the extent of expenditure already incurred towards the above activities.

Fund Deployed by GJ Freedom Fashions Limited

The Statutory Auditors, M/s/ Bhageria Naredi & Associate, Mumbai have certified vide their certificate letter dated April 25, 2008 that an amount of Rs. 38.46 million has been incurred upto April 25, 2008 towards the objects of the issue.

Particulars	Amount (Rs.in Million)
Security Deposit	15.23
Furniture & Fixture#	23.23
Total	**38.46**

includes advances payment, freight, duties and other incidental expenses.

The above expenditure has been entirely met through investment from Gini & Jony Limited.

Schedule of Implementation:

Activity	Commencement date	Completion date
Setting up of garment manufacturing facilities	March, 2008	March, 2009
Investment in wholly owned subsidiary company GJFFL for expansion of retail network by expanding EBO of all brands	May, 2008	March, 2010
Expand retail network by expanding FSO and SIS in LFS and MBO	May, 2008	March, 2010
Up-gradation of IT infrastructure	June, 2008	March, 2009
To meet Issue related expenses	January, 2008	August, 2008

Requirement of Funds and Schedule of Utilisation

The Company proposes to utilize entire proceeds of the Fresh Issue in the FY 2008-09 and 2009-10. The year wise breakup of utilization of issue proceeds of the above mentioned capital expenditure program as estimated by the management over the next two years is as stated below

(Rs. in million)

Project/Activity	For the year ending on 31st March		
	2009	2010	Total
To setup garment manufacturing facilities	445.31	-	445.31
Investment in wholly owned subsidiary company GJFFL	276.01	295.89	571.90
Expand retail network by expanding FSO and SIS in LFS and MBO	19.60	21.60	41.20
Up-gradation of IT infrastructure	46.77	-	46.77
To meet Issue related expenses	[●]	-	[●]
General Corporate Purposes	[●]	-	[●]

Monitoring of Utilisation of Proceeds

As required under the listing agreements with the Stock Exchanges, the Audit Committee appointed by our Board of Directors will also monitor the utilization of the Issue proceeds. We will disclose the utilization of the proceeds, including interim use, of the Issue under a separate head, in our quarterly financial disclosures and annual audited financial statements until the Issue proceeds remain unutilized, to extent required under the applicable law and regulation. In connection with the utilization of the proceeds of the Issue, the Company shall comply with the requirements of the listing agreements with the Stock Exchanges, including clauses 43A and 49 of the listing agreement as amended from time to time.

In consonance with clause 49 of the listing agreement, the Company shall disclose to the Audit Committee, the uses / applications of funds by major category on a quarterly basis as a part of the quarterly declaration of financial results. Further, on an annual basis, the Company shall prepare a statement of funds utilized for purposes other than those stated in the Prospectus and place it before the Audit Committee. Such disclosure shall be made till such time that the full money raised through the Issue has been fully spent. This statement shall be certified by the statutory auditors of the Company.

The audit committee shall review, with the management, the statement of uses / application of funds raised through the IPO, the statement of funds utilized for purposes other than those stated in the prospectus, and make appropriate recommendations to the Board to take up steps in this matter.

Furthermore, in accordance with Clause 43A of the listing agreement, we shall furnish to the stock exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds of a public issue from the objects stated in the offer document after placing it before the Audit Committee in terms of Clause 49. We shall ensure that any material deviations/ adverse comments of the Audit committee are made public through advertisements in newspapers simultaneously with the interim or annual financial results.

No part of the Issue proceeds will be paid as consideration to Promoters, directors, key managerial personnel, Associate or Group companies.

BASIS FOR ISSUE PRICE

The Issue Price of Rs. [●] has been determined by us in consultation with the BRLM on the basis of the demand from the investors for the offered Equity Shares through the Book Building Process. The face value of Equity Shares is Rs.10/- and the Issue Price is [●] times the face value.

Qualitative Factors:

1. Established brand in the kidswear segment
2. Design and merchandising expertise
3. Widespread and multi-channel distribution network
4. Tie-up with reputed international brands
5. Developed manufacturing facilities
6. Experienced Promoters and professional management team

Quantitative Factors

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

1. **Adjusted Weighted Average Earnings Per Share (EPS)**

For our Company on standalone basis

	Particulars	**EPS (Basic) (Rs.)**	**EPS (Diluted) (Rs.)**	**Weight**
a)	Year ended March 31, 2005	6.77	6.77	1
b)	Year ended March 31, 2006	7.33	7.33	2
c)	Year ended March 31, 2007	9.63	9.63	3
d)	Period ended December 31, 2007*	9.78	9.78	
e)	**Weighted Average EPS**	**8.39**	**8.39**	

* Not annualised for the FY 2008

Note: EPS has been calculated (in accordance with AS- 20) as per the following formula: Net profit after tax available to equity shareholders / Weighted average number of equity shares

2. Price/Earning Ratio (P/E) in relation to Issue Price of Rs. [●] per Equity Share of Rs. 10 each

Particulars	**P/E (no. of times)**
a) Based on Basic EPS for the year ended March 31, 2007 of Rs. 9.63 on standalone basis • P/E ratio in relation to the Floor Price • P/E ratio in relation to the Cap Price	 [●] [●]
b) Based on Diluted EPS for the year ended March 31, 2007 of Rs. 9.63 on standalone basis • P/E ratio in relation to the Floor Price • P/E ratio in relation to the Cap Price	 [●] [●]
c) Based on weighted average Basic EPS for the year ended March 31, 2007 of Rs. 8.39 on standalone basis	

• P/E ratio in relation to the Floor Price • P/E ratio in relation to the Cap Price	[●] [●]
d) Based on weighted average Diluted EPS for the year ended March 31, 2007 of Rs. 8.39 on standalone basis • P/E ratio in relation to the Floor Price • P/E ratio in relation to the Cap Price	 [●] [●]
c) Textiles – Products Industry : P/E of the Industry*: - Highest - Lowest - Average (Composite)	 240.6 3.7 26.4

*Source: Capital Markets Volume XXIII/03 April 07 - April 20, 2008, Industry classification: Textile -Products

Accounting Ratios of some of companies in the same Industry group:

Particulars	EPS (Rs.)	P/E	RONW (%)	NAV (Rs.)
Kewal Kiran Clothing	14.7	18.7	22.9	102.2
Koutons Retail	11.3	-	44.5	86.3
Provogue India	10.1	85.7	10.8	133.2
Zodiac Clothing Co.	15.9	20.6	14.6	120.1

Note: The EPS, RONW and NAV figures are based on the latest audited results for the year ended March 31, 2007 and P/E is based on trailing twelve months (TTM) and Market data.

Source: Capital Markets Volume XXIII/03 April 07 - April 20, 2008, Industry classification: Textile -Products

3. Return on Net Worth

For our Company on standalone basis

		RONW (%)	Weight
a)	Year ended March 31, 2005	31.25	1
b)	Year ended March 31, 2006	14.02	2
c)	Year ended March 31, 2007	16.88	3
d)	For period ended December 31, 2007*	14.85	
e)	**Weighted Average**	**18.32**	

* Not annualised for FY 2008

Minimum return on total net worth needed after the Issue to maintain pre-Issue EPS of Rs.9.63 on standalone basis is [●] % .

4. Net Asset Value

Particulars	**NAV (Rs. Per Equity Share) on standalone basis**
a) As at March 31, 2007	57.07
b) As at December 31, 2007	65.87
c) After Issue #	[●]
d) Issue Price #	[●]

Will be determined on completion of book building process

5. The face value of our Equity Shares is Rs. 10 each and the Issue Price is [●] times of the face value of our Equity Shares.

6. The BRLM believes that the Issue Price of Rs. [●] per Equity Share is justified in view of the above qualitative and quantitative parameters. Specific attention of the investors is invited to the sections titled “Risk Factors”, “Our Business” and “Financial Statements” beginning on pages [●], [●] and [●] respectively of this Draft Red Herring Prospectus respectively. 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 investments.

7. The Issue Price of Rs. [●] has been determined by us in consultation with BRLM and on the basis of the demand from the investors for the Equity Shares through the Book Building Process and is justified on the basis of the above accounting ratios.

STATEMENT OF TAX BENEFITS

The Board of Directors
Gini & Jony Limited
A-601, Citi Point,
Andheri Kurla Road,
Andheri (East),
Mumbai 400059

Dear Sirs,

RE: STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

We have been requested by the management of Gini & Jony Limited to prepare a Statement of key tax benefits, which are available to the Company and the prospective shareholders under current direct tax laws and other direct tax laws presently in force in India.

The tax benefits listed below are the possible benefits available under the current direct 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 tax laws. Hence, the ability of the company or its shareholders to derive the tax benefits is entirely dependent upon fulfilling such conditions, which based on business imperative it faces in the future, it may or may not choose to fulfil.

This Statement is only intended to provide broad direct tax benefits to the company and its shareholders in a general and summary manner and does not purport to be a complete analysis or listing of all the possible provisions or tax consequences of the subscription, purchase, ownership or disposal etc. of these shares. In view of the individual nature of tax consequence and the changing tax laws, each investor is advised to consult his/her/their own tax adviser with respect to specific tax implications arising out of their participation in the issue.

1. Special benefits available to the company under the Income Tax Act, 1961 ("the Act")

Deduction under Section 80-IB(4) of the Act for an Industrial undertaking in an industrially backward state specified in the Eighth Schedule shall be hundred percent of the profits and gains derived from such industrial undertaking for five assessment years beginning with the initial assessment year and thereafter for next five years, thirty percent of the profits and gains derived from such industrial undertaking .The Company owns such an Industrial undertaking in Daman(U.T.).

Deduction under Section 80-IC(2)(a)(ii) of the Act for an undertaking or enterprises set up in an Industrial area as notified by the Central Board of Direct Taxes in connection with schemes framed by the Central Government in this regard, in the State of Himachal Pradesh on or after 7th day of January,2003 and ending before the 1st day of April,2012 shall be hundred percent of the profits and gains derived from such undertaking for five assessment years beginning with the initial assessment year and thereafter for next five years, thirty percent of the profits and gains derived from such undertaking. Further such Industrial undertaking should not manufacture or produce any article or thing as specified in the Thirteenth Schedule of the Act. The company owns two such undertakings in an Industrial area in Baddi in the state of Himachal Pradesh.

2. General benefits available to the company under the Income Tax Act, 1961 ("the Act")

A) BUSINESS INCOME:

(i.) **Depreciation:**
The Company is entitled to claim depreciation under Section 32 of the Act on specified tangible and intangible assets owned by it and used for the purpose of its business. Unabsorbed depreciation, if any, for Assessment Year (AY) can be carried forward and set off against any source of income in the subsequent AYs as per section 32 of the Act.

(ii.) As per Section 35D, any expenditure incurred before commencement of business or after commencement of the business, in connection with the extension of its industrial undertakings or setting up of a new industrial undertaking including certain preliminary expenses and share issue expenses, an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous years in which amount is incurred.

(iii.) As per Section 35DD expenditure on amalgamation or demerger of any undertaking is allowed to be amortised over a period of five successive accounting years beginning with the year in which the amalgamation / demerger takes place.

(iv.) **Expenditure incurred on voluntary retirement scheme:**

As per Section 35DDA, the company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement of an amount equal to one fifth of such expenses over five successive AYs subject to conditions specified in that section.

(v.) **Debenture Interest:**

Interest paid on Debentures, if any, will be allowed as a deduction under section 36(1)(iii) of the Act in computing business income. In case Debentures borrowings are utilized for acquisition of assets for extension of company's existing business, then, interest attributable to such borrowing(whether capitalised in the books of account or not), from the date of acquisition of the asset till the date on which such asset was first put to use shall not be allowed as a deduction.

(vi.) **Carry forward of business loss:**

Business losses, if any, for any AY which cannot be set off against income of the year under any other head, can be carried forward and set off against business profits for eight subsequent AYs as per provisions of section 72 of the Act.

(vii.) **Minimum Alternate Tax (MAT) Credit:**

As per Section 115JAA(1A), the company is eligible to claim credit for MAT paid for any AY commencing on or after April 1, 2006 against normal income-tax payable in subsequent AYs, MAT credit shall be allowed for any AY to the extent of difference of the tax paid for any AY under 115JB and the amount of tax payable as per the normal provisions of the Act for that AY. Such MAT credit will be available for set-off upto seven years succeeding the AY in which the MAT credit is allowed.

B) CAPITAL GAINS:

(i.) **Long Term Capital Gain (LTCG):**

LTCG means capital gain arising from the transfer of a capital asset being Share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) or a zero coupon bond, held by an assessee for more than 12 months.

In respect of any other capital assets, LTCG means capital gain arising from the transfer of an asset, held by an assessee for more than 36 months.

(ii.) **Short Term Capital Gain (STCG):**

STCG means gain arising out of transfer of capital asset held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) or a zero coupon bonds, held by an assessee for 12 months or less.

In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.

(iii.) LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined) which has been set up under a scheme of a mutual fund specified under Section 10(23D), on a recognized stock exchange on or after October 1, 2004 are exempt from tax under Section 10(38) of the Act provided the transaction is chargeable to Securities Transaction Tax (STT) and subject to conditions specified in that section,

With effect from AY 2007-2008, income by way of long term capital gain exempt u/s 10(38) of a company is to be taken into account in computing the Book profit and income-tax payable under section 115JB, if attracted.

(iv.) As per second proviso to section 48, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by Government), is to be computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

(a) As per section 112, LTCG is taxed @ 20% plus applicable surcharge thereon and 3% education cess on tax plus Surcharge (if any) (hereinafter referred to as applicable SC + EC).

(b) However as per proviso to section 112(1), if such tax payable on transfer of listed securities/units/Zero coupon bonds exceed 10% of the LTCG, without availing benefit of indexation, the excess tax is to be ignored.

(v.) As per section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined) under Section 10(23D), on a recognized stock exchange are subject to tax at the rate of 10 per cent (plus applicable SC + EC), provided the transaction is chargeable to Securities Transaction Tax (STT). Transactions not eligible to STT are taxable @ 30 per cent (plus applicable SC + EC).

(vi.) As per section 71 read with section 74, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains for subsequent 8 years.

(vii.) As per section 71 read with section 74, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, should be carried forward and set-off against subsequent year's long term capital gains for subsequent 8 years.

(viii.) Under section 54EC of the Act, capital gains arising on the transfer of a long term capital asset will be exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by the following and subject to the conditions specified therein - National Highways Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988, Rural Electrification Corporation Limited (RECL), a company formed and registered under the Companies Act, 1956.

If only part of the capital gains is so reinvested, the exemption shall be proportionately reduced.

However, if the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable as Capital Gains in the year of transfer/ conversion.

The investments in the Long Term Specified Asset made by the company on or after April 1, 2007 during the financial year should not exceed 50 Lakhs rupees. These are also subject to countrywide absolute limits of Rs. 1500 crores for NHAI and Rs. 4,500 crores for RECL.

C) INCOME FROM OTHER SOURCES:

Dividend Income:

Dividend (both interim and final) income, if any, received by the company on its investments in shares of another Domestic Company shall be exempt from tax under Section 10(34) read with Section 115-O of the Act subject to disallowances, if any, under Section 14A, for expenditure incurred in relation to earning such income.

Income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of units in such mutual fund) shall be exempt from tax under Section 10(35) of the Act also subject to disallowance as above in case of dividend income.

3. General benefits available to the Members of the Company

3.1 Resident Members

a) Dividend income:

Dividend (both interim and final) income, if any, received by the resident shareholders from a domestic company is exempt under Section 10(34) read with Section 115-O of the Act.

b) Interest Income:

Tax at Source under section 193 of the Act shall be deducted at applicable rates only in case the amount of interest or, as the case may be, the aggregate of the amounts of such interest paid or likely to be paid during the financial year to an individual, exceeds two thousand five hundred rupees. Due credit for such taxes deducted would be available under section 199 of the Act to the Debenture holder.

c) Capital gains:

i) Benefits outlined in Paragraph 2(B) above are also applicable to resident shareholders; additionally the following benefits are also available to resident shareholders.

ii) As per Section 54F of the Act, LTCG arising from transfer of shares to individuals and Hindu Undivided Families will be exempt from tax if net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

d) Rebate:

In terms of Section 88E of the Act, STT paid by a shareholder in respect of taxable securities transactions (i.e. transaction which is chargeable to STT) entered into in the course of business would be eligible for rebate from the amount of income-tax on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions subject to conditions and limit specified in that section.

3.2 General Benefits available to Non-Resident Member

a) Dividend Income:

Dividend (both interim and final) income, if any, received by the non-resident shareholders from a domestic company shall be exempt under Section 10(34) read with Section 115-O of the Act.

b) Interest Income:

Tax at source at applicable rates will be deducted under section 195 of the Act for which due relief under Sections 90 or 91 of the Act read with section 199 would be available.

c) Capital gains:

Benefits outlined in Paragraph 3.1 c) above are also available to a non-resident shareholder except that as per first proviso to Section 48 of the Act, the capital gains arising on transfer of capital assets being shares of an Indian

Company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result, of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to section 48 is not available to non-resident shareholders.

d) Rebate:

Benefits outlined in Paragraph 3.1 d) above are also applicable to the non-resident shareholders.

e) Tax Treaty Benefits:

As per Section 90 of the Act, the shareholder can claim relief in respect of double taxation if any as per the provision of the applicable double taxation avoidance agreements.

f) Special provision in respect of income / LTCG from specified foreign exchange assets available to non-resident Indians under Chapter XII-A

i. Non-Resident Indian (NRI) means a citizen of India or a person of Indian origin who is not a resident. Person is deemed to be of Indian origin **if** he, or either of his parents or any of his grandparents, were born in undivided India.

ii. Specified foreign exchange assets include shares of an Indian company acquired/purchased/ subscribed by NRI in convertible foreign exchange.

iii. As per section 115E, LTGC arising from transfer of specified foreign exchange assets shall be taxable @ 10% (plus applicable SC + EC) without deduction under Chapter VI A or benefit of indexation.

iv. As per section 115F, LTCG on transfer of a foreign exchange asset shall be exempt under Section 115F; in the proportion of the net consideration from such transfer being invested in specified assets or savings certificates within six months from date of such transfer, subject to further conditions specified under Section 115F.

v. As per section 115G, if the income of an NRI taxable in India consists only of investment income/LTCG from such shares and tax has been properly deducted at source in respect of such income in accordance with the Act, it is not necessary for the NRI to file return of income under Section 139.

vi. As per section 115H, where the NRI 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 the assessment year, in which he is first assessable as a resident, 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 years until such assets are convened into money.

vii. As per section 115I, the NRI can opt not be governed by the provisions of chapter XII-A for any AY by declaring the same in the return of income filed under Section 139 in which case the normal benefits as available to non-resident shareholders will be available.

3.3 General Benefits available to Foreign Institutional Investors (FIIs)

a) Dividend Income:

Dividend (both interim and final) income, if any, received by the shareholder from the domestic company shall be exempt under Section 10(34) read with Section 115O of the Act.

b) Interest Income:

The tax at source will be deducted under section 193 at the appropriate rate in force.

c) Capital Gains:

Under Section 115AD, capital gains arising from transfer of securities (other than units referred to in Section 115AB), shall be taxable as follows:

As per section 111A, STCG arising on transfer of securities where such transaction is chargeable to STT, shall be taxable at the rate of 10% (plus applicable SC & EC). STCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 30% (plus applicable SC & EC).

LTCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 10% (plus applicable SC & EC). The benefit of indexation of cost of acquisition, as mentioned under first and second proviso to section 48 would not be allowed while computing the capital gains.

d) Exemption of capital gains from income-tax:

i. LTCG arising on transfer of long term capital asset, being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to STT is exempt from tax under Section 10(38) of the Act.

ii. Benefit of exemption under Section 54EC shall be available as outlined in Paragraph 2(B)(viii) above.

e) Rebate:

Benefits as outlined in Paragraph 3.1. d) above are also available to FIIs.

f) Tax Treaty Benefits:

As per Section 90 of the Act, a shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable double taxation avoidance agreements.

3.4 General Benefits available to Mutual Funds:

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 set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, would be exempt from income-tax, subject to the prescribed conditions.

4. 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 the Wealth Tax Act, 1957; hence, wealth tax is not leviable on shares held in a company.

5. The Gift Tax Act, 1957

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

6. Service Tax

Brokerage or commission fees paid to stock brokers in connection with the sale / purchase of shares is subject to an Indian service tax at the prevailing rate.

Notes:

a) All the above benefits are as per the Current tax laws as amended by Finance Act, 2007.

b) All the above benefits will be available only to the sole/first named holder in case joint holders hold the shares.

c) 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 Tax Avoidance Agreements, if any, between India and the country in which the non-resident member has fiscal domicile and in case the non resident member has fiscal domicile in a country with which no such agreement exists, then due relief under Section 91 of the Act may, in given circumstances, get attracted.

d) 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/their participation in the scheme.

For BHAGERIA NAREDI & ASSOCIATES
Chartered Accountants

MAHESH BHAGERIA
Partner
Membership No.34499

Mumbai - April 25, 2008

INDUSTRY OVERVIEW

Indian Textile Industry

The kidswear segment, which is part of the apparel industry, forms a sub-set of the textile industry. The Indian textiles industry is one of the largest organised industries in the country in terms of employment and number of operational units. Besides providing employment opportunities, a large number of subsidiary industries are dependent on this sector – including manufacturing machinery, accessories, stores, ancillaries, dyes and chemicals. (Source: IMAGES Yearbook '08). Started in 1850s, the Indian textile industry has gradually grown to become one of the significant contributors to the Indian economy. As per the Annual Report (2006-07) of the Ministry of Textiles, the industry contributes 14% to industrial production, 4% to the GDP and 16.63% to the export earnings of the country. Generating direct employment for approximately 35 million people in the organized sector, the industry is the country's second-largest employer after agriculture.

Structurally, the textile industry is highly fragmented. The high degree of fragmentation could be explained as a result of the erstwhile government policies which reserved various industry sectors for SSI. Owing to the high degree of fragmentation, the industry suffered from small order sizes, lower operational efficiency, lesser investments in technology upgradation, lesser benefits of economy of scale and lower level of integration. However, in recent times, the government has taken remedial measures by de-reserving the ready-made garments, hosiery and knitwear sectors. \The expiry of the Agreement on Textile and Clothing on January 1, 2005, and the resultant abolition of quotas on textile imports by the USA and the EU, has been one of the major events to drastically change the dynamics of the textile industry, at the domestic as well as global level. In order to take advantage of the higher exports opportunities in the liberalised trading regime, the industry has seen strong growth in production capacities and substantial investment in technology upgradation. In the post-quota regime, the government has projected the textile exports to grow from USD17 billion in FY06 to USD40 billion in FY10.

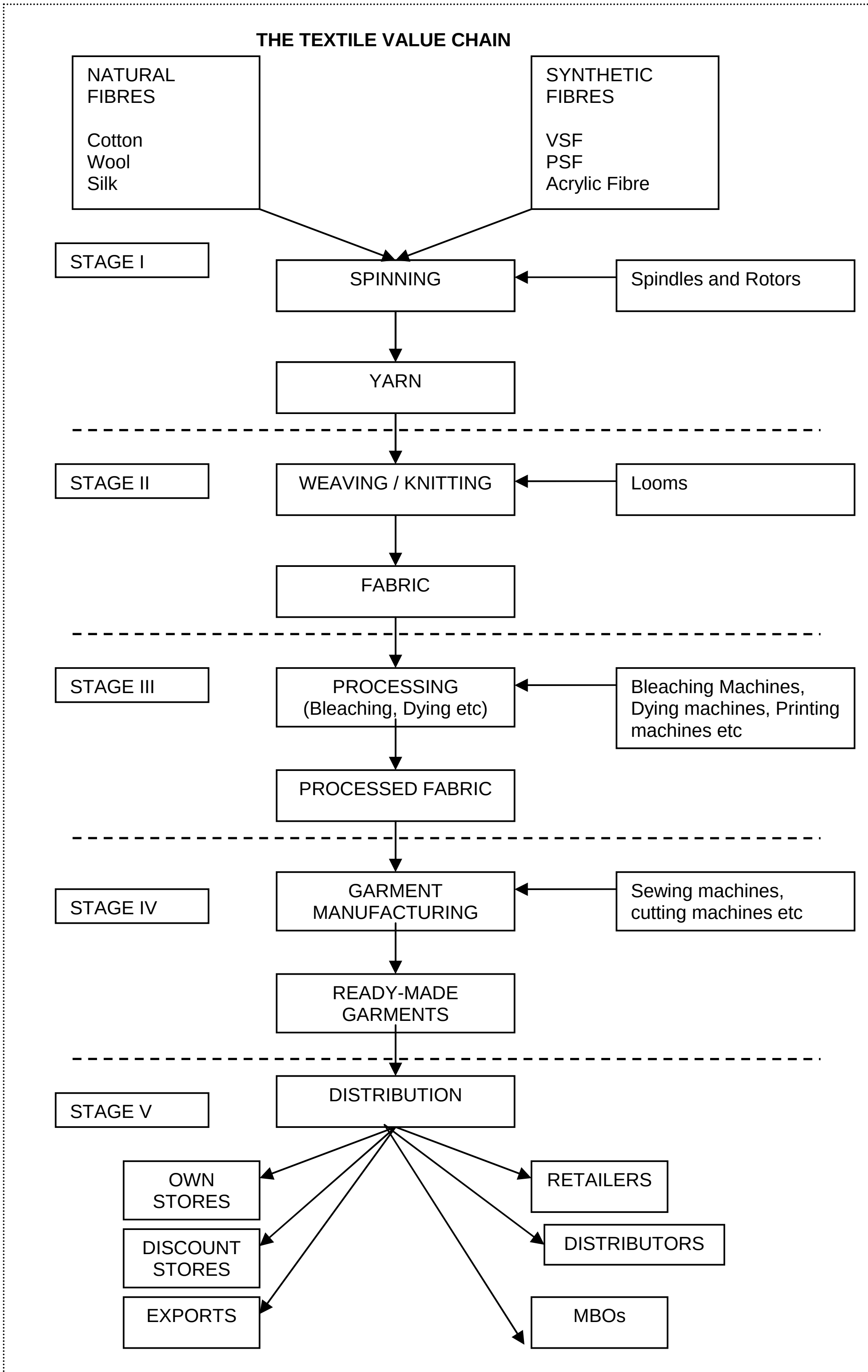
One of the major drivers for investment in technology upgradation has been the Technology Upgradation Fund Scheme (TUFS), the flagship scheme of the Ministry of Textiles. This scheme was launched in 1999 with the objective of making funds available to the domestic textile industry for upgrading the technology of existing units, and also to set up new units with state-of-the-art technology for enhancing their viability and competitiveness in the domestic and international markets. Initially, the scheme was upto March, 31 2004, and has since been extended in the Union Budget announced in February 2007.

In order to further strengthen the export-oriented growth of the industry, the government has allowed 100% FDI in the textile industry under the automatic route.

The industry has been instilled with a new sense of optimism and achievements. Higher investments, higher production and higher exports are illustrative of the resurgent mood in the Indian textile industry. At this rate, the industry is projected to grow at 16 % in value terms in the next five years, to reach a market size of USD 115 billion and attract investments to the tune of USD 38 billion by 2012. The enhanced investment will generate an additional 17 million jobs by 2012, comprising 12 million direct and 5 million indirect jobs. (Source: IMAGES Yearbook '08)

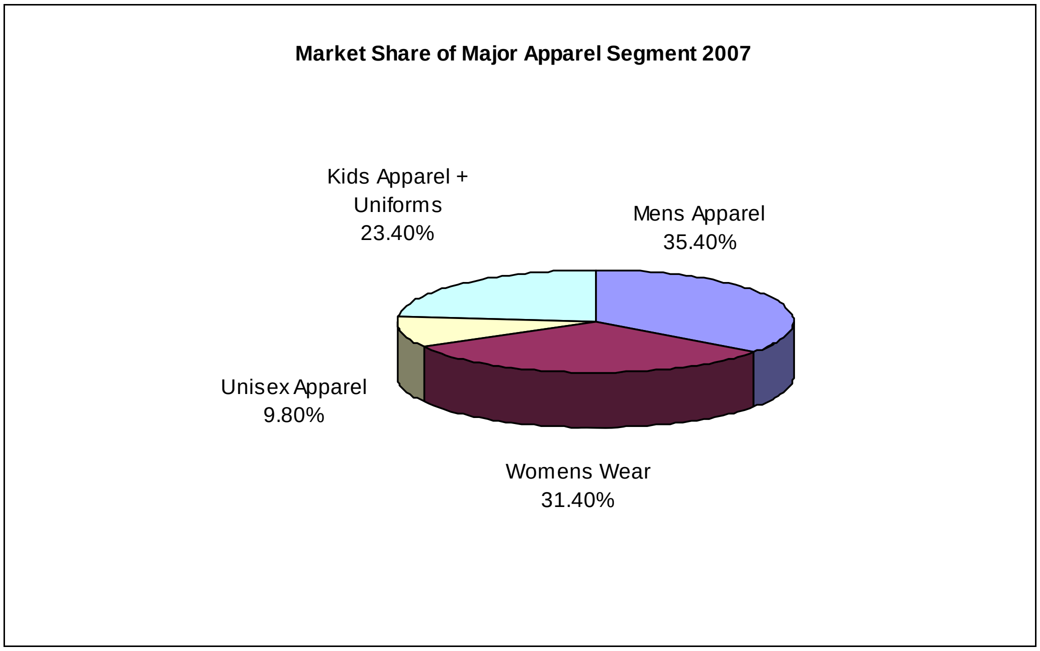
Indian Apparel Industry

An apparel or ready-made garment (RMG) is defined as any garment that is ready to wear. Apparels include shirts, trousers, t-shirts, jeanswear, women's dresses (*churidars, kurtas, salwar-kameez*, etc), hosiery items (socks) and innerwear. In the context of the entire textile value chain, the apparel industry is the penultimate link wherein the apparel is manufactured from processed fabric. In the final link, the apparel is marketed through the various distribution channels, in the domestic as well as export markets.



As per a study by IMAGES, a prominent fashion magazine, the Indian apparel market for the year 2007 is valued at Rs.

1,224,000 million in value terms as against the previous year's revised figure of Rs. 1,059,700 million in 2006. In volume terms, 5,644 million units were sold in 2007, as against last year's 5,332 million units. The overall value growth in 2007 over 2006 was 15.5 %, while volumes grew at 5.90 %. Based on the existing trend, it is projected that the Indian apparel market will grow to Rs. 1,715,000 million by 2010. Of the total, Rs. 1,224,000 million apparel market, the menswear segment constitutes 35.40 %, even though this is a substantial decline from the 36.0 % market share in 2006. Womenswear accounts for 31.4 % market share, followed by 23.40 % cent for the kidswear and uniform segment. Compared to last year's performance, the womenswear and kidswear – plus- uniforms markets have grown faster. (Source: IMAGES Yearbook 2008



Source: IMAGES Yearbook 2008

SWOT Analysis of the Indian textiles and apparel industry

Strengths	**Weaknesses**
• Availability of low-cost skilled labour • Abundant raw materiel availability • Presence across the value chain • Growing domestic market	• Technological obsolescence • Fragmented Industry • Low productivity • Low cost competitiveness with regards to other developing countries • Impediments due to historical regulations
Opportunities	**Threats**
• Opening up of entire market by the end of Agreement on Textile and Clothing(ATC) • Research and new product development can help countries move across the value chain	• Increased competition in the domestic markets • Cheaper imports • Increased importance of adherence to ecological and social norms • Outdated regulatory framework

Demand in the Kidswear segment:

The kidswear market, like the topwear segment, is also another apparel area that indicates that consumers have been upgrading from the mass and economy ranges to the medium and premium ranges. The demand for kidswear is directly proportional to the level of disposable income. A large number of households are getting added to the consuming class with growth in income levels. According to a study done by National Council of Applied Economic Research (NCAER), it is expected that households in the income bracket of more than Rs 500,000 are expected to double to 9.98 million in 2009-10. The average income per household is expected to grow at CAGR of 10% from 2006-2010. As per Central Statistical Organisation, close to 4% of income earned by Indian households is spent on clothing, which includes kidswear. With rising number of double-income households and emergence of nuclear families resulting in enough monetary surpluses to be spent on kids, demand for kidswear is expected to rise.

The favourable demographics also play a vital role in driving kidswear demand. With 18 million new births every year in the country and nearly two-thirds of the population under 35 years of age, consumption demand is expected to rise, eventually trickling down to a spurt in kidswear demand (premium and super premium segment). Source: IMAGES Yearbook 2008

The consumption pattern of Indian consumers is gradually changing, with a shift from tailor-made (ready to stitch) apparels to readymade (ready to wear) apparels. Moreover, spending on branded readymade apparels has gone up as people with more disposable income have moved up from a commodity level purchasing to a lifestyle purchasing. In line with this shift, the demand for branded readymade kidswear is also expected to rise.

Simultaneously, impulsive buying is another factor, which is expected to swell the demand for branded kidswear. With the rising number of malls in the tier-1 and tier-2 cities in the country, shopping habits of Indian consumers have become impulsive. MBO at shopping malls are known to house apparels from multiple brands, in a variety of colours, designs and prices. Malls are also attractive shopping destination for kids owing to the ambience and convenience offered by them.

Apart from the above factors, media (especially electronic media) too have played a key role in creating brand awareness, latest fashion and trends. With rising exposure to media in the form of dedicated TV channels and stores, kids too have become more demanding and brand conscious.

Outlook on kids' apparels

Kidswear is defined as apparel for the kids. Kids are generally defined as children in the age group of below 15 years. The key factors influencing the growth of kidswear are given below:

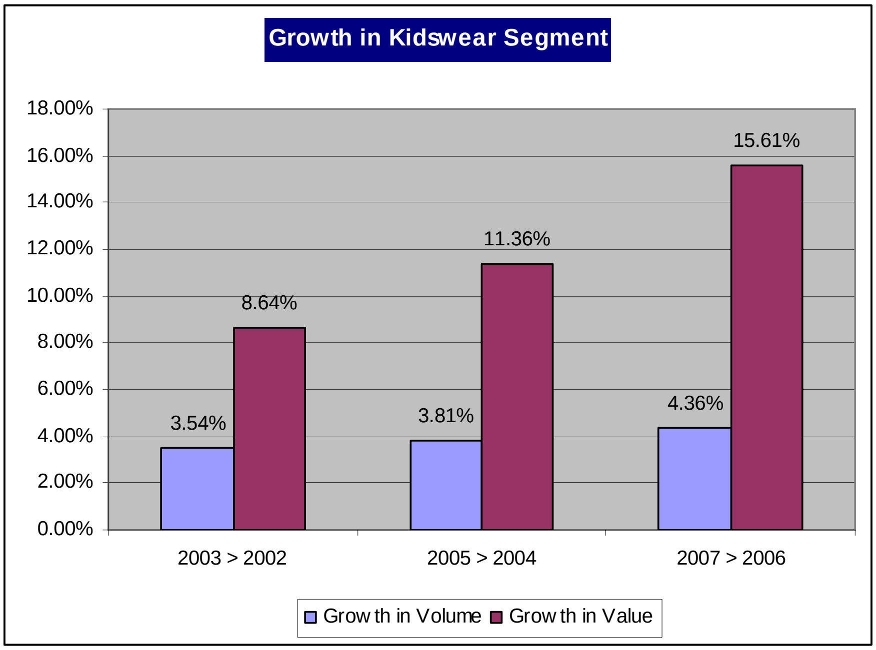
a) Higher Disposable Income:

Rise in income and in turn the lifestyle of most urbanities have given a boost to the retail industry, and the branded kids wear section is no exception to this. Wanting the best for their kids, parents are welcoming the variety of merchandise offered by new brands and outlets dedicated to children.

b) Urbanization:

Ready made kids wear which was till now an urban phenomenon has started permeating into Tier II towns as well. With increasing salaries and vibrant economy, these towns now are demanding better quality and style.

The total kidswear plus school uniform in India is estimated at Rs. 287,100 million, which has shown a growth of 18.2 % in 2007 over 2006. The market size also includes the Rs. 114,500 million uniform segment that saw an annual value growth of 22.50 % over the previous year. Though this in a steadily growing market, considering the fact that 30 % of the Indian population is below 15 years of age and people tend to be more lavish in their spends on children, the existing market share leaves much more to be desired. The kidswear segment has grown at the rate of 15.6 % in value terms and 4.36% in volumes in 2007, which is a significantly higher growth rate in 2005 (11.4% and 3.8%, respectively). Growth in value is exceptionally high in all kidswear ranges, over 35 % in premium, 21.5 % in the middle, 13.4 % in economy and 6.7% in mass. The penetration of RMG (vis-à-vis tailored garments) is higher in the case of kids' segment which stands at 88 % as compared with men's and women's segments which is 79 % and 63 % respectively There exists a need gap in terms of availability of a greater range of branded and quality merchandise for children and infants in India. Source: IMAGES Yearbook 2008



Source: IMAGES Yearbook 2008

Category wise volume and value trends in kidswear segment

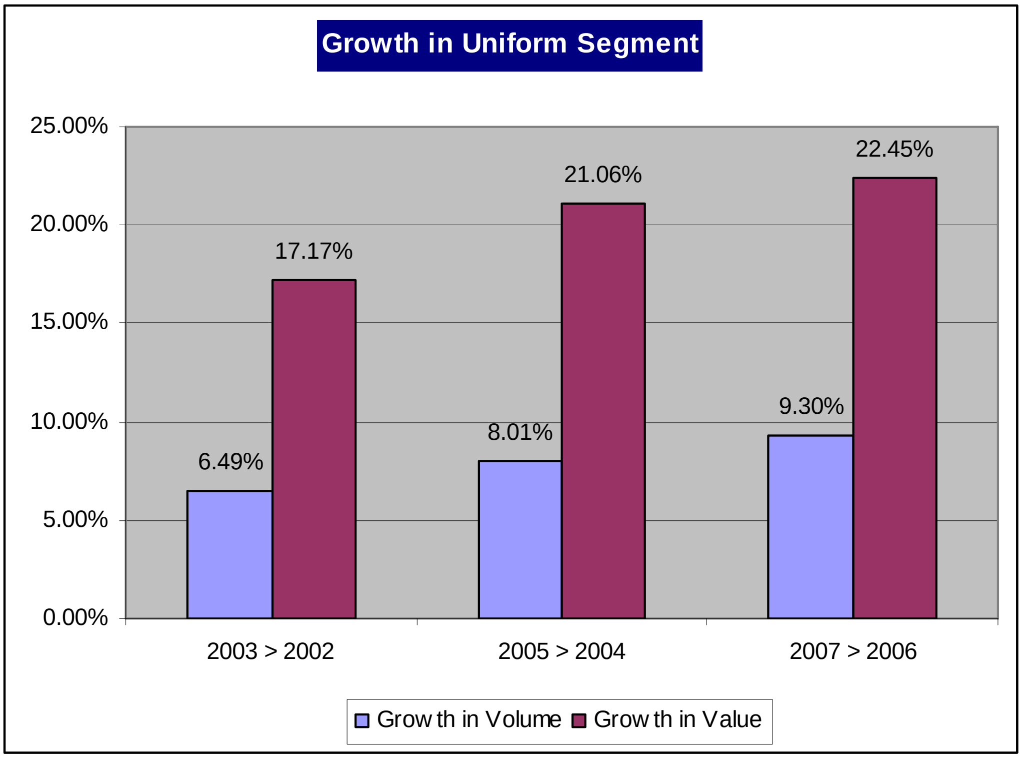
Category	2004			2005			2006			2007		
Kidswear(0-15 years)	Volume (Units in '000)	Value (in Rs million)	Avg. MRP (in Rs.)	Volume (Units in '000)	Value (in Rs million)	Avg. MRP (in Rs.)	Volume (Units in '000)	Value (in Rs million)	Avg. MRP (in Rs.)	Volume (Units in '000)	Value (in Rs million)	Avg. MRP (in Rs.)
Super Premium	1,610	2,450	1,510	1,835	3,200	1,737	2,100	4,150	1,737	2,415	5,690	2,358
Premium	13,230	8,350	630	14,420	9,900	687	16,430	12,900	687	18,785	17,410	927
Medium	78,610	26,750	340	84,110	30,900	367	92,570	37,350	367	101,800	45,400	446
Economy	195,650	33,250	170	207,370	37,350	180	221,900	42,400	180	237,000	48,100	203
Low	933,200	46,700	50	961,180	49,500	52	990,000	52,500	52	1,020,700	56,000	55
Total	1,222,300	117,500		1,268,915	130,850		1,323,000	149,300		1,380,700	172,600	
School Uniforms												
Total	423,000	63,400		456,900	76,750		498,000	93,500		544,300	114,500	
Total Kidswear	1,645,300	180,900		1,725,815	207,600		1,821,000	242,800		1,925,000	287,100	

Source: Images YearBook 2008

The average selling price for the super premium segment has grown CAGR 16.02 % from 2004 to 2007. Similarly, the average selling price for the premium and Medium segment has grown CAGR 13.74 % and 9.47 % from 2004 to 2007 respectively.

School uniforms: Important garment in the kids' wear market

This garment holds a position of prominence in the Indian kids' wear market. Presently., the school uniform market is highly fragmented with most of the customers requirements being met by the localized unorganized vendors The uniforms category has grown at the rate of 22.5 % in value terms and 9.3 % in volumes in 2007, which is a significantly higher growth rate than in 2005 (21.1 % and 8 % respectively). Out of this, school uniform is a largely volume driven segment and its volume share in the total apparel market stands at 9.6 % as against 9.4 % in value terms. The trend is towards a faster growth in value as compared to volumes, indicating that buyers are willing to shell out more for comfortable and quality offerings, if available.



Source:IMAGES Yearbook 2008

Current trends

The per capita expenditure on kids' apparels is rising quickly, due to a reduction in the number of children per household. Numerous families have adopted the 'two children' policy and many others in the urban region have even adopted the 'single child' policy. This has led to higher expenditure on garments per child in India.

With kids being more exposed to media, they have become more demanding. Besides, with increasing income levels, parents are also accommodating their demands, including their demand for more new clothes and costlier premium brands.

Uniforms are a category that is growing by leaps and bounds. Estimated at 1,14,500 million in 2007, this primarily kidswear apparel category has seen 22.5% value appreciation in 2007, up from 21.1% two years back in 2005. Volumes growth has also been highest in this category, at 9.3%. Source: IMAGES Yearbook 2008 School uniforms despite being the largest segment in kids' wear, the presence of organised players is virtually absent, since each school has a different colour and design of the uniform unique to itself. This garment would continue to hold a prominent position in kids' wardrobe. Also with education gaining importance among India's populace, the literacy level is increasing. With increasing level of hygiene awareness, parents are buying more pairs of school uniforms for their kids, since kids spend nearly 6-8 hours a day in school uniform for nearly 9 out of 12 months in a year. Largely unorganised and predominantly tailored, this category makes for a challenging opportunity for the organised branded sector.

Supply and distribution

Being a part of the apparel industry, suppliers in the kidswear segment follow similar business model as followed by other players in the apparel industry. While manufacturing is a crucial part of the business model, it is the branding and distribution network that plays a significant role in deciding the profitability of the business. In the domestic market, the various channels, which are used to distribute the apparels, are EBO, SIS, MBO and distributors.

Exclusive Brand Outlets (EBO): These are stores which sell merchandise which belong to only one company. In this mode of distribution the apparel is directly sold to the final consumer at the outlet. The company may own the shop or may have it on rent or lease. Owing to the absence of any middle agency, the realisations for the company are highest through this mode of distribution. Moreover, the company can get first-hand feedback of the consumers' preferences, shopping habits and designs. Due to the exclusive availability of the company's products under one roof, these stores also help establish the brand-image of the company.

Shop-in-Shops (SIS): In this mode of distribution, stores are located in large format stores (LFS) like Shoppers' Stop, Life Style, Big Bazaar and Piramyd. The manufacturer sells the apparel to the LFS, which in turn, sells it to the consumer through its retail outlets. Since the LFS provides for its cost and profit while purchasing apparels, the manufacturer's realisations through this mode of distribution are lower than that through EBO.

Multi Brand Outlets (MBO): These stores house apparels from multiple brands. The apparel manufacturer sells the apparel to the MBO, who in turn, sells these apparels to final consumer. Since margins of MBO are higher, the manufacturer's realisations are lower.

Distributors: The apparel manufacturer sells the apparel to the distributor, who in turn, sells it to either MBO or SIS, who in turn, finally sells it to the consumer. Since two agencies are involved in this mode, the manufacturer's realisations are much lower than that earned via other modes.

Competitive Environment:

Like most other retail segments in the country, the kidswear segment is dominated by the unorganised sector. In the organised sector, the major players in the Indian branded kidswear segment are Gini & Jony Limited, Personality Limited (Weekender Kids), DS Corporation (Ruff Kids), Liliput Kidswear Private Limited (Liliput), Raymonds Limited (Zapp) and Little Kangroo.

OUR BUSINESS

We are one of India's leading manufacturers of premium lifestyle Kidswear. Our business activities primarily includes designing, manufacturing, branding and selling of ready-made apparels and other lifestyle accessories for kids, under our various brands. Our brand "Gini & Jony" has become one of the leading kidswear brands in the country.

Background and Evolution

Mr. Prakash Lakhani, along with his two brothers Mr. Jaikishan Lakhani and Mr. Anil Lakhani, promoted the Company in November 1994. It became a public limited company on November 13, 2006 and the name of the Company was changed to Gini & Jony Limited. For details please refer to section titled "Our History and other Corporate Matters" on page no. [●] of this Draft Red Herring Prospectus.

We cater mainly to four segments through our in-house brands as given below:
1. Super premium segment - 'Gini & Jony'
2. Premium segment - 'GJ JEANS UNLTD.'
3. Mid-market segment - 'Palm Tree' & Red River
4. Niche segment - ' Gini & Jony Knowledge Wear'

We believe that a diverse and wide distribution channel forms the backbone of our selling and marketing strategy. Our distribution channel broadly comprises of network of Exclusive Brand Outlets (EBO), mix of Distributors, Shop-in-Shops (SIS) and Factory Seconds Outlet (FSO). Our wholly owned subsidiary, GJFFL distributes our products through its network of Exclusive Brand Outlets (EBO). As on March 31, 2008, our pan-India distribution network is spread over 108 cities comprising 60 EBO, 28 Distributors, 124 SIS and 38 FSO. Our 28 Distributors sell our products to 706 MBO, across India. We also have our sales offices at Gurgaon (Haryana) & Kolkata (West Bengal) and support office at Tirupur (Tamil Nadu) which oversee the marketing and distribution functions of the Company.

We are also vendors to schools in India for supply of quality school uniforms under our brand 'Gini & Jony - Knowledge Wear'. For FY 2008, we had executed orders for 29 schools. Currently, as on March 31, 2008, we have received orders from 39 schools.

We have a Licensee agreement with Levi Strauss (India) Pvt Limited, under which we design, manufacture and market Kidswear under the name of their kidswear Brand "Levi's Sykes Junior" We are also all India distributors of Benetton India Private Limited and Reebok India Company for their kidswear category in India.

Our wholly owned subsidiary GJFFL, sells our own branded, Licensee and distribution range through its EBO.

Our manufacturing facilities, having area of around 78,000 square feet & 36,071 square feet, are spread across 2 locations at Daman (U.T) and Baddi (Himachal Pradesh) respectively and employ approximately 1,400 personnel. We manufacture apparels at our facilities at Daman and Baddi and also outsource them from manufacturers/ vendors as per the design and manufacturing specification provided by us. At present we have a total apparel production capacity of 1.6 million pieces per annum. Our manufacturing facilities are fully backed by product development set-up, design studio and efficient sampling infrastructure to provide quality products to our customers in India and abroad.

We are members of the Clothing Manufacturers Association of India, Retailers Association of India and are registered as member-exporter with Apparel Export Promotion Council since October 10, 1995.

Our restated standalone revenue for the year ended March 31, 2006, March 31, 2007 and the nine month period ended December 31, 2007 were Rs. 754.54 million, Rs 1,079.78 million and Rs 1165.65 million respectively. Our restated standalone profit after tax for the year ended March 31, 2006, March 31, 2007 and the nine month period ended December 31, 2007 were Rs. 58.34 million, Rs 84.96 million and Rs 87.85 million respectively.. Our consolidated restated revenues and profit after tax for the 9 month period ended December 31, 2007 were Rs. 1242.31 million and Rs. 90.73 million respectively.

Our Mission

- To maintain and consolidate our position as the leading premium lifestyle brand in the kids segment.
- To increase our presence and visibility in the global arena.

Our Strengths

We believe that the following are our primary competitive strengths:

1. ***Established brand in the kidswear segment***

We believe that we are one of the country's leading players in branded kidswear segment. Our brand, Gini & Jony, has been developed and established through our consistent product quality, apparel designs and creative media campaign. The company enjoys shelf space in most of the leading MBO and LFS like Shoppers' Stop, Pantaloon, Central, Lifestyle, Reliance Stores, Bigbazaar etc. We have consistently won various industry awards, including the prestigious Images Fashion Award for "The Most Admired Kids Wear" brand in India for the years 2003, 2004, 2005 & 2006. We are also leveraging on the success of our parent brand 'Gini & Jony' by setting up Freedom Fashion – lifestyle Stores for kids catering to premium segment and Budget stores for our 'Palm Tree' brand catering to the mid market segment through GJFFL our wholly owned subsidiary. We also exclusively sell our budget brand 'Red River' through Reliance Stores.

2. ***Design and merchandising expertise***

Being a design and brand driven Company, we believe that expertise in kidswear designing is a critical success factor in our industry. We have a dedicated team of 20 qualified designers, under the management of our Promoter, Mr. Anil Lakhani. Our apparel designs are prepared by qualified, skilled and experienced employees who are graduates from institutes like National Institute of Fashion Technology (NIFT) and National Institute of Design (NID). We also have a design studio which is equipped with latest design software including CAD/CAM that enhances the quality of apparel design. The design team comes out with new designs and ideas based on the current trends in the international and domestic markets. We introduce multiple numbers of coordinated themes for every season with or in tandem with a regular introduction of one theme under our various brands. We also showcase our themes/trends through a bi-annual event focusing on spring-summer and autumn-winter seasons, which result in advance orders from key buyers and enable us to understand and adapt to customer preferences.

3. ***Widespread and multi-channel distribution network***

We believe that a diverse and wide distribution channel forms the backbone of our selling and marketing strategy. Our distribution channel broadly comprises of network of Exclusive Brand Outlets (EBO), mix of Distributors, Shop-in-Shops (SIS) and Factory Seconds Outlet (FSO). Our wholly owned subsidiary, GJFFL distributes our products through its network of Exclusive Brand Outlets (EBO).As on March 31, 2008 our pan-India distribution network is spread over 108 cities comprising of 60 EBO, 28 Distributors, 124 SIS and 38 FSO. Our 28 Distributors sell our products to 706 MBO, across India. We also have sales offices at Gurgaon (Haryana) & Kolkata (West Bengal) and support office at Tirupur (Tamil Nadu) which oversee the marketing and distribution functions of the Company. This multichannel distribution network is ably supported by an integrated inventory management system which ensures that the products reach the various distribution channels on time to cater to our customer demand.

4. ***Tie-up with reputed international brands***

We have been able to successfully capitalize on our experience in manufacturing and selling kids wear brands and have leveraged our knowledge to expand the portfolio of our product offerings by entering into distribution/licensing agreements with other well known International and domestic brands. We have signed a distribution agreement with Reebok India Company for distribution of their apparel, footwear, lifestyle and sports accessories for kids in India and an exclusive distribution agreement with Benetton India Private Limited to act as the distributor of their apparel and accessories in kidswear segment in India for the purpose of resale of purchased products. We have also entered into an exclusive licensee agreement with Levi Strauss (India) Private Limited. Our Company has been appointed as sole licensee to design, manufacture and market Levi's Sykes Junior in India. Further, our subsidiary GJFFL has entered into distribution agreements with domestic brands like Portico and Me & Mom. Association with these well known brands not only enhances the brand equity of Gini & Jony but also presents a much larger portfolio of products to our end customer.

5. Developed manufacturing facilities

Our manufacturing facilities, having area of around 78,000 square feet & 36,071 square feet, are spread across 2 locations at Daman (U.T) and Baddi (Himachal Pradesh) respectively and employ approximately 1,400 skilled and semi-skilled personnel. Both our manufacturing facilities are equipped with state of the art machinery to manufacture quality apparels. Our manufacturing facility at Baddi is 'Terms of Evaluation (TOE)'certified by Levis. At present we have a total apparel production capacity of 1.6 million pieces per annum. Our manufacturing facilities are fully backed by product development set-up, design studio and efficient sampling infrastructure to provide quality products to our customers in India and abroad.

6. Experienced and professional management team

Each of our Promoter Directors have over twenty years of experience in the apparel industry, especially in kidswear segment. Mr Prakash Lakhani has more than twenty-eight years of experience in readymade garment business and has been instrumental in building and developing the "Gini & Jony" brand as one of the leading kidswear brands. As Chairman and Managing Director, he overlooks the entire operations of the Company. Mr. Jaikishan Lakhani has more than twenty-three years of experience in apparel industry. His expertise includes apparel manufacturing and he presently overlooks the manufacturing operations of the Company. He is responsible for ensuring the optimum utilization of production facilities and other sourcing activities. Mr Anil Lakhani is the head of our design team and is the key decision maker for all creative designs, advertising and sales promotion related activities of our Company. He also plays a vital role in launching the various design collections every season. His other responsibilities include overseeing operations and distribution functions. He has twenty one years experience in the readymade garment business. We believe that over the years, it is their vision that has been instrumental in developing the brand from conceptualization stage to making it one of the India's leading kidswear brands. Their knowledge of the Indian kidswear market and understanding of the industry dynamics help the Company take efficient business decisions. Moreover, the Company also has a professionally qualified and dedicated management team which has years of experience in the apparel industry.

For further details on our promoters and management team, please refer to Sections 'Our Promoters' and 'Our Management' beginning on page [●] and [●] respectively of this Draft Red Herring Prospectus.

Our Strategy

Our mission is to maintain and consolidate our position as the leading premium lifestyle brand in the kids segment. In order to achieve our mission, our business strategy comprises the following:

1. Increased product lines

We intend to increase our product lines by introducing products in related kidswear categories like Infant wear, Sleep Wear, inner wear, sports wear etc.

2. Strengthening our current brands and introduction of more brands

We intend to reinforce the brand value of all our existing brands through enhanced product design and sustained brand building campaign. We also intend to introduce new brands in order to cater to the various customer demands and differentiate our product offerings.

We further intend to strengthen our brand 'Palm Tree' which is focused on the mid market segment by rolling out exclusive budget outlets on a national level.

3. *Increased presence in retail stores*

In order to further strengthen and diversify our distribution network we intend to increase our presence in all forms of distribution channels viz. MBO, SIS, FSO etc. We also intend to widen our geographical reach by opening additional stores in major tier two and tier three cities in India.

4. *Capacity enhancement*

To meet the rising demand of our target customer segment, we plan to increase our manufacturing capacities and ensure best-in-class outsourcing partnerships.

5. Strengthing our 'Knowledge Wear' brand

We are one of the vendors to schools in India for supply of quality school uniforms under our brand 'Gini & Jony - Knowledge Wear'. For the FY 2008 we have executed orders for 29 schools. Currently as on March 31, 2008, we have orders from 39 schools and going forward we would like strengthen this business on a pan India level.

Our product portfolio

Our product portfolio consists of a wide range of ready-made apparel and accessories in the kidswear segment. The products are designed to express a lifestyle statement of the kids. In the apparel segment, products include shirts, t-shirts, tops, trousers, jeans, capri, shorts, skirts, jackets, innerwear, sweater, dungarees and jamaicans. In the accessories segment, products include caps, eyewear, imitation jewelry, bags, socks, shoes, nightwear, etc. Our product portfolio also includes supply of quality school uniforms to various schools in India.

Our brand portfolio

Since inception we have focused on providing our customer a quality product along with a strong brand experience. "Gini & Jony" is the parent brand of the Company. Under the parent brand, there are four in-house brands which range from the super premium segment such as 'Gini & Jony', premium segment such as 'GJ JEANS UNLTD.', to middle market segment such as 'Palm Tree' & 'Red River' and niche segment 'Gini & Jony – Knowledge Wear'. We have also acquired license from Levi Strauss (India) Private Limited to design, manufacture and market kidswear under the brand name 'Levi's Sykes Junior'.

We also have distribution rights of two international brands Reebok India Company and United Colors of Benetton for their kidswear Segment in India.

We have developed two cartoon characters "Gini" and "Jony" which are used as brand ambassadors for our male kids segment and female kids segment respectively. Other than these brands, we have launched a group of cartoon characters which comprises Mice Attack, UFO, Jack the Genius, Scamera, Madgun Maddox, Acilec, Miss Flamella, Isabel, Chantera and Fixo A2Z. We use these cartoon characters in our advertisements.

Products sold under various brands are summarized in the table below:

Brand	Brand Logo	Products
Gini & Jony	GINI & JONY	Shirts, Tops, T-Shirts, Trousers, Skirts, Jeans, Jackets, Sweaters, Jamaicans, Co-Ordinates, Capris, Dungrees, Shorts, Bags & Caps.
GJ JEANS UNLTD.	GJ UNLTD JEANS	Shirts, Tops, T-Shirts, Trousers, Skirts, Jeans, Jackets, Sweaters, Jamaicans, Co-Ordinates, Capris, Dungrees, Shorts, Bags, Belts, Caps, Shoes & Socks

Palm Tree		Shirts, Tops, T-Shirts, Trousers, Skirts, Jeans, Jackets, Sweaters, Jamaicans, Co-Ordinates, Capris, Dungrees, Shorts, Bags & Caps
Red River		Shirts, Tops, Trousers, Skirts, Jeans, Jackets, Sweaters, Jamaicans, Co-ordiantors, Capris, Dungrees, Shorts
Gini & Jony Knowledge Wear		Shirts, Tops, T-Shirts, Trousers, Skirts, Jackets, Sweaters, Jamaicans, Co-Ordinates, Capris, Dungrees, Shorts, Bags, Belts, Caps, Shoes & Socks
Levi's® SYKES™ JUNIOR *		Jeans, Shirts, Shorts, T-Shirts, Cargoes 3/4 Jamaicans, Skorts, Tops, Trousers, Wooven Tops, Capri
United Colors of Benetton#		Capris, Denims, Jackets, Bottoms, Tops, Tricots, Sweaters, T-Shirts, Skirts, Jeans, Jackets,Jamaicans, Co-Ordinates, Capris, Dungrees, Shoes, Bags, Caps,

*By licensing arrangement
#By distribution and marketing arrangement
The logos of Levi' Sykes Junior and United Colors of Benetton are trademarks of their respective owners.

"Gini & Jony"

'Gini & Jony' is a niche brand of our Company. It is positioned as a super premium offering to the upmarket kidswear segment. The key attributes of this brand are attitude, energy and cutting edge style along with rich design and superior fabric. The products are always in coordinate sets i.e. top and bottom, are designed on a particular theme and are preferably sold together.

"GJ JEANS UNLTD."

This brand is mainly a denim-based brand which focuses on fits, innovative treatments and washes on denim fabric. It is positioned as a premium offering to the upmarket kidswear segment. We have an in-house research & development (R&D) team which is constantly involved in experimenting with various techniques on denim to develop exclusive attributes for our products.

"Palm Tree"

The brand is positioned as a mid-market product whose unique selling proposition is affordable pricing without compromising on quality and style. The brand is also positioned to compete with other brands in the economy segment and intends to help customers migrate to the premium segment by offering them a lower entry price point.

"Red River"

Red River offers value proposition, for day to day use with no compromise on Quality. It gives contemporary designs which are trendy and provide a comfortable feel and pleasant look.

"Gini & Jony -Knowledge Wear"

Gini & Jony marked its foray into 'school uniforms' product category by launching our brand Gini & Jony- Knowledge Wear. This product aims at providing schools with uniforms which are consistent in quality and design. We are one of the first branded kidswear manufacturers to enter into this product category. This brand is backed by an experienced in-house design team to customize uniforms as per individual school's requirements. This product has already penetrated into some of the leading schools like Pinewoods International High School, PSSR School, Utpal Sanghvi etc.

“Levi’s Sykes Junior”

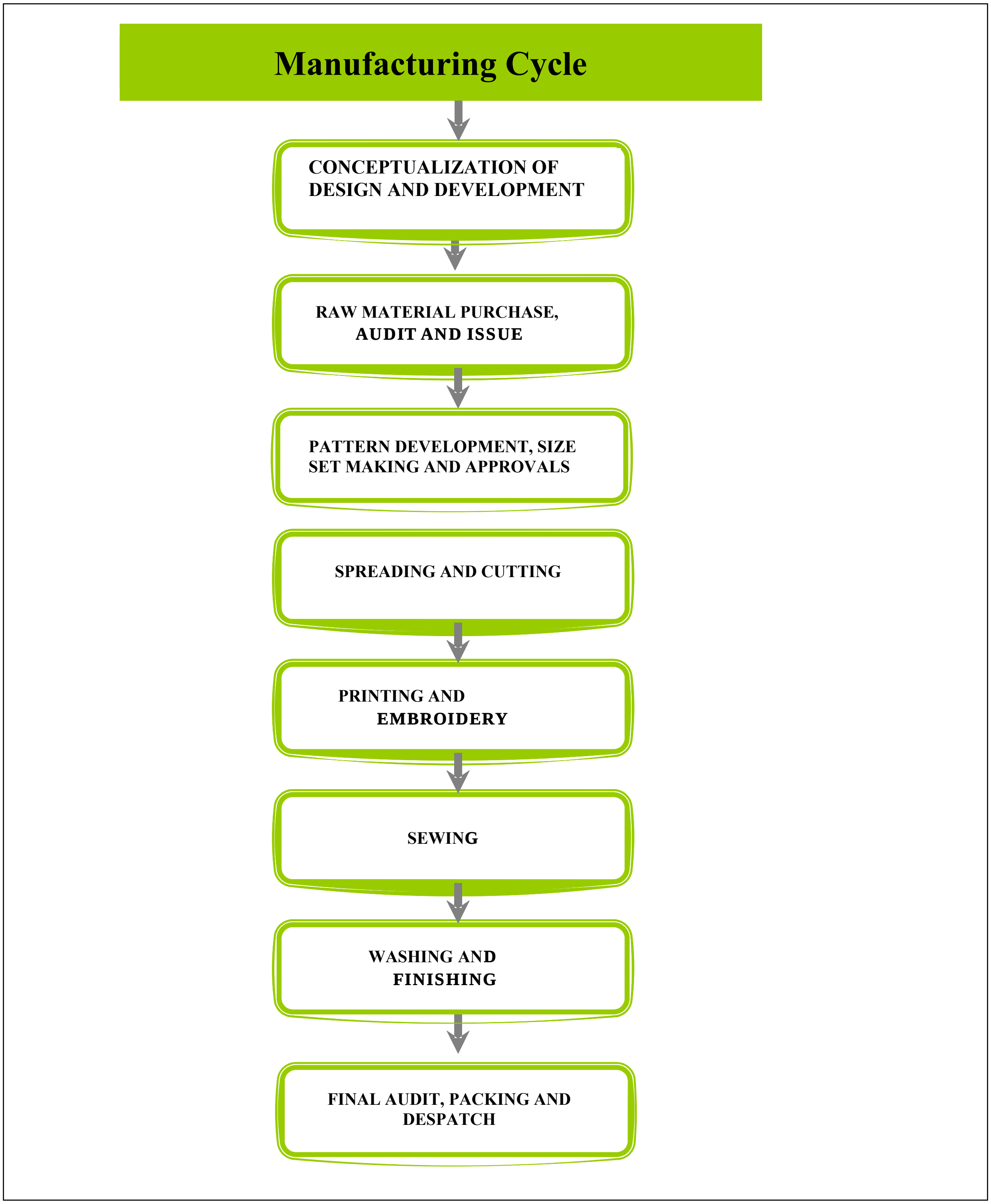
Levi Strauss (India) Private Limited and our Company have launched the brand Levi’s Sykes Junior in India. Our Company has been appointed as sole licensee to design, manufacture and market Levi’s Sykes Junior in India.

Distribution Agreements

Our Company entered into a distribution agreement with Benetton India Private Limited to act as the distributor of their apparel and accessories in kidswear segment in India, for the purpose of resale of purchased products. This kidswear merchandise is sold at Shop-In-Shops (SIS) in Large Format Stores (LFS) and EBO through our subsidiary GJFFL. The agreement intends to target and capture maximum retail space in the premium market segment in India’s organized kidswear retail market.

We have also entered into a distribution agreement with Reebok India Company to act as distributor of their apparel, footwear, lifestyle and sports accessories for kids in India.

Manufacturing process



Conceptualization of Design and Development

Design process starts months before the production season. The designing concept is based on the style marketability which is determined in relationship to price & demographic target market. The designer aims to attain the highest quality level keeping in mind the costing structure. It comprises of markets surveys of the on going trends, literature survey of forecasting reviews from leading fashion houses, across the globe and simultaneous review of the company's design history. From there originates the idea for setting up the theme or story for the new collection. These themes usually cover the areas such as hobbies (general activity), statement (the most talked about), sporty (casual outdoor), international look (Party line & Trend Setter) & Global point of concern (to create awareness). All these brought together sets the colors, mood boards, fabric & multi coordination for a new season. The designer now indulges in making flat sketches revolving around the derived concepts and stories. These flat sketches go for a round of approval from the design head and respective brand manager. Changes are made as per valuable suggestions from the jury. Proto sample are made as per the approved and modified flat sketches. Proto samples are displayed to the selective retailers and internal buying team during line freeze. Line freeze determines the complete style range in a season .Based on the comments of line freeze marketing samples are made .The designer makes a two dimensional copy of the style, known as tech pack. The tech pack comprises of all the intrinsic details of a particular style covering all combos. Marketing samples are displayed in ramp shows to facilitate the order booking process.

Raw material purchase and audit

Fabric is the main raw material required for apparel production. The selection of fabric is done after conducting an extensive sampling survey and studying the market response of previous fashion seasons to ensure maximum acceptability and minimum leftovers. We procure fabric from nominated mills from all over India and the same is stored at factories at at Daman & Baddi. This fabric is audited for quality as per the Accepted Quality levels ("AQL") 4-point audit system to ensure no defective fabric is used in bulk production of apparel. The fabric is also subject to certain laboratory tests, to ensure that attributes like color fastness, shrinkage and strength are above acceptable levels. Similar tests are also conducted for all branded accessories before being used for bulk production. The fabric and accessories are then sent to the cutting department against a confirmed purchase order of each style that has to be manufactured as per the job card. The quantity of fabric and accessories to be sent is carefully calculated and controlled right from the point of purchase so that there is minimum wastage which helps us to control the cost per style.

Pattern Development, Size Set Making and Approvals

The basic pattern of torsos is there in the pattern development department. Style variations are made on these patterns to get the style wise look in the garment as desired by the designer. Dedicated pattern making for respective styles begins as soon as the raw materials (fabric, trim, fit) are confirmed .Once the basic pattern for a style is ready, the pattern is graded to the cover all the required sizes, as per the range plan. Proto samples are made in the base size (with respect to grading) in available fabric and trims to get an idea of the fit of the garment. Once the proto samples are approved, the size set samples are made using the actual fabric, trim. Once the size set samples are approved, taking into account the fit, fabric shrinkage, look, quality of fabric and accessories,the style is set to be produced in bulk.

Spreading and Cutting

The fabric is then moved to the spreading and cutting department. These departments use modern techniques and computer aided design systems to plot patterns and markers that are used to cut the spread fabric. This not only ensures consistency in fit and shape throughout the production cycle but also helps to minimize fabric wastage. The cutting department will spread and cut exactly the same measurement of fabric that is required to produce the quantity mentioned on the job card against a particular style. These cuttings are then sorted into bundles (made of various panels) which are carefully numbered and are ready to be moved to the next stage of production.

Printing and Embroidery

The panels from the sorted bundles are then sent to respective operation of printing and embroidery as may be required for each style. The printing and embroidery of panels are done in-house using modern machinery. These panels are then reunited with the bundles from which they have been removed and the bundles are then moved to the sewing department.

Sewing

The sewing lines or each batch are carefully planned well in advance by adapting time and motion study. For each line or batch, advance planning is done for planned production output for various styles. This helps to calculate the duration for completing the sewing operations. A quality check is maintained with on-line, mid-line and end-line quality inspections. Once the sewing operations are completed on any style, it is moved to the washing area.

Washing and Finishing

Through our subsidiary, G & J Garment Processors Private Limited, we have a specialized in-house washing facility at Vapi near our Daman manufacturing facility. The garment received from the sewing department is then moved into the washing area, where depending upon the style requirement, the garments are washed using different washing techniques. From washing, the goods are moved into finishing department where each apparel is processed for adding rivets, buttons or any fancy embellishments on it.

Final Audit, Packing and Dispatch

Finally the apparel is checked, ironed and packed. Packing is done as per requirement mentioned in the respective purchase order. All packing accessories are branded and standardized. A quality audit system as per AQL level is used to audit each packed consignment for quality acceptance before being dispatched to central warehouse at Daman for distribution.

Our manufacturing facilities:

Presently, our manufacturing facilities are spread across two locations at Daman and Baddi (H.P.). The current total installed apparel production capacity of both the manufacturing units is 1.6 million pieces. Both the manufacturing capacities are equipped with their own embroidery and printing facilities. Following are certain details of these sites as on March 31, 2008:

	Daman Factory	**Baddi Factory**
Installed capacity (number of pieces per annum)	1,000,000	600,000
Area (sq.ft.)	78,000	36,071
Address of manufacturing facilities	Survey No 57/2 and 56/2 situated at Ringanwada, Nani Daman, Daman	Plot no 47 & 2-D, Export Promotion Industrial Park, Phase 1 Jharmajri, Baddi, Tehsil, Nalagarh, District, Solan Himachal Pradesh.
Employee Strength	847	524
Type of ownership	Owned	95 years lease from Himachal Government
Type of facilities	Fabric Checking, Cutting, Embroidery, Printing, Stitching & Finishing	Fabric Checking, Cutting, Embroidery, Printing, Stitching & Finishing
Type of machinery	Fabric Checking Machine, Thread Winding machine,	Fabric Checking Machine, Thread Winding machine,

	Straight Knife and Band Knife Cutting Machines, End Cutters, Fusing, Numbering Machine, Embroidery Machine, Printing Machine, Curing Machine, Lockstitch Sewing, Multineedle Machines, Placket making, Feed of Arm Machines, Zig Zag Machines, Loop making Machines, Loop Attaching machines, Bottom Hemming, Flat Lock Machines, Overlock Machines, Thread Cutting Machines, Button Hole machine, Button attach Machine, Eye Hole Machine, Snap Attach Machine, Trouser Form Finishers, Steam Irons, Boiler and Compressor, Stain Removing Station, Tagging Machines.	Straight Knife and Band Knife Cutting Machines, End Cutters, Fusing, Numbering Machine, Embroidery Machine, Printing Machine, Curing Machine, Lockstitch Sewing, Multineedle Machines, Placket making, Feed of Arm Machines, Zig Zag Machines, Loop making Machines, Bottom Hemming, Flat Lock Machines, Overlock Machines, Thread Cutting Machines, Button Hole machine, Button attach Machine, Eye Hole Machine, Snap Attach Machine, Trouser Form Finishers, Steam Irons, Boiler and Compressor, Stain Removing Station, Tagging Machines.

Apart from the above manufacturing facilities, we have sales offices at Gurgaon (Haryana) and Kolkata (West Bengal) and support office at Tirpur (Tamil Nadu). These offices coordinate with regional distribution network for getting business orders and provide design and sales feedback. Presence of these offices further strengthens our distribution network.

Merchandise planning and showcasing

Merchandise planning is aimed at maximising return on investment, through sales and inventory planning in order to increase profitability, which helps in maximising sales potential and minimising losses from mark - downs and stock – outs. Once the apparels are ready at the warehouse, the merchandisers play an important role in their allocation to all distribution channels at various locations. Based on store's sales trend, the merchandisers decide on the product mix and the number of stock keeping units (**"SKUs"**). The merchandisers also monitor the trends in the retail space and co-ordinate on the same with the sales team. Merchandisers are also responsible for store planning and inventory management. They monitor the level of stock and SKU's across all the outlets.

The fashion trend in the kidswear industry is dynamic and new collections need to be introduced at regular intervals. The new collections are launched and showcased through in-store visuals, window displays and a series of fashion shows around the country that are well publicised. Presently, our fashion calendar is divided into two seasons (Spring -Summer and Autumn-Winter).

Brand building and marketing

The brand building campaigns at our Company are planned with particular focus on the brand's core attributes like attitude, energy and style. There is also attention to detail in styling and aesthetics. The main aim of the brand building activity is to ensure that the brand "Gini & Jony" continues to remain the trend setter in the Indian kidswear segment. These campaigns are conducted in association with experts in this field and promoted through above the line (ATL) and below the line (BTL) media. ATL campaigns include airing advertisements in a complete bouquet of channels, publishing advertisements in leading publications, news dailies, fashion glossies and industry magazines, airing advertisement on all major radio networks and putting up ads on out-of-home displays like billboards, hoardings etc. BTL campaigns include direct marketing, visual merchandising, organizing fashion shows and sponsoring other events which are associated with kids, which we believe, enhances our brand image. We also sponsor the children's dance show "Giny & Jony Chak de Bachche' on 9x, Inxmedia.

More recently, with the introduction of 'Gini & Jony - Knowledge Wear' brand, the Company focuses not only on the supply of uniforms but also to associate with schools on a much larger platform through cross promotion, events and sponsorships; thereby leveraging sales and promoting brand recall amongst the students.

Distribution Network

We believe that a multi-channel and wide spread distribution network forms the back-bone of our distribution strategy. Over the years we have grown our distribution network in different channels as well as geographies and currently cater to 108 cities in India. Presently, our distribution channel broadly comprises of a mix of Exclusive Brand Outlets (EBO), Distributors, Shop-in-Shops (SIS) and Factory Seconds Outlet (FSO).

- **Exclusive Brand Outlets (EBO)**

  These EBO sell merchandise under various existing brands of our Company, our licensee brand viz Levi's Sykes Junior and brands of the Companies with whom we have distribution agreements (viz United Colors of Benetton and Reebok).

  GJFFL our subsidiary manages all our EBO, of which some are operated by GJFFL and the other are franchisee outlets. In a GJFFL-operated store, GJFFL pays the store rental and overheads. In franchisee outlet, there are two types of stores:

  a) Outright franchisee
  b) Consignment franchisee.

  In outright franchisee, the franchisee purchases the stock on outright basis on a mutually decided trade discount from the GJFFL. The overheads are also borne by the franchisee.

  In consignment franchisee, the stock is sent to the franchisee on consignment basis and the franchisee gets a mutually agreed margin from the sales invoiced on monthly basis.

  Currently, GJFFL manages 11 GJFFL- operated EBO, 23 outright franchisee EBO and 26 consignment franchisee EBO.

  As on March 31, 2008, the following is the list of stores managed by GJFFL:

S. No.	Zone	No. of EBO's
1	North	23
2	South	3
3	East	21
4	West	13
	Total	**60**

- ***Distributors and Multi Brand Outlets (MBO)***

  We sell our apparels to Distributors who in turn sells it to various MBO across the country, which finally sell it to the consumer. MBO are stores that house apparels from multiple brands. Every season, we conduct a zonal apparel fair (locally known as seasonal bookings) and unveil the upcoming season's range at least four months in advance. Representatives of MBO are invited and they place orders as per their requirements. Distributors for respective brands collate the data, which is passed on to the merchandisers to chart out the season's production plan, which in turn is passed on to the production team. Apparels and accessories are sold to the Distributors on an outright purchase basis through our central warehouse in Daman. As on March 31, 2008, our network of 28 Distributors sell our products to 706 MBO which are spread across the country. The zone wise Distributor network is shown below:

S. No.	Zone	No. of Outlets
1	North	233
2	South	138
3	East	137
4	West	198
	Total	**706**

- **Shop-in-Shops (SIS)**

These stores are located in large format stores (LFS) like Pantaloons, Shoppers' Stop, Central, Lifestyle, Piramyd, Reliance Stores, Big Bazaar etc and are monitored by our national merchandising team. The merchandise is sent to these stores directly from the centralized warehouse at Daman and there is no involvement of any distributor in the supply chain. Our Company sells the merchandise to the LFS, which in turn, sells it to the consumer through its retail outlets. As on March 31, 2008 we have 124 SIS spread across the country. The following is the list of locations where we have SIS in LFS across the country as on March 31, 2008:

S. No.	Zone	No. of Outlets
1	North	37
2	South	23
3	East	15
4	West	49
	Total	**124**

- **Factory Seconds outlets (FSO)**

The Company's fashion calendar is divided into two seasons (Spring-Summer and Autumn-Winter). The fashion trend in the kidswear industry is extremely dynamic and new designs needs to be introduced at regular intervals during each season. Consequently, after every season there are left out apparels in odd lots, odd colours, odd sizes, etc. and some slow moving items. FSO are discount stores which clear such left out apparels, slow moving and seconds items. In this mode of distribution, the goods are sent on consignment basis to the FSO which sells it on mutually agreed terms. Currently as on March 31, 2008, we have 38 FSO in India.

S. No.	Zone	No. of Outlets
1	North	11
2	South	8
3	East	0
4	West	19
	Total	**38**

Region Wise Distribution Break Up

As on March 31, 2008, the following table shows the region-wise number of stores under various channels of distribution:

	North India	**South India**	**East India**	**West India**	**Total**
MBO	233	138	137	198	706
SIS	37	23	15	49	124
FSO	11	8	0	19	38
TOTAL (A)	**281**	**169**	**152**	**266**	**868**
Through our subsidiary GJFFL					
EBO	23	3	21	13	60
TOTAL (B)	**23**	**3**	**21**	**13**	**60**
TOTAL (A+B)	**304**	**172**	**173**	**279**	**928**

Concessionaire Agreement with Shoppers' Stop Limited ("SSL") for display counters

Our Company has entered into an agreement with SSL on April 01, 2006 for displaying, demonstrating and selling our products from certain display counters to be established for this purpose for which our Company will pay SSL certain percentage of sale on monthly basis. The term of this agreement is for one year. The term of the agreement has expired on March 31 2008 and the same is in the process of being renewed..

Sale or Return agreement with Pantaloons Retail (I) Ltd. (for Pantaloons and Central stores), Lifestyle International Pvt. Ltd., Piramyd Retail (I) Ltd., for display counters.

Our Company has entered into agreement with Pantaloons Retail (I) Ltd. (for Pantaloons and Central stores), Lifestyle International Pvt. Ltd and Piramyd Retail (I) Ltd. for displaying, demonstrating and selling our products from certain display counters to be established for this purpose for which our Company sales product giving upfront margin to those SIS. The terms of these agreements vary from one year to three years and it gets renewed from time to time.These agreements have expired and the same are in the process of being renewed.

Our Company has entered into a trademark sub license agreement dated July 27, 2005 w.e.f. July 21, 2005 with Levi Strauss (India) Private Limited **("LSIL")** wherein LSIL has sub licensed the trademarks Levi's ® & Sykes™ to our Company till November 20, 2008 via this agreement to design, manufacture and market apparels under Levi's ® & Sykes™ trademarks in India. The agreement may be renewed by and upon espress written agreement between LSIL and GJAPL.

Our Company has entered into a distributor agreement dated September 01, 2006 with Benetton India Private Limited wherein our Company is appointed as the exclusive distributor of Benetton India Private Limited for the purposes only of the purchase for resale of the products in India for their kidswear range till August 31, 2010. One year before the termination date the parties might, in their discretion, discuss about the possible renewal of the agreement for the further four contractual years, with effect from September 01, 2010.

Our Company has entered into a distributor agreement dated December 29, 2006 with Reebok India Company wherein our Company is appointed as distributor of Reebok India Company.

Our Company has entered into an agreement with Reliance Retail dated May 03, 2007 wherein reliance retail has agreed to buy the Merchandise bearing the Brand Gini & Jony, on a non-exclusive basis, for further sale at its Stores. The term of the agreement is three years from May 03, 2007.

Our Company has entered into an agreement with Novotex Exim India Limited dated October 12, 2007, for supply of Garments and Accessories on part outright sale and balance on sale or return basis. Under the agreement entered into an exclusive arrangement with exclusive rights of distribution through G&J EBO's, FFS, of the merchandise under the name of Ben 10, in India. . The term of the agreement is 11 months from the date of execution.

Our Company has also appointed Mr. Rocky-S on retainership basis as design consultant on October 01, 2007 for period of three years. During this period Mr. Rocky-S will design in the kids wear segment exclusively for Gini & Jony Limited and all the designs will be the exclusive property of our Company.

Competitive Environment

The kidswear industry in India is highly competitive, we face competition from both the Indian as well as the International markets. The threat of competition emerges from the unorganized as well as the organized sector. In the domestic market, our direct competitors among the branded players include Personality Limite (Weekender Kids), DS Corporation (Ruff Kids), Liliput Kidswear Private Limited (Liliput), Raymonds Limited (Zapp) and Little Kangroo.

Communication and IT Infrastructure

We are focused on controlled expansion plans by establishing a well structured communication and IT infrastructure. At present, all our existing warehouses/branches are connected with the Head Office through VPN lines and retail outlets through FTP. Latest Video conferencing equipment is installed at various locations across the Country for speedy communication. We have a data center established at our Head Office fully equipped with latest Servers with special emphasis on security and backup. We have launched our B2B and CRM sites which are protected with latest firewall.

Research and Development

Design and product development is a crucial step, a core team comprising of 20 qualified designers work closely to design and develop new apparels and accessories. Apart from this, we have a separate team of merchandiser and product development manager for each brand which on a continuous basis keep tab of market trends and development. The team works on an average 200 designs for each brand each season, out of which best designs are picked up to show case the new season. The designing team works on designs for each of the brand keeping in mind the uniqueness in positioning, product offering and target consumer for each brand

Utilities

Location	Water arrangements	Waste disposal arrangements	Electricity arrangements
Daman	Water needed for only human consumption	No effluent treatment required as there is no discharge	500 KVA available from the State grid
Baddi	Water needed for only human consumption	No effluent treatment required as there is no discharge	400 KVA available from the State grid

Our Properties

The details of the property occupied/ used/owned by us are given below:

Sr. No.	Property	Particulars	Type Of Facility	Area
1	Gala No 110, Arihant Industrial Estate, Sakinaka, Saki Vihar Road, Andheri (E), Mumbai 400072	Gini & Jony Limited have purchased the property from M/S Arihant Builders	Office	565 Square Feet
2.	Gala No 111, Arihant Industrial Estate, Sakinaka, Saki Vihar Road, Andheri (E), Mumbai 400072	Gini & Jony Limited have purchased the property from M/S Arihant Builders	Office	555 Square feet
3.	Gala No 112, Arihant Industrial Estate, Sakinaka, Saki Vihar Road, Andheri (E), Mumbai 400072	Gini & Jony Limited have purchased the property from M/S Arihant Builders	Office	555 Square feet
4	Gala No 113, Arihant Industrial Estate, Sakinaka, Saki Vihar Road, Andheri (E), Mumbai 400072	Gini & Jony Limited have purchased the property from M/S Arihant Builders	Office	555 Square feet
5	Gala No 114, Arihant Industrial Estate, Sakinaka, Saki Vihar Road, Andheri (E), Mumbai 400072	Gini & Jony Limited have purchased the property from M/S Arihant Builders	Office	565 Square feet
6	Gala No 115, Arihant Industrial Estate, Sakinaka, Saki Vihar Road, Andheri (E), Mumbai 400072	Gini & Jony Limited have purchased the property from M/S Arihant Builders	Office	585 Square feet
7	Gala No 116, Arihant Industrial Estate, Sakinaka, Saki Vihar Road, Andheri (E), Mumbai 400072	Gini & Jony Limited have purchased the property from M/S Arihant Builders	Office	585 Square feet
8	Gala No 117, Arihant Industrial Estate, Sakinaka, Saki Vihar Road, Andheri (E), Mumbai 400072	Gini & Jony Limited have purchased the property from M/S Arihant Builders	Office	110 Square feet
9	Survey No 57/2 and 56/2 situated at Ringanwada, Nani Daman, Daman	Gini & Jony Limited have purchased the property from Shri Ajay S Sharma and Smt Wimala Devi S. Sharma	Factory	4075 Square Meters along with Industrial building constructed thereto upto plinth level
10	Unit No A/601, CTS No 244, 244/1 to 3 , Andheri, Mumbai	Gini & Jony Limited have purchased the property from M/s Cadell Weaving Mill Co Pvt Ltd and Basons Investments Pvt Ltd	Commercial Building	320.71 Square meters
11	Unit No A/701, CTS No 244, 244/1 to 3 , Andheri, Mumbai	Gini & Jony Limited have purchased the property from M/s Cadell Weaving Mill Co Pvt Ltd and Basons Investments Pvt	Commercial Building	334.60 Square

		Ltd		Meters
12	Plot no 2D, Export Promotion Industrial Park, Phase 1 Jharmajri, Baddi, Tehsil, Nalagarh, District, Solan Himachal Pradesh	Gini & Jony Limited have leased the plot from the Himachal Government for a period of 95 Years commencing from April 7, 2005	Industrial Park	500 Square meters
13	Plot no 47, Export Promotion Industrial Park, Phase 1 Jharmajri, Baddi, Tehsil, Nalagarh, District, Solan Himachal Pradesh.	Gini & Jony Limited have leased the plot from the Himachal Government for a period of 99 Years commencing from April 7, 2005	Industrial Park	1935 Square meters
14	Unit No 304 Tower A, on the 3 rd floor of Signature Towers, Gurgaon	Gini & Jony Limited have purchased this property from Shri Neeraj Batra	Apartment	469.40 Square meters
15	Flat No 208 B Wing Sunset II, Raheja Vihar Complex, Chandivili, Powai, Andheri(E), Mumbai.	Gini & Jony Limited have purchased this property from M/s Powai Developers	Apartment	674 Square Feet
16	Unit No. A-501, CTS No 244A, Andheri, Mumbai	Gini & Jony Limited have taken this property on leave & license basis for period of 60 months commencing from February 15, 2008 (wherein there is no renewal after 60 months) from Mr. Dharmendra Nagindas Gandhi and Mr. Tejas Nagindas Gandhi for a monthly rent of Rs. 1,54,700 (which will increase for subsequent years) and an interest free security deposit of Rs. 18,56,400/-.	Office	68.99 Square Meters
17	Unit No. B-704 and B-705, CTS No 244A, Andheri, Mumbai	Gini & Jony Limited have taken this property on leave & license basis for period of 60 months commencing from November 30, 2006 (wherein there is no renewal after 60 months commencing from December 01, 2006) from M/s basons Investments Private Limted for a monthly rent of Rs. 3,20,160 (which will increase for subsequent years to Rs. 3,33,000, Rs. 3,46,400, Rs. 3,60,200 and Rs 3,74,700 respectively for second, third, forth and fifth year) and an interest free security deposit of Rs. 38,41,920/-.	Office	230.85 Square Meters
18	1st Floor, Tirupur Town, No.22, Lingai Goundar Street, Extn, K.N.P. Puram, Tirupur	Gini & Jony Limited has taken this property on lease for peiod of 11 months from March 01, 2008 from Mr. Jayanthi Balu for a monthly rent of Rs. 13,000/- and a security deposit of Rs. 1,00,000/-	Office & Residence	2100 Sq. ft.
19	1st Floor, Premises No. 76B, Lake View Road, Kolkata	Gini & Jony Limited has taken this property on lease for a period of 3 years commencing from December 01, 2007	Office	1200 Sq. ft.

		from Mr. Pradip Chaterjee for a monthly rent of Rs. 23,500/- including hiring chages of fitting and fixtures and a interest free security deposit of Rs. 1,50,000/- (which was paid previously in 2001)		
20	Plot No 2B EPIP Phase 1, Jharmajri (Baddi) Dist. Solan (HP)	Gini & Jony Limited have purchased the property from Punjab National Bank & UCO through auction held on February 6 2008 - #	Plot	500 Square meters along with constructed shed
21	Punjab Apparel Park Limited Doraha, Plot no. D-5 (Part A)	Gini & Jony Limited applied for the said plot under the Apparel Park Scheme of Ministry of Textile and the same was allotted by letter dated November 26 2007 by Punjab Apparel Park Limited	Plot	3985 Sq Yards.

- The property is in process of being transferred in name of the Company.

Insurance

We are covered by standard fire and special peril insurance policies for loss caused by accident, fire, flood, riot etc for our manufacturing units and offices at Mumbai(except office at Unit A – 501, Andheri), Daman, Baddi and Gurgaon. We believe that our properties are covered with adequate insurance and with commercially reasonably deductibles and limits on coverage, which are normal for the type and location of the assets and properties to which they relate.We do not have insurance for our Kolkatta and Tirurpur offices.

Intellectual Property

We have filed trademark applications with the Registrar of Trademark, Mumbai on March 15, 2005, for registering the trademark associated with the name and logo appearing on the front cover of this Draft Red Herring Prospectus. This trademark application is currently pending. For further details, see Risk Factors – *We have limited protection of our intellectual property*" on page [●] of this Draft Red Herring Prospectus.

Our Employees

We are a design and brand driven Company employing number of designers, marketing personnel, advertising staff, cutters, tailors, accounts and support staff etc. Currently, there are 20 professionals in our designing team headed by our Promoter Mr. Anil Lakhani. The team comprises professionals from NIFT, NID and other designing institutes.

We believe that we have been able to attract talent due to our brand image, professional approach in managing human resource, good working environment coupled with our attractive compensation package & benefits like stock allotment to select employees. We believe that we maintain a good working relationship with our employees and we have not experienced any strikes or lockouts or other significant labour disputes. Typically, our employees are not subject to any collective bargaining agreements or represented by labour unions.

As of March 31, 2008 we had about 2,012 employees spread over all our offices across the country and two factories the details of which are as given below:

(number of persons)

	Mumbai Corporate Office	**Daman Factory**	**Baddi Factory**	**Other Support Offices**
Managerial Staff	22	8	5	8
Supervisory Staff	41	46	37	19
Support Services	51	18	12	35
Skilled and Unskilled labour	127	775	470	338
Total staff	**241**	**847**	**524**	**400**

INDUSTRY REGULATIONS AND POLICIES

Manufacturing Activities

The Government of India has over the years formulated various legislations, which apply to companies engaged in the business of ready made garments in India.

Regulations still protect small-scale in a number of ways. While the production of ready-made garments is no longer reserved for small-scale manufacturers, a few product markets, such as hosiery, still are. In addition, Indian manufacturers often choose to set up several small plants, instead of a single big one, to take advantage of labour laws. As a result, Indian apparel/garment making units typically have less number of machines than its counterparts in other countries.

In order to encourage upgradation of textile sector and to give a fillip to exports of textile products, some of the important initiatives taken by the Government of India are as follows:

Announcement of New Textile Policy

One of the main objectives of the New Textile Policy announced in November 2000 (NTxP 2000) is to facilitate the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. The policy endeavors to achieve the target of textile and apparel exports from the present level to US$ 50 billion by 2010, of which the share of garments will be US$ 25 billion. Subsequent to the announcement of NTxP 2000, woven segment of readymade garment sector has been de-reserved from SSI and the announcement has been made for dereservation of knitwear from SSI.

Technology Up-gradation 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. 01-04-1999 to 31-03-2004 and then extended further, providing for 5% interest reimbursement in respect of loans availed thereunder from the concerned financial institutions for investment-benchmarked technology for the sectors of the Indian textile industries specified thereunder.

100% Foreign Direct Investment in the Textile Sector

The Indian Government has allowed foreign equity participation upto 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.

Export Promotion Capital Goods (EPCG) Scheme

The scheme facilitates import of capital goods at 5% concessional rate of duty with appropriate export obligation. Import of second hand capital goods is allowed under the EXIM Policy as announced on 31.03.2003.

Advance Licensing Scheme

With a view to facilitating exports and to access duty-free inputs under the scheme, standard input-output norms for about 300 textiles and clothing export products have been prescribed and this scheme remained under operation.

Duty Exemption Pass Book (DEPB) Scheme

DEPB credit rates have been prescribed for textiles and clothing products.

Duty Drawback Scheme

The exporters are allowed refund of the excise and import duty suffered on raw materials under the scheme so as to make the products more competitive in the international market.

Construction of Apparel International Mart

Apparel International Mart (AIM), set up by Apparel Export Promotion Council, Ministry of Textile, Government of India, is one of the unique marts of the country. AIM is the state of the art architectural marvel with a covered area of 3.5 lac sq .ft. meeting latest international standards where exporters and buyers will converge at one single point, access their requirements and conduct on the spot business. There will be 250 exclusive showrooms to showcase a wide range of products apart from 70,000 sq. ft. area earmarked for exhibition. It will act as a podium to showcase Indian apparels to the world with fully integrated multiplex for showrooms and exhibition area designed as per world class standards.

An auditorium, a resource centre, business centre, a bank with foreign exchange facility, a travel desk, offices of the AEPC and AIM shall also form a part of the trade mart.

The establishment of the AIM shall be a landmark in the history of the apparel industry in India and is expected to provide a major thrust to the export promotion efforts of the country especially in view of the phase-out of MFA by 2005.

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 the country meet all international environmental standards.

Apparel Park for Exports Scheme

A Centrally sponsored “Scheme for Integrated Textile Parks (SITP)” is launched by merging the existing two schemes namely, the Scheme for Apparel Parks for Exports (APE) and the Textile Centre Infrastructure Development Scheme (TCIDS), in 2005. SITP is to provide the industry with world-class infrastructure facilities for setting up their textile units. SITP would create new textile parks of international standards at potential growth centers by 2007-08.

The Scheme is co-terminus with the 10th Plan period. Its continuation into 11th Plan would be dependent upon the success in completion of 25 projects in next two years. Under the scheme presently following number of the schemes have been proposed: Andhra Pradesh-4, Gujrat-7, Maharastra-6, Tamil Nadu-6, Rajasthan-4, Karnataka-1, Punjab-1and West Bengal-1.

Textile Centres Infrastructure Development Scheme (TCIDS)

Development of infrastructure facilities at pre-dominantly textile/apparel sector areas is one of the thrust areas of NTxP 2000. For attaining this objective, a new scheme (TCIDS) has been launched for upgrading infrastructure facilities at important textile centers.

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 restrains 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 fibers in addition to cotton.

Since 1947, when the General Agreements on Tariff and Trade (GATT) was first signed, an increasing proportion of international trade was regulated by the international agreements, designed to ensure countries could erect or maintain barriers to international trade only under mutually agreed terms.

Apparel / readymade garments were not included in GATT provisions. In 1947, the Multi-Fibre Agreement (MFA) was signed, without reference to GATT, essentially ratifying countries right to impose quotas on textiles and apparel / readymade garment imports from each other. This was intended to be a temporary measure allowing developing countries time to restructure their apparel / ready-made garments and textile industries before opening them up to competition from developed countries.

In practice the MFA was frequently renewed. In 1994, GATT signatories signed the Agreement on Textiles and Clothing (ATC), committing to phasing out MFA and replacing it by the general systems for agreeing trade barriers and disputes that the GATT has laid down. Almost simultaneously, the GATT was replaced by the World Trade Organisation (WTO).

The most important underlying principles of the ATC are:

- The quotas would be phased out to an agreed timetable (16% of imports quota-free by 1/1/95, a further 17% by 1/1/98, a further 18% by 1/1/02 and the remaining 49% by 1/1/05)
- There would be no extension date • The ATC would be binding only on trade between WTO member states.
- There would be no temporary provisions while the ATC was in force for monitoring progress and managing duties

Accordingly, 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 which countries will eventually emerge as winners.

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.

Retailing

Foreign Investment

The Government of India formulated an industrial policy was formulated in 1991 ("Industrial Policy 1991") in order to implement its policy of economic reforms. The Government of India has since amended the Industrial Policy 1991 from time to time in order to enable foreign direct investment in various sectors of the Indian industry in a phased manner, gradually allowing higher levels of foreign participation in Indian companies. However, as per the current Central Government policy on foreign direct investment, foreign direct investment is permitted upto 51% in Indian companies carrying on business of ‘single brand retail’ in the Indian retail trading sector with prior government approval. Such investment is subject to following conditions:

- Products to be sold should be of a ‘Single Brand’ only.
- Products should be sold under the same brand internationally.
- ‘Single Brand’ product-retailing would cover only products which are branded during manufacturing.

Labour laws

India has stringent labour legislation protecting the interests of employees. There is a clear distinction between (i) employees who are ‘workmen’ (as defined under various enactments including the Industrial Disputes Act, 1947 (the “IDA”) and (ii) employees who are not ‘workmen’. Workmen have been provided several benefits and are protected under various labour laws, whilst those persons who have not been classified as workmen are generally not afforded statutory benefits or protection, except in relation to bonus, provident fund and gratuity. Employees are usually subject to the terms of their employment contracts with their employer, which are regulated by the provisions of the Indian Contract Act, 1872.

Termination of a non-workman is governed by the terms of the relevant employment contract. As regards a 'workman', the IDA sets out certain requirements in relation to the termination of the workman's services. This includes detailed procedures prescribed for the resolution of disputes with labour between employers and employees in the areas of termination and severance obligations of the employer. The applicability of such laws depends on the number of workers employed and their monthly remuneration.

Trademarks

Trademarks have been defined by TRIPS as any sign, or any combination of signs capable of distinguishing the goods or services of one undertaking from those of other undertakings. Such distinguishing marks constitute protect-able subject matter under TRIPS. TRIPS provides that initial registration and each renewal of registration shall be for a term of not less than seven years and the registration shall be renewable indefinitely. Compulsory licensing of trademarks is not permitted. In light of the changes in trade and commercial practices, globalisation of trade, the need for simplification and harmonisation of trademarks registration systems etc., the Indian Parliament undertook a comprehensive review of the Trade and Merchandise Marks Act, 1958 and a Bill to repeal and replace the 1958 Act has since been passed by Parliament and notified in the Gazette on December 30, 1999. The amended Trade and Merchandise Marks Act, was brought into force with effect from September 15, 2003. This Act makes Indian trademarks law compatible with TRIPS and also harmonises it with international systems and practises.

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 Water Access Act, 1977, 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 and the Water Access 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.

Standards of Weights and Measures Act, 1976

Our Company is required to comply with the provisions of the Standards of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977.

Shops and Establishments legislations in various states

Our Company is governed by the various Shops and Establishments legislations, as applicable, in the states where it has exclusive brand outlets. These legislations regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Other Regulations

Our distribution network comprises number of EBO, MBO, SIS and FSO in India and therefore are regulated by legislation enacted by various State Governments. So our stores require material registrations / licenses/ consents / permissions under the statutes listed out below. The statutes/ legislation list set out below is by way of illustration and is not exhaustive.

- Applicable state shops and establishment legislations
- Applicable state municipal legislations
- Contract Labour (Regulation & Abolition) Act, 1970
- Copyright Act, 1957
- Provident Fund and Miscellaneous Provisions Act, 1952
- Trade Mark Act, 1999
- Various other statutes.

OUR HISTORY AND OTHER CORPORATE MATTERS

Our Main Objects

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

1. To carry on the business of manufacturers, importers, exporters, sellers, buyers and dealers whether of wholesales or retailers of all kinds of ready made garments, hosiery goods, fabrics, embroidery works.

2. To carry on the business of manufacturers, importers, exporters, sellers, buyers and dealers in all accessories, articles, apparatus, equipments and goods which may seem calculated to promote or to be capable of being used in ready made garments.

Change in Name

Dates	Events relating to change of name
November 11, 1994	Incorporated as Gini and Jony Apparrel Private Limited.
December 24, 2002	Change of name from Gini and Jony Apparrel Private Limited to Gini & Jony Apparel Private Limited.
November 13, 2006	Change of name to Gini & Jony Private Limited and also became public limited company under the name Gini & Jony Limited.

Key Milestones

Year	Event
1994	Incorporation of the Company
1994	First presence in LFS – Shoppers' Stop, Mumbai
1996	Launch of first EBO in Hyderabad
2002	Manufacturing facility at Daman (Union Territory) became operational
2005	Setting up of manufacturing facility at Baddi (Himanchal Pradesh)
2005	Private equity investment by Reliance Energy Investments Limited (ADAG Enterprise)
2005	Licensee Agreement signed with Levi Strauss (India) Private Limited
2005	Launch of "Gini" and "Jony" characters.
2006	Private equity investment by Arisaig India Fund Limited (a registered FII in India)
2006	Expanded manufacturing facility at Daman (Union Territory)
2006	National distributorship agreement signed with Benetton India Private Limited and Reebok India Company

2007	Launched “Freedom Fashion” stores, - lifestyle stores for kids, through our Subsidiary GJFFL

Awards & Achievements

Year	Event
2001	Images fashion Hall of fame award for “Most Admired Kidswear Brand”
2002	Inside Fashion award for Excellence in retail performance
2002	CMAI’s Apex award for Kidswear brand of the year
2002	Images fashion award for “Most Admired Kidswear Brand”
2003	Images fashion award for “Most Admired Kidswear Brand”
2003	CMAI’s Apex award for “Kidswear brand of the year”
2003	Shoppers’ Stop Pinnacle award for Best Kids Brand
2003	Inside Fashion award for “Excellence in retail performance”
2004	Images fashion award for “Most Admired Kidswear Brand”
2004	Shoppers’ Stop Pinnacle award for “Best Kids Brand”
2005	Images fashion award for “Most Admired Kidswear Brand”
2005	CMAI’s Apex award for “Kidswear brand of the year”
2005	Shoppers’ Stop Pinnacle award for “best kids brand”
2006	Images fashion award for “Most Admired Kidswear Brand”

Changes in Registered Office of our Company

The table below shows the changes in the registered office since incorporation:

Previous Address	New Address	Reasons for Change in Office	Date of Change
A-2/470 Shah & Nahar Industrial Estate Dhanraj Mills Compound, Lower Parel, Mumbai 400013	A-601, Citipoint, Next to Kohinoor Continental, Andheri-Kurla Road, Andheri-East, Mumbai 400059	Increased requirements for office space	November 16, 2006

Amendments to the Memorandum of Association

Date of Shareholders Approval	Brief Details of the Changes
March 1, 1995	Increase in the authorised share capital from Rs. 100,000 (Rupees Hundred Thousand) divided into 10,000 Equity Shares to Rs. 5,000,000 (Rupees Five million) divided into 500,000 Equity Shares.
January 12, 1999	Increase in the authorised share capital from Rs. 5,000,000 (Rupees Five million) divided into 500,000 Equity Shares to Rs. 15,000,000 (Rupees Fifteen million) divided into 1,500,000 Equity Shares.
September 30, 2002	The name of the Company was changed from Gini and Jony Apparrel Private limited to Gini & Jony Apparel Private Limited
March 28, 2005	Increase in the authorised share capital from Rs. 15,000,000 (Rupees Fifteen million) divided into 1,500,000 Equity Shares to Rs. 80,000,000 (Rupees Eighty million) divided into 8,000,000 Equity Shares.
February 7, 2006	Increase in the authorised share capital from Rs. 80,000,000 (Rupees Eighty million) divided into 8,000,000 Equity Shares to Rs. 90,000,000 (Rupees Ninety million) divided into 9,000,000 Equity Shares.
September 6, 2006	Increase in the authorised share capital from Rs. 90,000,000 (Rupees Ninety million) divided into 9,000,000 Equity Shares to Rs. 120,000,000 (Rupees One Twenty million) divided into 12,000,000 Equity Shares.
September 6, 2006	The name of our Company was changed from Gini & Jony Apparel Private Limited to Gini & Jony Private Limited.
September 6, 2006	The status of the Company was changed from Gini & Jony Private Limited to Gini & Jony Limited.
January 25, 2007	The ancilliary object clause No. 13 was changed
January 24, 2008	Increase in the authorised share capital from Rs. 120,000,000 (Rupees One Twenty million) divided into 12,000,000 Equity Shares to Rs. 140,000,000 (Rupees One Forty million) divided into 14,000,000 Equity Shares.

Our Subsidiaries

We have two Subsidiaries namely, GJ Freedom Fashions Limited and G & J Garments Processors Private Limited. None of our Subsidiaries has made any public or rights issue in the last three years and have not become sick companies under the meaning of SICA and are not under winding up.

1. GJ Freedom Fashions Limited

GJFFL had been formed as a Joint Venture between Pantaloon Retail (India) Limited and our Company as GJ Future Fashions Limited, it was incorporated on March 8, 2006 for establishing EBO, SIS in Pantaloons Departmental Stores and SIS in Central Departmental Stores for retailing of kidswear merchandise under the Company's various brands.

The name of this Company was subsequently changed to GJ Freedom Fashions Limited ("GJFFL") vide special resolution dated August 14, 2007 and a fresh certificate of incorporation dated September 5, 2007 was issued by the RoC, Maharashtra at Mumbai. The registered office of the company is located at A-701, Citipoint, next to Kohinoor Continental, Andheri Kurla Road, J.B Nagar, Andheri East, Mumbai 400 059.

The company has acquired the entire shareholding of Pantaloon Retail (India) Limited in GJFFL vide the JV Termination Agreement dated June 30, 2007 making GJFFL a wholly owned subsidiary of the Company.

Shareholding pattern

The equity shares of the GJFFL are not listed on any stock exchange. The shareholding pattern as on March 31, 2008 is follows:

Sr No.	Name of Share Holder	No. of Shares	Face Value (Rs per share)	Total value (Rs)	% of shareholding
1.	Gini & Jony Limited*	9,000,000	10	90,000,000	100
	Total	9,000,000		90,000,000	100

**includes one Share each held by Mr. Prakash Lakhani, Mr. Jaikishan Lakhani, Mr. Anil Lakhani, Mr. Harish Mehta, Mr. Rajesh Mehra and Mr. Ajay Agrawal, as a nominee of Gini & Jony Limited.*

Board of Directors

The board of directors of GJFFL comprises of:

- Mr. Prakash Lakhani
- Mr. Jaikishan Lakhani
- Mr. Anil Lakhani

Financial Performance

The financial results of GJFFL for FY 2006, FY 2007 and the nine month period ended December 31, 2007 are set forth below:

(Rs. in million)

Particulars	For period ending December 31, 2007	For period ending March 31,2007	For period ending June 30, 2006
Total Income	243.75	148.15	25.02
Profit after tax	1.23	(46.26)	(9.01)
Equity Share Capital	90.00	70.00	0.50
Reserves (excluding revaluation reserve)	5.98	(55.25)	(9.01)
Net Worth	95.98	14.75	(2.51)
EPS	0.17	(12.59)	(573.40)
NAV Per Share (in Rs.)	10.66	2.11	(50.17)

2. G & J Garments Processors Private Limited

G & J Garment Processors Private Limited was initially incorporated as Newmoon Mercantile Company Private Limited on November 11, 2003 to carry on the business in India and abroad as manufacturers, processors, washers, dyers, retailers, traders, distributors, dealers, exporters, importer, brokers, stockiest, commission agent, agency business, selling and marketing business of textiles, garments, yarn, fibers, silk, wool, accessories.

The name of the company was changed to G & J Garment Processors Private Limited on July 22, 2005. The registered office of the Company is located at A-601, Citipoint, next to Kohinoor Continental, Andheri Kurla Road, J.B Nagar, Andheri East, Mumbai 400 059.

Pursuant to the Share Purchase Agreement dated March 25, 2008, Gini & Jony Limited acquired balance 49% shareholding in GJGPPL. For further details refer page [●] of this Draft Red Herring Prospectus.

Shareholding pattern

The equity shares of GJGPPL are not listed on any stock exchange. The shareholding pattern on March 31, 2008 is as follows:

Sr. No.	Name of the Shareholder	No. of Shares	Face Value (Rs. per share)	Total Value (Rs.)	% of Shareholding
1	Gini & Jony Limited*	400,000	10	4,000,000	100.00%
	TOTAL	**400,000**		**4,000,000**	**100.00%**

**includes one Share held by Mr. Prakash Lakhani, as a nominee of Gini & Jony Limited.*

Board of Directors:

The board of directors of GJGPPL comprises:

- Mr. Jaikishan Lakhani
- Mr. Anil Lakhani

Financial performance

The audited financial results of GJGPPLfor FY 2005, 2006 and 2007 and the nine month period ended December 31, 2007 are set forth below:

(Rs. in million)

Particulars	For period ending December 31, 2007	For period ending March 31,2007	For period ending March 31, 2006	For period ending March, 2005
Total Income	13.40	23.62	3.87	-
Profit after tax	(0.40)	0.08	0.56	-
Equity Share Capital	4.00	4.00	4.00	0.10
Reserves (excluding revaluation reserve)	0.24	0.63	0.56	-
Net Worth	4.24	4.63	4.56	0.22
EPS	(0.99)	0.19	42.23	-
NAV Per Share (in Rs.)	10.60	11.59	11.39	22.00

Material Agreements

(a) Shareholder Agreement dated April 25, 2005 with Reliance Energy Investments Limited.

Our Company had entered into a Shareholder's Agreement with Reliance Energy Investments Limited (**"REIL"**) dated April 25, 2005 had subscribed for 2 million Equity Shares, then constituting 25% of the then equity share capital subject to the terms and conditions of this agreement at the subscription price aggregating to Rs. 100 million. As per this agreement, REIL is entitled to nominate directors to the Board in proportion to their shareholding and in any event is entitled to nominate at least one director on the Board. REIL is granted information rights with respect to financial statements and examination of books and records.

As long as REIL holds Equity Shares in our Company, no action or decision relating to any of the matters in respect of our Company or any subsidiary can be taken (whether by a Board, any committee, any shareholder of our Company, or any subsidiary, or any of the employees, officers or managers of the Company) unless the REIL's consent is obtained for such action or decision such as:

(a) Any issuance of Shares or security or right convertible into or entitling Shares;
(b) Any merger or acquisition (of assets, business or Shares) by the Company;
(c) Any sale or transfer of the business or assets of the Company including the intellectual property rights or brand equity, present and future, of the Company (except sale/transfer of assets in the ordinary course of business of the Company);
(d) Royalty to be charged for licensing brand(s) or brand derivatives to others;
(e) Voluntary winding up, liquidation or dissolution of the Company;
(f) Material transactions with a connected person/concern;
(g) Appointment of persons to the following management positions (by whatever name called which undertake work of a similar nature)
    (1) Directors
    (2) Head of Finance and or Accounts;
(h) Material change in the scope, nature and/or activities of the Company's business;
(i) Capital expenditure in excess of Rs. 3,000,000/-;
(j) Any investment in excess of Rs. 20,000,000/-;
(k) Modification or amendment of the Company's constitutional documents, including Shareholders' Agreement, the Memorandum and the Articles of Association and others;
(l) Any new lines of business that the Company wishes to undertake which does not fall in the scope of its current areas of operations and the business plan submitted to the investors;
(m) Any action relating to material deviations (more than 20%) from the business plan;
(n) Setting up of subsidiaries and associate companies;
(o) Raising debt in excess of Rs. 5,000,000/-;
(p) Any action that would alter or change the rights or privileges, obligations or liabilities or dilute respective percentages of ownership of any shareholder;
(q) Any changes to any agreement existing or new additional contractual obligations between the Company and its shareholders, etc;
(r) All related party transactions in excess of Rs. 1 million per annum;
(s) Entering into, rearranging or rescheduling debt or the provisions of any guarantee or extension of any credit that would substantially impact the Company's/subsidiary's financial ratios; and
(t) Declaration of dividends or other distributions and any changes in the dividend policy of the Company,
(u) Change in accounting year or the Registered Office
(v) Change in name of the Company
(w) Any strategic/financial/other alliance with a third party which result in investments by the Company/Promoter or offer certain exclusive rights to partner.
(x) Any decision which has an effect on the brand equity/Intellectual Property Rights assets of the Company.
(y) Acceptance of contracts which may involve contrary/debatable ethical issues.
(z) Change in process by addition of new technology or otherwise.

Subsequent to this agreement the name of REIL was changed to Sonata Investments Limited **("SIL")** and in December 2005, all the shares were transferred vide electronic transfer to Reliance Capital Limited.

Reliance Capital vide its letter dated April 09, 2008, pursuant to the clause 9 of the Share Subscription Agreement dated April 25, 2005 conveyed its no objection in respect of the follwing:

1. Setting up subsidiary Company – GJ Garment Processors Private Limited
2. Appointment of Mr. Ajay Kumar Agrawal as executive director of the Company
3. Setting up a wholly own subsidiary Company – GJ Freedom Fashions Limited
4. Amendment in Articles of Association to facilitate the issue of stock options

5. Appointment of Mr. Rajesh M Chaturvedi as an additional director of the Company
6. Amendment in Memorandum of Association of the Company consequent upon increase in authroised share capital; and
7. Waiver of conditions of Clause 11 requiring listing within a period of three years from the date of investment of the share subscription agreement.

(b) Subscription and Shareholders Agreement with Arisaig India Fund Limited

Our Company had entered into a Shareholder's Agreement with Arisaig India Fund Limited **("AIFL")**, having its registered office at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius dated February 17, 2006 had subscribed to 812,500 Equity Shares amounting to 9.22% of the then share capital. Our Company agreed not to carry out the following activities without the prior consent of AIFL

(i) Amendments to the Memorandum and Articles;
(ii) Change in the rights of the securities;
(iii) Acquisition of Shares or assets of other businesses, creation of JV, partnership, subsidiaries, mergers, demergers and consolidation,
(iv) Affiliated party transactions in which any of the Promoters or any of their affiliates have a financial interest of more than 26%.
(v) Any increase in the issued, subscribed, paid up equity or preference Share capital or re-organization of the Share capital of the Company, including new issue of Shares or other securities of the Company or any preferential issue of shares or redemption of any shares, issuance of warrants, or grant of any options over its shares by the Company,
(vi) Commencement of any unrelated new line of business;
(vii) Capex in excess of 25% of networth per annum,
(viii) Divestment or sale of assets of business,
(ix) Any agreement or arrangement relating to Intellectual Property Rights,
(x) Approval of new scheme or plan or grant of Employees Stock Option, sweat equity shares to any person or entity, including any modification to any new or existing scheme or plan.
(xi) Setting up of salary and benefits of any employee with a total cost to the Company or any subsidiaries exceeding Rs. 5 million per annum.
(xii) Changes to material accounting policies or practices, or any change in the financial year for preparation of audited accounts.
(xiii) Taking any steps towards or to appoint any advisors in connection with a potential sale or flotation of the Company
(xiv) Creating any lien or charges or proposing the acquisition, sale, lease, transfer, license or in any other way proposing to dispose off any assets or undertaking of the Company and/or its affiliates in excess of Rs. 20 million for individual transactions or Rs. 100 million or more on a cumulative basis.
(xv) Entry into, amendment or termination of any agreement or commitment that imposes or is likely to impose obligations on the Company and/or its affiliates to pay an amount of Rs. 50 million or more in a single transaction or on a cumulative basis.
(xvi) Commencement or settlement of litigation where the amount involved is above Rs. 50 million in any particular financial year.
(xvii) Changing the Registered Office of the Company
(xviii) Changing the Auditors of the Company.

AIFL vide its letter dated April 09, 2008, pursuant to the clause 14 of the Share Subscription Agreement dated February 17, 2006 conveyed its no objection in respect of the follwing:

1. Setting up subsidiary Company – GJ Garment Processors Private Limited
2. Appointment of Mr. Ajay Kumar Agrawal as executive director of the Company
3. Setting up a wholly own subsidiary Company – GJ Freedom Fashions Limited
4. Amendment in Articles of Association to facilitate the issue of stock options
5. Appointment of Mr. Rajesh M Chaturvedi as an additional director of the Company
6. Amendment in capital clause V of the Memorandum of Association of the Company consequent upon increase in authroised capital;

7. Amendment in Articles of Association of the Compay consequent upon the Increase on authorized capital; and
8. The extension of the period, as mentioned under clause 7.1.1 to make the initial public offer and to obtain the listing/trading approvals from the BSE and/or NSE of India Limited by March 31, 2009.

However AIFL has reserved its right to maintain the other sub-clauses under Clause 7.1 of the Share Subscription Agreement dated February 17, 2006 till such time the securities of the Company gets listed on BSE/NSE.

(c) Slump Sale Agreement

Gini and Jony Apparel Private Limited had entered into a slump sale agreement with GJ Freedom Fashions Limited **(GJFFL)** on March 31, 2006. As per this agreement, G&J transfered its existing EBO to GJFFL for a consideration of Rs 6,65,02,735. The salient terms and conditions of this agreement are as follows:

- As on March 31, 2006, the effective control over the all the EBO along with assets of G&J in relation to these EBO shall vest with GJFFL
- The existing employees of the EBO of G&J shall be the employee of GJFFL. There will be no break in their services for promotion, gratuity etc
- As on March 31, 2006 GJFFL shall be fully and legally entitled to operate the EBO in its own name and in its own account and for its sole benefit.
- The parties agreed that all liabilities (including statutory and contingent liability) like PF, ESIC, gratuity, earned leave, bonus, sales tax, service tax, excise, customs, Income tax, electricity charges, telephone charges, property taxes or any other taxes etc accrued upto close of day of March 31, 2006 shall be borne by G&J irrespective of whether it is quantified or not.
- If any party to this agreement suffers any loss or liability, which is required by this agreement to be to the account of the other party, it shall be indemnified by the other party.

(d) Brand License Cum Supply Agreement

Gini and Jony Apparel Private Limited have entered into a Brand License with GJ Freedom Fashions Limited **(GJFFL)** on March 31, 2006, whereby G&J has agreed to

a. license the name and style of " Gini and Jony" for their various products under the Trademarks of i) Gini and Jony ii) GJ Jeans Unltd and iii) Palm Tree to GJFFL and
b. Supply G&J products to the GJFFL.

For the purpose of this agreement, License shall mean, the exclusive license for retail granted by G&J, wherein GJFFL shall have to pay the royalty and free and exclusive right to use the brand name "Gini and Jony, Freedom Wear" in relation to (i) EBO's in India (ii) Shop in Shops in Pantaloons Departmental Stores and (iii) Shop in Shops in Central Departmental Stores for sale of various GJ products.

GJFFL shall ensure that the styles of G&J brands are not sold in any of the EBOs or Shop-in- Shops in Pantaloons Departmental Stores and Shop – in- Shops of Central Departmental Stores under any similar brand, which shall harm the reputation and goodwill of the G&J Brands.

Before commencing the supply of any products, G&J shall first present the products to GJFFL for their approval. On presentation of the products, GJFFL may either approve the design or suggest changes to the design or reject the design. On approval of the design, GJFFL shall place a purchase order for the products. The payment shall be made within a period of 30 days from the date of dispatch of the products. GJFFL shall pay by cheque or electronic transfer, in consideration for the Products supplied to GJFFL by G&J. The price shall be such that GJFFL shall get a margin of 52.50% of the MRP.

(e) Share Purchase Agreement dated March 25, 2008 with Mr. Sunil Chari, Mr. Nikhar Lohia, Mr. Vijay Lohia and Edward Menezes

Pursuant to a Share Purchase Agreement dated 25th March 2008 between the Company, Mr Sunil Chari, Mr. Nikhar Lohia, Mr. Vijay Lohia and Mr. Edward Menezes (Outgoing Shareholders) and G&J Garment Processors Private Limited, the Company agreed to purchase balance 49% on spot delivery basis for a consideration of Rs.27,00,880. As a condition precedent the Outgoing Shareholder is required to resign from directorship of GJGPPL. The Company has agreed to release the bank guarantee of Mr Nikhar Lohia and Mr Sunil Chari given to Punjab National Bank for the credit facilities availed from the bank within a period of 3 months, however the company has agreed to make an application for such release immediately.

(f) Deed of Assignment dated November 20, 1996 with M/s Harison

Vide this deed of assignment, M/s Harison, a sole proprietary concern of Mr. Anil Lakhani, has assigned absolutely the trademark " Gini & Jony" to our Company along with the goodwill of the business concerned in the goods for which the said trademark have been used. A total consideration of Rs 25,000 was paid for this assignment.

OUR MANAGEMENT

Board of Directors

As per our Articles of Association, our Board of Directors shall consist of not less than three and not more than fourteen Directors of which not less than 2/3rd of the total number of Directors shall be persons whose period of office is liable to determined by retirement of Directors by rotation and save as expressly otherwise provided in the Companies Act, the Article of Association or by the Company in the general meetings. The remaining Directors shall be appointed as per provisions of the Article of Association. As on the date of filing this Draft Red Herring Prospectus, we have 10 (ten) Directors on our Board.

The Board of the Company comprises the following Directors:

S.No.	Name	Designation
1	Mr. Prakash Lakhani	Chairman & Managing Director
2	Mr. Jaikishan Lakhani	Executive Director
3	Mr. Anil Lakhani	Executive Director
4	Mr. Ajay Kumar Agrawal	Executive Director*
5	Mr. Rajesh Mehra	Non-Executive Director
6	Mr. Pradeep Kumar Sarkar	Independent Director
7	Mr. Amitabh Taneja	Independent Director
8	Mr. Rahul Mehta	Independent Director
9	Mr. Ramanathan Sriram	Independent Director
10	Rajesh M Chaturvedi	Independent Director*

* Appointed as an additional director

The following table sets forth current details regarding our Board of Directors as on the date of filing of this Draft Red Herring Prospectus:

Name, Father's Name, Designation, Residential Address Occupation and DIN no.	Age (years)	Date of Appointment and Term	Nationality	Other Directorships
Mr. Prakash Lakhani S/o (Late) Mr. Harichand Lakhani **Chairman & Managing Director** 1402 A Wing, Valencia, Hiranandani Garden, Powai, Mumbai 400076 Industrialist DIN No.: 00021761	48	November 11,1994 & reappointed as CMD w.e.f April,1, 2006 for 5 years	Indian	• GJ Freedom Fashions Limited • Realflag Multitrade Private Limited

Mr. Jaikishan Lakhani S/o (Late) Mr. Harichand Lakhani **Executive Director** 1304 B Wing, Valencia, Hiranandani Garden, Powai, Mumbai 400076 Industrialist DIN No.: 00021684	43	November 11,1994 & reappointed as ED w.e.f April,1, 2006 for 5 years	Indian	• GJ Freedom Fashions Limited • G & J Garment Processors Private Limited • Realflag Multitrade Private Limited
Mr. Anil Lakhani S/o (Late) Mr. Harichand Lakhani **Executive Director** 2804/A, Heritage, Hiranandani Garden, Powai, Mumbai 400076 Industrialist DIN No.: 00026145	40	November 11,1994 & reappointed as ED w.e.f April,1, 2006 for 5 years	Indian	• GJ Freedom Fashions Limited • G & J Garment Processors Private Limited • Realflag Multitrade Private Limited
Mr. Rajesh Mehra S/ o Mr. Raj Mehra **Non Executive Director** House No. 1062, Phase V, Mohali, Haryana 160059 Businessman DIN No.: 00026176	45	April 05, 2004 Liable to retire by rotation	Indian	Nil
Mr. Pradeep Kumar Sarkar S/o Mr. Jagdish Narayan Sarkar **Independent Director** 1. H. Tollygardens, 4 Moore Avenue, Kolkata 700040 Retired Banker DIN No.: 01082282	67	December 27, 2006 Liable to retire by rotation	Indian	• GTFS Multi Services Limited • Shalimar Wires Industries Limited
Mr. Amitabh Taneja S/o Mr. Suraj Prakash Taneja **Independent Director** D-957, New Friends Colony, New Delhi 110065 Media Professional DIN No.: 00031257	40	December 27, 2006 Liable to retire by rotation	Indian	• Images Multimedia Private Limited • IM Entertainment Private Limited • Images Retail Intelligence Services Private Limited • Liberty Shoes Limited • Provogue India Limited • Images Pearl Retail Solutions Limited

Mr. Rahul Mehta S/o Late Mr. Narendra Mehta **Independent Director** 121, Rewa Apartment, Bhulabhai Desai Road, Mumbai 400 026. Industrialist DIN No.: 00165521	58	December 27, 2006 Liable to retire by rotation.	Indian	• Creative Garments Private Limited • Creative Textile Mills Private Limited • Creative Global Stock Broking Private Limited • Creative Casual Wear Private Limited • Creative Chain Stores Private Limited • Apparel Media Private Limited • Karl Hogan Clothing Private Limited • Creative Outerwear Limited • Creative Lifestyle Private Limited • Creative Crossover Fashion Private Limited
Mr. Ramanathan Sriram S/o Mr. R. Ramanathan **Independent Director** 1603, Verona Hiranandani Gardens, Powai, Mumbai 400076 Entreprenuer DIN No.: 00065069	44	December 27, 2006 Liable to retire by rotation.	Indian	• Next Practice Retail Pvt Limited
Mr. Ajay Kumar Agrawal S/o Mr Sajjan Kumar Agrawal **Executive Director** A-502, Citi Scape, Andheri Kurla Road, Mumbai-400059 Professional DIN No.: 00278298	38	September 1, 2007 Up to next AGM	Indian	Nil
Mr. Rajesh M Chaturvedi S/o Mr. Madan Mohan Chaturvedi **Independent Director** A/52 Neha Apts, Juhu Tara Rd. Santacruz (W), Mumbai 400 054. Professional DIN No.: 02020044	49	Janaury 9, 2008 Up to next AGM	Indian	Nil

Relationship amongst our Directors:

None of our directors are related except Mr Prakash Lakhani , Mr Jaikishan Lakhani and Mr Anil Lakhani are brothers.

Brief Details of Our Directors

Mr. Prakash Lakhani - Chairman & Managing Director

For details of Mr. Prakash Lakhani please refer to the Chapter “Promoter and Promoter Group” on page [●] of this DRHP

Mr. Jaikishan Lakhani – Executive Director

For details of Mr. Jaikishan Lakhani please refer to the Chapter “Promoter and Promoter Group” on page [●] of this DRHP

Mr. Anil Lakhani – Executive Director

For details of Mr. Anil Lakhani please refer to the Chapter “Promoter and Promoter Group” on page [●] of this DRHP

Mr. Rajesh Mehra – Non Executive Director

Mr. Rajesh Mehra, aged 45 years, is a Diploma holder in Textile Engineering. He has more than 25 years of experience in the field of distribution & Manufacturing of branded garments. He had worked with a number of companies like Appollo Group , OCM Limited in the field of production of woven fabrics. He also runs a design studio for designing garments and does designing for brands like Levi, Dockers etc.

Mr. Pradeep Kumar Sarkar- Independent Director

Mr. Pradeep Sarkar, aged 67, is a post graduate in English and a certified associate of the Indian Institute of Bankers. He has 40 years of experience in banking operations, developmental, commercial, merchant banking and security market. He was the Executive Director of Calcutta Stock Exchange, Deputy Managing Director & Group Executive - International Banking at State Bank of India and General Manager at SBI Capital Markets Limited.

Mr. Amitabh Taneja – Independent Director

Mr. Amitabh Taneja, aged 40 years, Matriculation. He has an experience of 25 years. He heads the New Delhi based Images Multimedia Private Limited and is the Convenor of Images Fashion Forum & India Retail Forum annual fashion and retail industry event. He has been appointed as Director ICSC India by the International Council of Shopping Centres, New York. His other directorships include companies like Images Multimedia Private Limited, Liberty Shoes Limited and Provogue India Limited.

Mr. Rahul Mehta – Independent Director

Mr. Rahul Mehta, aged 58 years, is B. Com., M.M.S. Mr. Mehta was on the Board of Governers at the National Institute of Fashion Technology, President of the Clothing Manufacturers Association of India (CMAI) and is also the visiting faculty of Jamnalal Bajaj Institute of Management Studies, Narsee Monjee Institute of Management Studies and NIFT. He has an experience of over 30 years in the textile industry. His other directorships include Creative Garments Private Limited, Apparel Media Private Limited, Karl Hogan Clothing Private Limted.

Mr. Ramanathan Sriram – Independent Director

Mr. Ramanathan Sriram, aged 44 years, TY BSc. He has an experience of 20 years .He co-founded Crossword with Ms. K. Anita in 1992 and helped build it into India’s leading bookstore chain. He is a guest lecturer at IIM-A, IIM-L and other business schools and colleges.Mr. Sriram was on the Jury of the HSBC Indo-British Awards 2005 and Business for Social Responsibility Awards 2005 & 2006.

Mr. Ajay Kumar Agrawal - Executive Director

Mr. Ajay Kumar Agrawal aged 38 years is a Chartered Accountant (1993, all-India 26th rank), CS and ICWA (1990, all-India 36th rank) by qualification. He has an experience of 15 years in Finance and Operations. He joined the Organization as Executive Director w.e.f. September 1, 2007. He was earlier associated with Pioneer Embroideries Limited, Mumbai as Executive Director. During his tenure with Pioneer Embroideries Limited, he had successfully completed several mergers and acquisitions and set up retail chain under brand 'HAKOBA'. Prior to this, he was associated with Ispat Group at Kolkata, and Mumbai-based Ginza Industries Ltd., a leading Raschel fabric manufacturer, as its CFO.

Rajesh M Chaturvedi -Independent Director

Mr. Rajesh M Chaturvedi aged 49 years is B.Com (HONS) , F.C.A. He joined the orgnisation as an Additional Director w.e.f. January 9, 2008. He has an experience of 22 years. He was earlier associated with Haribhakti & Co. Chartered Accountants as core audit team member and then rose to become a partner, then joined Sharp group, as financial consultant (June 1989) was responsible for Merger of two companies to form Sharp Industries Ltd. and rose to become a Director Finance (1990 to 1996), and also worked as Managing Director of a NBFC Company.

Borrowing Powers of our Board of Directors

Pursuant to a resolution passed by our shareholders on August 1, 2007 in accordance with provisions of section 293(1)(d) of the Companies Act, our Board is authorised to borrow sums of money for the purpose of the Company upon such terms and conditions and with or without security as the Board of Directors may think fit, provided that the money or monies to be borrowed together with the monies already borrowed by the Company shall not exceed, at any time, a sum of Rs. 5000 million.

Details of renumeration of our Directors

Mr. Prakash Lakhani was appointed as Managing Director of our Company for a period of five years with effect from 1st April, 2006. The appointment and remuneration of Mr. Prakash Lakhani has been approved by the Board at its meeting held on 1st April, 2006. The remuneration payable to Mr. Prakash Lakhani for Financial Year 2007-2008 is, subject to an overall cost to the Company not exceeding Rs. 2,976,000 per annum.

Components	Month (Rs.)	Annum (Rs.)
Basic Salary	72,700	872,400
House Rent Allowance	36,350	436,200
Other Allowance	43,200	518,400
Advance towards Medical Expenses	1,250	15,000
Special Allowance	85,776	1,029,312
Total A	**239,276**	**2,871,312**
Other Benefits		
Provident fund	8,724	104,688
Total B	**8,724**	**104,688**
Total Cost to Company (A+B)	**248,000**	**2,976,000**

Perquisites:

Use of Company's car for official and personal purposes, Maximum amount Rs.5000/- P.M, telephones at mobile phones, Maximum amount

Any other allowances, perquisites, benefits and facilities as may be approved by the Board of Directors from time to time.

For each subsequent year the remuneration be increased by 20% of the last remuneration drawn at the end of the preceding financial year subject to applicable provisions of the Companies Act, 1956

Mr. Jaikishan Lakhani was appointed as Executive Director of our Company for a period of five years with effect from 1st April, 2006. The appointment and remuneration of Mr. Jaikishan Lakhani has been approved by the Board at its meeting held on 1st April, 2006. The remuneration payable to Mr. Jaikishan Lakhani for Financial Year 2007-2008 is, subject to an overall cost to the Company not exceeding Rs 2,776,032 per annum.

Components	**Month (Rs.)**	**Annum (Rs.)**
Basic Salary	68,800	825,600
House Rent Allowance	34,400	412,800
Other Allowance	43,200	518,400
Adv towards Medical Exp	1,250	15,000
Special Allowance	75,430	905,160
Total A	**223,080**	**2,676,960**
Other Benefits		
Provident fund	8,256	99,072
Total B	**8,256**	**99,072**
Total Cost to Company (A+B)	**231,336**	**2,776,032**

Perquisites:

Use of Company's car for official and personal purposes, Maximum amount Rs.5000/- P.M, telephones at mobile phones, Maximum amount

Any other allowances, perquisites, benefits and facilities as may be approved by the Board of Directors from time to time.

For each subsequent year the remuneration be increased by 20% of the last remuneration drawn at the end of the preceding financial year subject to applicable provisions of the Companies Act, 1956.

Mr. Anil Lakhani was appointed as Executive Director of our Company for a period of five years with effect from 1st April, 2006. The appointment and remuneration of Mr. Anil Lakhani has been approved by the Board at its meeting held on 1st April, 2006. The remuneration to Mr. Anil Lakhani for Financial Year 2007-2008 is, subject to an overall cost to the Company not exceeding Rs. 2,776,032 per annum.

Components	**Month (Rs.)**	**Annum (Rs.)**
Basic Salary	68,800	825,600
House Rent Allowance	34,400	412,800
Other Allowance	43,200	518,400
Adv towards Medical Exp	1,250	15,000
Special Allowance	75,430	905,160
Total A	**223,080**	**2,676,960**

Other Benefits		
Provident fund	8,256	99,072
Total B	**8,256**	**99,072**
Total Cost to Company	**231,336**	**2,776,032**

For each subsequent year the remuneration be increased by 20% of the last remuneration drawn at the end of the preceding financial year subject to applicable provisions of the Companies Act, 1956

Mr. Ajay Agrawal was appointed as Executive Director of our Company for 3 years, w.e.f September 01, 2007 subject to approval at the ensuing AGM. The appointment and remuneration of Mr. Ajay Agrawal has been approved by the Board at their meeting held on September 05, 2007. The remuneration to Mr. Ajay Agrawal is, subject to an overall cost to the Company not exceeding Rs. 3,000,006 per annum.

Components	Month (Rs.)	Annum (Rs.)
Basic Salary	115,000	1,380,000
House Rent Allowance	57,500	690,000
Conveyance Allowance	800	9,600
Adv towards Medical Exp	1,250	15,000
Special Allowance	47,785	573,420
Other Allowance	-	-
Total A	**222,335**	**2,668,020**
Other Benefits		
Provident fund	13,800	165,600
Leave Travel Concession	8,334	100,008
Gratuity	5,532	66,378
Total B	**27,666**	**331,986**
Total Cost to Company	**250,001**	**3,000,006**

Sitting Fees

Our Company pays sitting fees not exceeding Rs.20,000/- (Rupees Twenty Thousand Only) to the non-executive and the independent directors.

Commission to Non – Executive Directors

There is no commission payable to any of our non – executive directors.

Payment or benefit to officers of the Company

No amount or benefit has been paid or given within the two preceeding years or is intended to be paid or given to any of our officers ecept the normal renumeration for services rendered as Directors, officers or employees .

Corporate Governance

Corporate Governance is administered through the Board and the committees of the Board. Additionally, the primary responsibility of upholding high standards of corporate governance and providing necessary disclosures within the framework of legal provisions and institutional conventions with commitment to enhance shareholders' value, vests with the Board.

Currently our board has ten Directors, of which the Chairman of the Board is a executive director, and in compliance with the requirements of Clause 49 of the Listing Agreement, we have four executive Director, one non-executive director and five independent directors on our Board. All our independent directors are above 21 years of age.

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock Exchanges. In connection with the listing of the Equity Shares, we will be required to enter into listing agreements with the Stock Exchanges. The Company is in compliance and undertakes to continue to be in compliance with the applicable provisions of the listing agreements pertaining to corporate governance, including appointment of independent Directors and constitution of the following committees of the Board:

(a) Audit Committee;
(b) Share Transfer and Investors' Grievance Committee;
(c) Remuneration Committee.
(d) IPO Committee
(e) Compensation Committee.

A) Audit Committee

The Audit Committee was reconstituted at the Board meeting held on December 28, 2007. The scope and functions of the Audit Committee are as per section 292A of the Companies Act and clause 49 of the listing agreement of Stock Exchanges.

The composition of the Audit Committee is as follows:

Name of the Member	Designation
Mr. Pradeep Sarkar	Chairman
Mr. Amitabh Taneja	Member
Mr. Anil Lakhani	Member
Mr. Ramanathan Sriram	Member

Terms of reference of the Audit Committee, *inter alia,* include:

Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

Recommending to the Board the appointment, re-appointment, replacement/ removal of the statutory auditor and fixing audit fees;

Reviewing with the management, the annual and quarterly financial statements before submission to the Board for approval;

Reviewing with the management, performance of the statutory and internal auditors and adequacy of the internal control systems;

Discussion with the internal and statutory auditors on significant findings and reviewing findings of internal investigations by internal auditors, like matters of fraud or irregularity or failure of internal control systems, if any;

Looking into reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders and creditors;

Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the officials, reporting structure coverage and frequency of the internal audit; and

In addition the Audit Committee would monitor the proceeds of the issue as per Clause 49 and Clause 43A of the listing agreement and carry out any other function that is mentioned in the terms of reference of Audit Committee.

B) Remuneration Committee

The Remuneration Committee was constituted at the Board Meeting held on December 28, 2007. The committee shall function in accordance with Clause 49 of the listing agreements of the Stock Exchanges.

The composition of the Remuneration Committee is as follows:

Name of the Member	Designation
Mr. Amitabh Taneja	Chairman
Mr. Pradeep Sarkar	Member
Mr. Rahul Mehta	Member
Mr. Ramanathan Sriram	Member

The terms of reference of the Remuneration Committee shall *inter alia* include the following:

1. To approve remuneration payable to managerial personnel, taking into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance and past remuneration.

2. To bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

C) Share Transfer and Investor Grievance Committee

The Share Transfer and Investors Grievance Committee constituted at the Board Meeting held on December 28, 2007. The committee shall function in accordance with Clause 49 of the listing agreements of the Stock Exchanges. The members of the Shareholders/Investors Grievance Committee are:

Name of Member	Designation
Mr. Rahul Mehta	Chairman
Mr. Amitabh Taneja	Member
Mr Jaikishan Lakhani	Member
Mr. Anil Lakhani	Member

The terms of reference of the Shareholders/Investors Grievance Committee *inter alia* includes:

Redressing complaints from shareholders such as non-receipt of dividend, annual report, transfer of Equity Shares and issue of duplicate share certificates;

Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by the Issuer;

To review the reports generated in house and those submitted by the Registrar & Share Transfer Agent of the Company, if any, at regular intervals;

To interact on periodical basis with the Registrar & Share Transfer Agents to ascertain and look into the quality of the Company's Shareholder Grievance redressal system and to review the report on the functioning of the said Shareholder redressal system;

To follow-up on the implementation of suggestions for improvement; and

To report to the Board of Directors of the Company about any serious concerns, if any.

D) IPO Committee

The IPO Committee was reconstituted on January 16, 2008. The Committee consists of the Board of Directors of the Company and Chief Financial Officer who are authorised to take decisions on matters related to / incidental to this Issue. The members of the IPO committee are: -

Name of Member	Designation
Mr. Prakash Lakhani	Chairman
Mr. Ajay Kumar Agrawal	Member
Mr Jaikishan Lakhani	Member
Mr. Ramanathan Sriram	Member

The terms of reference of the IPO committee are:

To finalise and approve on behalf of Board of Directors, Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus;

To file Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus or such other documents as may be required with Securities & Exchange Board of India, Stock Exchanges and other Government Authorities as may be required;

To carry out such modifications as may be suggested by Securities & Exchange Board of India, Stock Exchanges and any other Government Authorities;

To discuss, negotiate, finalise and appoint such Intermediaries as may be required in the proposed IPO;

To carry out all pre and post IPO activities as may be required;

To delegate such powers to the Directors / Executives of the Company in relation to the proposed IPO; to do all such acts, deeds, matters and things as may be necessary in relation to the proposed Initial Public Offering (IPO); and

Such other powers as may be ancillary and incidental to the above or may be entrusted by the Board from time to time.

E) Compensation Committee

The Compensation Committee was constituted on December 28, 2007. The Committee consists of the Board of Directors of the Company who are authorised to take decisions on issue of Stock Options to the Employees / Directors of the Company or its Subsidiaries. The members of the Compensation Committee are: -

Name of Member	Designation
Mr. Pradeep Sarkar	Chairman
Mr. Amitabh Taneja	Member
Mr Rahul Mehta	Member
Mr. Ramanathan Sriram	Member

The terms of reference of the Compensation committee *inter alia* includes:

1. To formulate, implement and administer the Gini & Jony ESOP Scheme as may be framed from time to time;
2. Determine the Employees to whom the Options are to be granted
3. Decide grant and vesting of options to the employees who are on long leave
4. Determine of Exercise Price
5. Impose such terms and conditions subject to which the Options granted would vest in the employee
6. Decide date of vesting of the Options granted
7. Decide terms and conditions subject to which the Options vested could be exercised by the Optionee
8. Deciding the treatment of unvested Options upon termination of employment.
9. Deciding adjustments to grant size and exercise price of Options in case of bonus issue or rights issue or share split or consolidation of shares
10. Framing suitable policies and systems to ensure that there is no violation by any optionee of the applicable laws, guidelines, rules or regulations as may be applicable
11. Framing appropriate procedures for granting, vesting and exercising of Options, amend and rescind rules and regulations relating to the scheme

Shareholding of Directors in our Company

Except our Promoters who are also Directors, none of the Directors, have shareholding in the Company. The Articles of Association of the Company does not provide for qualification shares. The following table details the shareholding of our Directors in our Company prior to the Issue:

Sr.No.	Name of Shareholders	Number of Equity Shares	% Pre-issue share capital
1	Mr. Prakash Lakhani	916,960	10.21%
2	Mr. Jaikishan Lakhani	916,960	10.21%
3	Mr. Anil Lakhani	916,960	10.21%

Interest of our Directors

All our Directors, including independent directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. The Managing Director and our Executive Directors are interested to the extent of remuneration paid to them for services rendered as an officer or Employee of our Company. Our Director are also interested to the extent to the ESOPs given to with them.

All our Directors, including independent directors, may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares, if any. Our Directors, including independent 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 and firms, in which they are interested as directors, members or partners.

Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body corporate including companies and firms in which they are interested as directors, members or partners. For further details refer to the "Financial Statements - Related Party Transactions" on page [●] of this Draft Red Herring

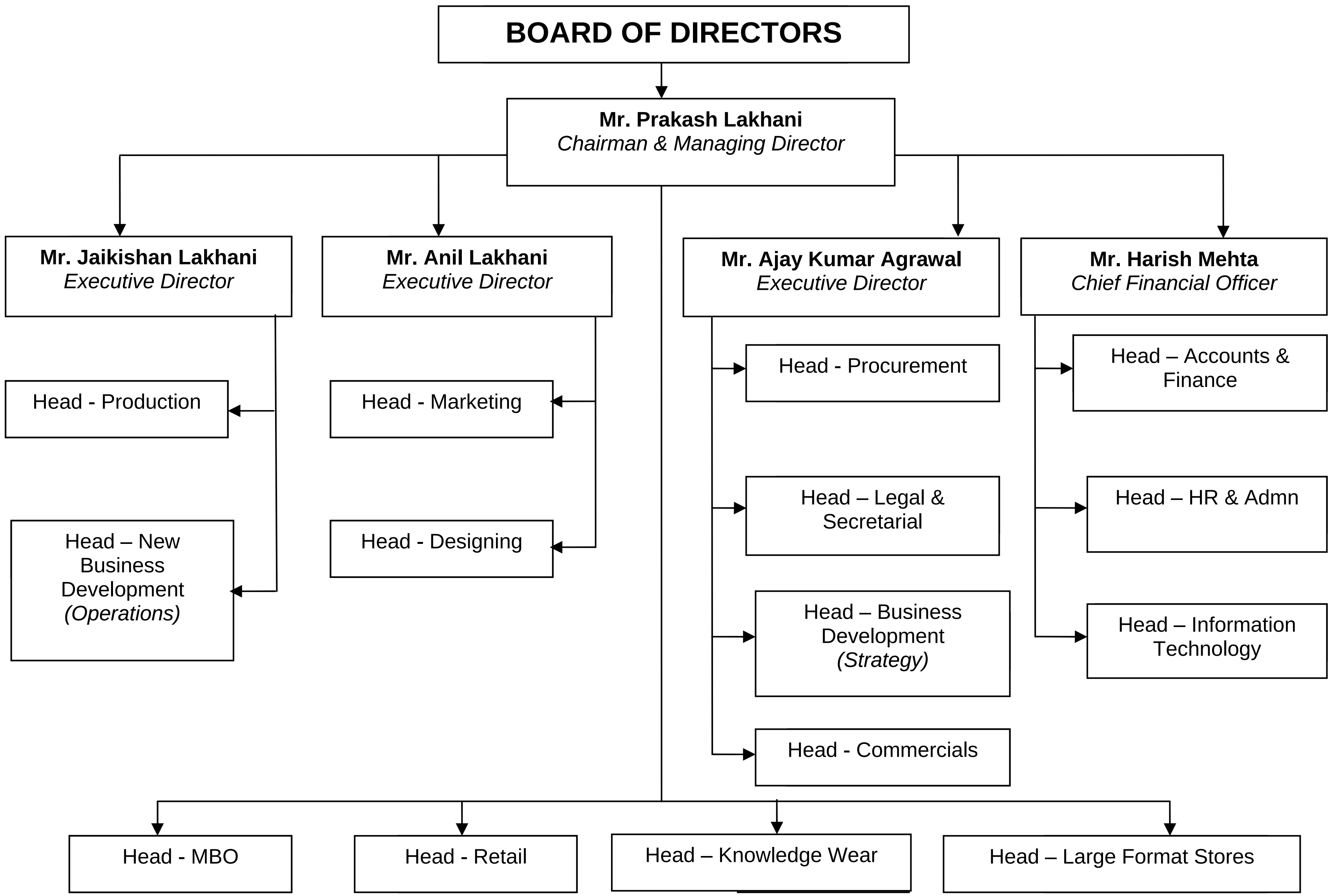
Prospectus.

Our directors have no interest in any property acquired by our company two years prior to the date of this Draft Red Herring Prospectus . Our Company has not entered into any contracts or arrangements during the preceeding two years in which the Directors are interested directly or indirectly or no payments have been made to them in respect of the contracts or arrangements.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name of the Director	Date of Appointment	Reasons for change
Mr. Pradeep Kumar Sarkar	December 27, 2006	Appointment
Mr. Amitabh Taneja	December 27, 2006	Appointment
Mr. Rahul Mehta	December 27, 2006	Appointment
Mr. R Sriram	December 27, 2006	Appointment
Mr. Ajay Kumar Agrawal	September 01, 2007	Appointment
Mr. Rajesh M Chaturvedi	January 09, 2008	Appointment

MANAGEMENT ORGANISATION STRUCTURE



KEY MANEGERIAL PERSONNEL OF THE COMPANY

All Key Manegerial Personnel are permanenet employees of the Company.

Mr. Harish Mehta, Chief Financial Officer, aged 49 years, B.Com Hons, CAIIB.

He has been associated with our Company since January 2001 as an independent consultant and has joined our organization on April 1, 2005 as Chief Financial Officer, previously he was employed with the Oriental Bank of Commerce. His areas of responsibility include finance, accounts, taxation, HR and general administration. He has over twenty-five years experience in the field of accounts and finance. The gross compensation paid to him in FY 2007-2008 was Rs. 3.0 million per annum.

Mr. Ajay Nihalani, Vice President - Retail, aged 36 years, M.Com, PG Diploma in International Trade Management.

He joined our organization on December 11, 2006 previous, to which he was employed with Pyramid Retail Limited. His areas of responsibility include day to day management of operational functions relating to retailing which includes Sales ,Marketing Supply Chain and Buying and Merchandising. He has over 17 years of experience in the same field. The gross compensation paid to him in FY 2007-2008 was Rs. 2.8 million per annum.

Mr. Puneet Tripathi, Business Head-Northern Region, aged 33 years, B.Com and MBA

He joined our organization on February 01, 2001 previous to which he was marketing International perfumes, brands like Cartier, Gucci, Paco Rabanne and Rochas etc. He has around 10 years of experience in marketing. His areas of responsibility include handling Revenues for North India region. The gross compensation paid to him in FY 2007-2008 was Rs. 1.92 million per annum.

Ms. Krina Panjwani, Business Head – Large Format Stores, aged 32 years, Diploma in Dress Designing & Garment Manufacturing

She joined our organization on September 27, 2006, previous to which she was employed with Pyramid retail Limited. She has around 7 years of experience in the same field. Her areas of responsibility include handling our business with Large Format Stores .The gross compensation paid to her in FY 2007-2008 was Rs. 1.70 million per annum.

Ms. Pooja Bhargava, Head- Projects, aged 31 years, PG Diploma in Garment Manufacturing Technology (NIFT)

She joined our organization on June 16, 2005, previous to which she was employed with Rustic Garments Private Limited. Her areas of responsibility include setting up of garment manufacturing units and handling such units and operational exposure to design, merchandising and buying. She has more than 7 years of experience in the same field. The gross compensation paid to her in FY 2007-2008 was Rs. 1.40 million per annum.

Mr. Sudheendra Hayagreev, Head – Marketing & Business Development, aged 45 years, B.Tech (Textiles), MMS (Marketing)

He joined our organization on January 05, 2005, previous to which he was employed with MaxwellIndustries Limited. He looks after 'Knowledge Wear division' and marketing of the company He has more than eighteen years of experience in the field of marketing. The gross compensation paid to him in FY 2007-2008 was Rs. 1.96 million per annum.

Mr. Gaganjit Kahlon, Head-IT, aged 34 years, B.Com, MBA

He joined our organization on June 12, 2006, previous to which he was working as an IT consultant with M/s Logic Software for more than five years. He is responsible for IT infrastructure maintenance and development in the Company. He has more than nine years of experience in this field. The gross compensation paid to him in FY 2007-2008 was Rs. 1.36 million per annum.

Mr. Kirti Thakkar, Manager – Accounts, aged 31 years, B.Com, ACA

He joined our organization on June 4, 2003, previous to which he was employed with Konega International Private Limited. His areas of responsibility include accounts. He has more than five years experience in this field. The gross compensation paid to him in FY 2007-2008 was Rs. 0.7 million per annum.

Mr. Gaurav Thakur, Company Secretary and Compliance Officer, aged 30 years, M.Com, ACS, AICWA.

He joined our organization on April 19, 2008, previous to which he was employed with Geometric Limited. His areas of responsibility include Secretarial, compliance and legal functions. He has more than seven years experience in this field. No compensation was paid to him in FY 2007-2008 as he joined us in 2008.

CHANGES IN OUR KEY MANAGERIAL PERSONNEL DURING THE LAST THREE YEARS

Save and except as follows, there have been no changes in our Key Managerial Personnel in the last three year preceding the date of this Draft Red Herring Prospectus:

Name of the Key Managerial Personnel	Designation	Date of change	Reasons
Pooja Bhargava	Head – Projects	16.06.2005	Appointment
Anuja Shukla	Head – IT	17.10.2005	Appointment
Deepak Mukhija	Company Secretary	01.04.2006	Appointment
Gaganjit Kahlon	Head-IT	01.06.2006	Appointment
Anuja Shukla	Head-IT	22.09.2006	Resignation
Krina Panjwani	Business Head – Large Format Stores	27.09.2006	Appointment
Ritesh Jain	Company Secretary	15.11.2006	Appointment
Deepak Mukhija	Company Secretary	15-11-2006	Resignation
Ajay Nihalani	Vice President – Retail	11-12-2006	Appointment
Dinesh Maurya	Head – Channel Sales	30-05-2007	Resignation
Mr. Ritesh Jain	Company Secretary	01-09-2007	Resignation
Mr. Arvind Bajpai	Company Secretary	28-12-2007	Appointment
Mr. Arvind Bajpai	Company Secretary	18-04-2008	Resignation
Mr. Gaurav Thakur	Company Secretary	19-04-2008	Appointment

EMPLOYEE STOCK OPTION SCHEME

For details of our ESOS Scheme, see “Capital Strucutre – Notes to Capital Structure on Page [●]”

INTEREST OF KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel do not have any interest in our Company other than to the extent to the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and Equity Shares held by them as on March 31, 2008 is as follows:

S. No.	Name of Key Managerial Personnel	No. of Shares	Consideration * (Rs.)
1	Harish Mehta	40,000	400,000
2	Puneet Tripathi	1,000	10,000
3	Sudheendra N Hayagreev	1,000	10,000
4	Kirti Batuklal Thakkar	750	7,500
5	Gaganjit Kahlon	500	5,000
6	Krina Punjwani	500	5,000

* All the Shares were allotted at par

BONUS OR PROFIT SHARING PLAN FOR KEY MANAGERIAL PERSONNEL

There is no specific scheme for profit sharing or special bonus for our Key Managerial Personnel.

Employees Share Purchase and Stock Option Scheme

For details of our ESOS Scheme, see “Capital Structure – Notes to Capital Structure” on page [●].

Payment or Benefit to Officers of the Company

Except as stated otherwise in this Draft Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of the officers except the normal remuneration for services rendered as Directors, officers or employees, since the incorporation of the Company.

Except as stated in “Related Party Transactions” beginning on page [●] of this Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors.

Loans taken by directors/key managerial personnel

Our directors and key managerial personnel have not taken any loans from our company.

Relationship of key managerial personnel with the promoters, directors and other key managerial personnel

None of the key managerial personnel mentioned above are related to the promoters/directors of our company. None of the above has been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters:

Mr Prakash Lakhani, Mr Jaikishan Lakhani, Mr Anil Lakhani, Mrs. Jyoti Lakhani, Mrs. Varsha Lakhani and Mrs. Manisha Lakhani are the Promoters of the Company

<table>
<tr><td rowspan="7"></td><td colspan="2">Mr. Prakash Lakhani, aged 48 years, Chairman and Managing Director</td></tr>
<tr><td>Permanent Account Number</td><td>ABHPL3837A</td></tr>
<tr><td>Bank Account Nos.</td><td>SBI/Saving A/c No.10268731601</td></tr>
<tr><td>Passport No.</td><td>F 4069496</td></tr>
<tr><td>Driving License Number</td><td>Nil</td></tr>
<tr><td>Voter ID No.</td><td>MT/05/030/015919</td></tr>
<tr><td colspan="2">Mr. Prakash Lakhani joined his father’s business after matriculation. Working for the family business honed his business skills which he later used to spearhead the group’s foray into branded apparel business. He has more than twenty-eight years of experience in readymade garment business and has been instrumental in building and developing the “Gini & Jony” brand as one of the leading kidswear brands. Under his leadership, the Company has grown to become one of India’s leading kidswear companies. As Chairman and Managing Director, he overlooks the entire operations of the Company. He is currently in the managing committee of The Clothing Manufacturers Association of India (CMAI), Mumbai the oldest and the most representative association of the apparel industry in India.</td></tr>
<tr><td rowspan="7"></td><td colspan="2">Mr. Jaikishan Lakhani, aged 43 years, Executive Director</td></tr>
<tr><td>Permanent Account Number</td><td>AAAPL6659A</td></tr>
<tr><td>Bank Account Nos.</td><td>SBI/Saving A/c No.10268725360</td></tr>
<tr><td>Passport No.</td><td>F9451195</td></tr>
<tr><td>Driving License Number</td><td>MH05/492/C4408</td></tr>
<tr><td>Voter ID No.</td><td>Nil</td></tr>
<tr><td colspan="2">Mr. Jaikishan Lakhani joined his father’s business after matriculation. His expertise includes apparel manufacturing and he presently overlooks the manufacturing operations of the Company. He is responsible for ensuring the optimum utilization of production facilities and other sourcing activities. He has more than twenty-three years experience in apparel industry. He was primarily instrumental in setting-up the Company’s manufacturing facilities in Baddi and Daman and has successfully guided the projects to completion.</td></tr>
<tr><td rowspan="7"></td><td colspan="2">Mr. Anil Lakhani, aged 40 years, Executive Director</td></tr>
<tr><td>Permanent Account Number</td><td>ABFPL6333H</td></tr>
<tr><td>Bank Account Nos.</td><td>SBI/ Saving A/c No. 10268731634</td></tr>
<tr><td>Passport No.</td><td>F 8658816</td></tr>
<tr><td>Driving License Number</td><td>MH01/92/29026</td></tr>
<tr><td>Voter ID No.</td><td>MT/05/030/015863</td></tr>
<tr><td colspan="2">Mr. Anil Lakhani joined the family business after matriculation. As head of our design team, he is the key decision maker for all creative designs, advertising and sales promotion related activities of our Company. He also plays a vital role in launching the various design collections every season. His other responsibilities include overseeing operations and distribution functions. He has around twenty years experience in the readymade garment business. The brand-name of our Company “Gini & Jony” was coined by him.</td></tr>
</table>

Mrs. Jyoti Lakhani, aged 45 years	
Permanent Account Number	AAGPL1295A
Bank Account Nos.	SBI/ Saving A/c No. 10268731588
Passport No.	E 5328522
Driving License Number	MH/01/96/11670
Voter ID No.	NIL
Mrs. Jyoti Lakhani has completed matriculation and is actively looking after the general administrative work of the Company.	

Mrs. Varsha Lakhani, aged 41 years	
Permanent Account Number	AAGPL2359H
Bank Account Nos.	SBI/ Saving A/c No.10268725359
Passport No.	E 7644401
Driving License Number	NIL
Voter ID No.	NIL
Mrs. Varsha Lakhani is Bachelor of Arts and is looking after the procurement function of the Company.	

Mrs. Manisha Lakhani, aged 38 years	
Permanent Account Number	AAXPL2862N
Bank Account Nos.	SBI/ Saving A/c No.10268731623
Passport No.	E 7227684
Driving License Number	MH/02/97/88141
Voter ID No.	NIL
Mrs. Manisha Lakhani has completed matriculation and looking working as a designer in the Company.	

We confirm that the details of the PAN, bank account numbers and passport numbers of our individual Promoters shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the stock exchanges.

For details of outstanding litigations by and against our Promoters, please refer to the section titled “Outstanding Litigations and other Material Developments” beginning on page [●] of this Draft Red Herring Prospectus.

Common Pursuits

There are no common pursuits in the business of the Company and other Companies promoted by the Promoter other than as described in this Draft Red Herring Prospectus. For further details refer to the “Financial Statements – Related Party Transactions” on page [●].

Dissassociation by the promoters in the last three years:

None of our promoters have disassociated themselves from any firm/ venture/ Company during the last three years

Interest of the Promoters

The Promoters may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them under our Articles of Association. All our Promoter 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. **For details refer to the “Financial Statements – Related Party Transactions” on page [●].**

Interest in any property acquired by the Company within two years of the date of the Draft Red Herring Prospectus or proposed to be acquired by the Company.

The Promoters are not interested in any property that has been acquired by our Company within two years from the date of this Draft Red Herring Prospectus or is proposed to be acquired by our Company.

Payments of benefits to our Promoters during the last two years

Except as stated in the "Financial Statements- Related Party Transactions" beginning on page [●] of this Draft Red Herring prospectus, there has been no payment of benefits to our Promoters during the last two years from the date of filing of this Draft Red herring Prospectus.

Other Confirmations

Our Promoters and Promoter Group entities, including relatives of the Promoter have confirmed that they have not been detained as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are pending against them**.**

Promoter Group

In addition to the Promoters named in the "Our Promoters", certain natural persons and companies are part of our Promoter Group.

The natural persons who are part of our Promoter Group (due to their relationship with our Promoters) are as follows:

Relationship	Prakash Lakhani	Jaikishan Lakhani	Anil Lakhani	Jyoti Lakhani	Varsha Lakhani	Manisha Lakhani
Father	Late Harichand Lakhani	Late Harichand Lakhani	Late Harichand Lakhani	Kukreja Jiomal Kischanchand	Baliram Teomal Gerela	Tikamdas Mulchandani
Mother	Late Rajkumari Lakhani	Late Rajkumari Lakhani	Late Rajkumari Lakhani	Sheela Kukreja Jiomal	Late Kamla Baliram Gerela	Pushpa Tikamdas Mulchandani
Brothers	Jaikishan Lakhani, Anil Lakhani	Prakash Lakhani, Anil Lakhani	Prakash Lakhani, Jaikishan Lakhani	Fagun Kukreja, Vashu Kukreja	Chander Gerella, Ramesh Garella, Sunil Garella	Kailash Mulchanandani, Navin Mulchanandani
Sisters	Jaya Sachdev,Madhu Gynani, Lata Ramchandani, Nimi Nagpal, Heena Gurbani	Jaya Sachdev, Madhu Gynani, Lata Ramchandani, Nimi Nagpal, Heena Gurbani	Jaya Sachdev, Madhu Gynani, Lata Ramchandani, Nimi Nagpal, Heena Gurbani	Deepa Jaysinghani	Vinita Kataria	Anita Nagrani, Meena Ahuja
Spouse	Jyoti Lakhani	Varsha Lakhani	Manisha Lakhani	Prakash Lakhani	Jaikishan Lakhani	Anil Lakhani
Children	Roshni Lakhani, Kiran Lakhani	Shailesh Lakhani, Ashish Lakhani	Chirag Lakhani, Harshika Lakhani	Roshni Lakhani, Kiran Lakhani	Shailesh Lakhani, Ashish Lakhani	Chirag Lakhani, Harshika Lakhani
Spouse's Father	Kukreja Jiomal Kischanchand	Baliram Teomal Gerela	Tikamdas Mulchandani	Late Harichand Lakhani	Late Harichand Lakhani	Late Harichand Lakhani
Spouse's Mother	Sheela Kukreja Jiomal	Late Kamla Baliram Gerela	Pushpa Tikamdas Mulchandani	Late Rajkumari Lakhani	Late Rajkumari Lakhani	Late Rajkumari Lakhani

Spouse's Brother	Fagun Kukreja, Vashu Kukreja	Chander Gerella, Ramesh Garella, Sunil Garella	Kailash Mulchanandani, Navin Mulchanandani	Jaikishan Lakhani, Anil Lakhani	Prakash Lakhani, Anil Lakhani	Prakash Lakhani, Jaikishan Lakhani
Spouse's Sister	Deepa Jaysinghani	Vinita Kataria	Anita Nagrani, Meena Ahuja	Jaya Sachdev,Madhu Gynani, Lata Ramchandani, Nimi Nagpal, Heena Gurbani	Jaya Sachdev, Madhu Gynani, Lata Ramchandani, Nimi Nagpal, Heena Gurbani	Jaya Sachdev, Madhu Gynani, Lata Ramchandani, Nimi Nagpal, Heena Gurbani

The following company forms part of our Promoter Group:

Realflag Multitrade Private Limited ("RMPL")

RMPL was incorporated on October 29, 2007. Its registered office is situated at 118, Arihant Industrial Estate,Krantinagar, Sakinaka, Andheri (East), Mumbai 400072.

Principal Business of RMPL

It was incorporated to carry on the business of inter alia as traders, distributors and dealers, exporters, importer, brokers, stockist and commission agent, agency business, selling and marketing business.

Shareholding pattern

The equity shares of RMPL are not listed on any stock exchange. The shareholding pattern on March 31, 2008 is as follows:

Sr. No.	Name of the Shareholder	No. of Shares	Face Value (Rs. per share)	Total Value (Rs.)	% of shareholding
1	Prakash Lakhani	3,330	10	33,300	33.30%
2	Jaikishan Lakhani	3,330	10	33,300	33.30%
3	Anil Lakhani	3,330	10	33,300	33.30%
4	Harish Mehta	10	10	100	0.10%
	Total	**10,000**		**100,000**	**100.00%**

Board of Directors:

The board of directors of RMPL comprises:

1. Mr. Jaikishan Lakhani;
2. Mr. Anil Lakhani; and
3. Mr Prakash Lakhani.

Financial performance

The company is a newly incorporated and no financial statement has been drawn.

None of our Group Companies are listed companies and none of them have made any public or rights issue in the preceding three years. None of our Group Companies have become a sick company under the meaning of SICA and are not referred to BIFR or are under winding up.

None of our Group Companies and its directors have been restrained or prohibited by SEBI or any other regulatory authority from accessing the capital markets for any reason.

Save and except as stated, there are no other companies or firms in which – (i) 10% or more of the share capital is held by our Promoters or an immediate relative of the Promoters or a firm or HUF in which our Promoters or any one or more of their relatives are members; and (ii) any HUF or firm in which the aggregate share of the Promoters and their immediate relative is equal to or more than 10% of the total capital.

Companies under the same management

There are no companies under the same management within the meaning of erstwhile section 370 (1B) of the Companies Act, other than those described in this section.

RELATED PARTY TRANSACTIONS

Details of The List of Related Parties And Nature of Relationships						
Particulars Period/Year Ended	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
Nature of Relationship	Name of party	Name of party	Name of party	Name of party	Name of party	Name of party
Subsidiaries	G & J Garment Processors Pvt. Ltd.	G & J Garment Processors Pvt. Ltd.	G & J Garment Processors Pvt. Ltd.			
	GJ Freedom Fashions Limited	GJ Freedom Fashions Limited	GJ Freedom Fashions Limited			
Associates	Jyoti Creation	Jyoti Creation	Jyoti Creation	Jyoti Creation	Jyoti Creation	Jyoti Creation
	Hariraj	Hariraj	Hariraj	Hariraj	Hariraj	Hariraj
	Harison	Harison	Harison	Harison	Harison	Harison
Key Management Personnel (KMP)	Mr. Prakash Lakhani	Mr. Prakash Lakhani	Mr. Prakash Lakhani	Mr. Prakash Lakhani	Mr. Prakash Lakhani	Mr. Prakash Lakhani
	Mr. Jaikishan Lakhani	Mr. Jaikishan Lakhani	Mr. Jaikishan Lakhani	Mr. Jaikishan Lakhani	Mr. Jaikishan Lakhani	Mr. Jaikishan Lakhani
	Mr. Anil Lakhani	Mr. Anil Lakhani	Mr. Anil Lakhani	Mr. Anil Lakhani	Mr. Anil Lakhani	Mr. Anil Lakhani
	Mr. Ajay Kumar Agrawal					
	Mr. Harish Mehta	Mr. Harish Mehta	Mr. Harish Mehta	Mr. Harish Mehta	Mr. Harish Mehta	Mr. Harish Mehta
Relatives of Key Management Personnel (KMP)	Mrs. Jyoti Lakhani	Mrs. Jyoti Lakhani	Mrs. Jyoti Lakhani	Mrs. Jyoti Lakhani	Mrs. Jyoti Lakhani	Mrs. Jyoti Lakhani
	Mrs. Varsha Lakhani	Mrs. Varsha Lakhani	Mrs. Varsha Lakhani	Mrs. Varsha Lakhani	Mrs. Varsha Lakhani	Mrs. Varsha Lakhani
	Mrs. Manisha Lakhani	Mrs. Manisha Lakhani	Mrs. Manisha Lakhani	Mrs. Manisha Lakhani	Mrs. Manisha Lakhani	Mrs. Manisha Lakhani
	Ms. Roshni Lakhani	Ms. Roshni Lakhani	Ms. Roshni Lakhani	Ms. Roshni Lakhani	Ms. Roshni Lakhani	Ms. Roshni Lakhani
	Mrs. Simi Mehta	Mrs. Simi Mehta	Mrs. Simi Mehta			
Notes:						
The classification and the disclosure of information of the related parties for each of the audited standalone financial statements for the respective years, which have been adjusted for restatements.						

Details of transactions with related parties are given below:							
Statement of Standalone details of Transaction with Related Parties							
Sr. No.	**Particulars**	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
I	**Key Managerial Persons**						
A	**Remuneration**						
1	Mr. Prakash Lakhani	2.15	2.30	1.56	0.71	0.60	0.36
2	Mr. Jaikishan Lakhani	2.01	2.10	1.48	0.38	0.36	0.30
3	Mr. Anil Lakhani	2.01	2.10	1.48	0.65	0.36	0.30
4	Mr.Harish Mehta	2.27	2.27	1.37	0.60	0.60	0.60
5	Mr. Ajay Kumar Agarwal	0.89	-	-	-	-	-
	Total	**9.33**	**8.77**	**5.89**	**2.34**	**1.92**	**1.56**
B	**Rent Paid**						
1	Mr. Prakash Lakhani	-	-	-	0.12	0.24	0.24
2	Mr. Jaikishan Lakhani	-	-	0.12	0.12	-	-
3	Mr. Anil Lakhani	-	-	0.12	0.12	-	-
	Total	**-**	**-**	**0.24**	**0.36**	**0.24**	**0.24**
C	**Closing Balances**						
	Debit	-	-	-	0.67	-	-
	Credit	0.52	0.13	0.08	0.20	0.14	0.03
II	**Relatives of Key Managerial Persons**						
A	**Remuneration**						
1	Mrs. Jyoti Lakhani	0.38	0.51	0.56	0.18	0.18	0.17
2	Mrs. Varsha Lakhani	0.38	0.51	0.56	0.31	0.18	0.17
3	Mrs. Manisha Lakhani	0.38	0.51	0.56	0.43	0.18	0.17
4	Ms. Roshni Lakhani	0.22	-	0.08	0.13	0.03	-
5	Mrs. Simi Mehta	0.42	0.56	0.05	-	-	-
	Total	**1.78**	**2.08**	**1.81**	**1.05**	**0.56**	**0.52**
B	**Closing Balances**						
	Debit	-	-	-	0.11	-	-
	Credit	0.07	0.04	0.04	0.26	-	-
III	**Associate Concern / Firms**						
A	**Rent**						
1	GJ Freedom Fashions Ltd. (Formerly GJ Future Fashions Ltd.)	14.27	9.13	-	-	-	-
2	Hariraj	-	-	-	-	0.12	0.12
3	Harison	-	-	-	-	0.12	0.29
		14.27	**9.13**	**-**	**-**	**0.24**	**0.41**
B	**Interest**						
1	GJ Freedom Fashions Ltd. (Formerly GJ Future Fashions Ltd.)	0.79	2.12	-	-	-	-
C	**Consultancy**						
1	Jyoti Creation	-	-	-	-	0.09	0.09

D	**Commission**						
1	Harison	-	-	-	-	0.33	0.39
E	**Sales**						
1	GJ Freedom Fashions Ltd. (Formerly GJ Future Fashions Ltd.)	153.33	172.30	-	-	-	-
2	Jyoti Creation	-	-	-	-	-	1.96
		153.33	**172.30**	**-**	**-**	**-**	**1.96**
F	**Purchase**						
1	GJ Freedom Fashions Ltd. (Formerly GJ Future Fashions Ltd.)	4.17	-	-	-	-	-
G	**Job Charges**						
1	G & J Garment Processors Pvt. Ltd. (Formerly Newmoon Mercantile Company Pvt. Ltd.)	13.13	19.46	3.11	-	-	-
H	**Loan Given (net of repayment)**						
	GJ Freedom Fashions Limited		22.62				
I	**Closing Balances**						
	Debit	123.26	129.91	66.50	0.35	0.49	1.45
	Credit	1.31	0.15	0.34	-	-	-

DIVIDEND POLICY

The declaration and payment of dividend 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. Our Company has no stated Dividend Policy.

In order to conserve resources for the Company's expanding operations, the Company has not declared any dividends till date and if it does, then it would be declared in accordance with the Companies Act. However this is not necessarily indicative of our dividend amounts, if any or our dividend policy in future.

FINANCIAL INFORMATION AND AUDITORS REPORT

To,
The Board of Directors
Gini & Jony Limited,
A-601, Citi Point,
Andheri Kurla Road,
Andheri (East),
Mumbai 400059

Re: Public Issue of Gini & Jony Limited

Dear Sirs,

A. 1. We have examined the annexed standalone financial information of Gini & Jony Limited ('the Company'), for the five financial years March 2003, 2004, 2005, 2006 and 2007 and nine months period ended December 31, 2007 being the last date to which the accounts of the company are made up and audited by us. The financial information is based on the accounts audited by us, for the five financial years March 2003, 2004, 2005, 2006 and 2007 and nine months period ended December 31, 2007 and as approved by the Board of Directors of the Company, for the purpose of disclosure in the Offer Documents being issued by the Company in connection with the public issue of Equity Shares (referred to as 'the Issue') of the Company.

2. In accordance with the requirements of:

   a. Paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 ('the Act')

   b. The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 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 clarifications,

   c. The revised Guidance Note on the Reports in Company Prospectus issued by The Institute of Chartered Accountants of India ('ICAI'), and

   d. Our terms of reference with the Company dated December 28, 2007 requesting us to carry out work in connection with the Issue as aforesaid.

Financial Information as per the Audited Financial Statements:

We report that the Standalone Restated Assets and Liabilities of the Company as at March 31, 2003, 2004, 2005, 2006, 2007 and nine months period ended December 31, 2007, are as set out in Annexure 'I' to this report after making such adjustments/restatements and regrouping as in our opinion are appropriate and more fully described in the notes appearing in Annexure IV & V to this report.

We report that the Standalone Restated Profits of the Company for the financial years ended March 31, 2003, 2004, 2005, 2006, 2007 and nine months period ended December 31, 2007 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 more fully described in the notes appearing in Annexure IV & V to this report.

We report that the Standalone Restated Cash Flow of the Company for the financial years ended March 31, 2003, 2004, 2005, 2006, 2007 and nine months period ended December 31, 2007 are as set out in Annexure 'III' to this report after making such adjustments/restatements and regrouping as in our opinion are appropriate and more fully described in the note appearing in Annexure IV & V to this report.

B. As per the clause 6.10.2.7 of the SEBI (DIP) Guidelines 2000 and based on our examination of these Standalone Statements of Assets and Liabilities and Profits and Losses, as restated, we confirm that:

(i) The Standalone Statements of Assets and Liabilities and Profits and Losses, as restated of the Company have been restated with retrospective effect to reflect the significant accounting policies as adopted by the Company as at 31st December, 2007 stated in Annexure IV to this report;

(ii) The prior period items which need to be adjusted in the Standalone Statements of Assets and Liabilities and Profits and Losses, as restated have been adjusted in the period to which they relate;

(iii) There were no qualification in the audit reports issued by us for the nine months period ended 31st December, 2007 and for the years ended 31st March, 2007, 2006, 2005, 2004 and 2003, which would require adjustment in this Standalone Statements of Assets and Liabilities and Profits and Losses, as restated of the Company;

(iv) These profits and losses 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 to be read in accordance with the Significant Accounting Policies as appearing in Annexure IV and Notes to the Standalone Statements as appearing in Annexure V to this report; and

(v) There are no extra-ordinary items that need to be disclosed separately in the Standalone Statements of Assets and Liabilities and Profits and Losses, as restated of the Company.

Other Financial Informations:

C. We have examined the following financial information relating to the Company and as approved by the Board of Directors for the purpose of inclusion in the Offer Documents:

a. Statement of Standalone Accounting Ratios as appearing in Annexure VI to this report.
b. Statement of Standalone Capitalisation as appearing in Annexure VII to this report.
c. Statement of Standalone Tax Shelter as appearing in Annexure VIII to this report.
d. Statement of Standalone Other Income as appearing in Annexure IX to this report.
e. Statement of Standalone Secured Loans as appearing in Annexure X to this report.
f. Statement of Standalone Unsecured Loans & Deposits as appearing in Annexure XI to this report.
g. Statement of Standalone Sundry Debtors as appearing in Annexure XII to this report.
h. Statement of Standalone Loans & Advances as appearing in Annexure XIII to this report.
i. Statement of Standalone Investments as appearing in Annexure XIV to this report.
j. Statement of Standalone Contingent Liability as appearing in Annexure XV to this report.
k. Statement of Standalone details of Transaction with Related Parties as appearing in Annexure XVI to this report.
l. Statement of Standalone Dividend Paid as appearing in Annexure XVII to this report.

D. In our opinion the above standalone financial information of the Company as stated in Para A, B & C above read with significant accounting policies and notes attached as Annexure IV & V to this report, after making adjustments/restatements and re-grouping as considered appropriate, has been prepared in accordance with part II of Schedule II of the Companies Act and the SEBI Guidelines.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the Initial 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 BHAGERIA NAREDI & ASSOCIATES
Chartered Accountants

MAHESH BHAGERIA
Partner
Membership No.34499

Mumbai, April 25, 2008

							Annexure 'I' (Rs. in Million)
Statement of Standalone Assets and Liabilities (As Restated)							
	As at	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
I	**Fixed Asset**						
	Gross Block	420.85	320.37	86.72	75.98	62.09	47.39
	Less : Accumulated Depreciation	45.55	31.68	21.84	17.80	12.69	9.05
	Net Block	375.30	288.69	64.88	58.18	49.40	38.34
	Less : Revaluation Reserves	-	-	-	-	-	-
	Capital Work in Progress	126.89	122.32	199.06	12.65	2.33	-
	Net Block after adjustment of Revaluation Reserve	**502.19**	**411.01**	**263.94**	**70.83**	**51.73**	**38.34**
II	**Investments**	**152.28**	**37.09**	**2.34**	**0.05**	**0.09**	**0.09**
III	**Current Assets, Loans & Advances**						
	Inventories	434.47	363.45	279.51	249.18	198.90	120.52
	Sundry Debtors	398.11	284.13	160.53	116.20	74.81	68.82
	Cash and Bank Balances	45.54	23.90	24.38	6.15	3.84	0.73
	Loans & Advances	206.95	179.61	124.80	21.57	23.28	12.90
		1,085.07	**851.09**	**589.22**	**393.10**	**300.83**	**202.97**
IV	**Liabilities and Provisions**						
	Secured Loans	886.99	504.19	217.97	202.73	130.53	93.80
	Unsecured Loans	115.59	156.72	107.88	29.52	40.33	17.31
	Current Liabilities & Provisions	127.57	122.02	103.78	94.82	102.04	68.74
	Provision for Tax (Net)	2.23	0.40	2.95	1.32	1.08	0.16
	Deferred Tax Liability	15.46	12.53	6.87	5.57	4.28	3.09
		1,147.84	**795.86**	**439.45**	**333.96**	**278.26**	**183.10**
V	**Net Worth (I+II+III-IV)**	**591.70**	**503.33**	**416.05**	**130.02**	**74.39**	**58.30**
VI	**Represented by**						
	Share Capital						
	(Issued, Subscribed and Paid up)	89.83	89.83	88.13	60.00	15.00	15.00
	Share Application Money	-	-	-	15.00	-	-
	Reserves & Surplus	508.36	420.51	335.55	55.02	59.39	43.30
	Less : Revaluation Reserve	-	-	-	-	-	-
		598.19	**510.34**	**423.68**	**130.02**	**74.39**	**58.30**
	Less: Miscellaneous Expenditure to the extent not w/off	6.49	7.01	7.63	-	-	-
	Net Worth	**591.70**	**503.33**	**416.05**	**130.02**	**74.39**	**58.30**

							Annexure 'II' (Rs. in Million)
Statement of Standalone Profit & Loss Account (As Restated)							
	Particulars Period/Year Ended on	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
I	**Income**						
	Operating Income	1,163.39	1,073.33	752.51	505.74	335.96	282.36
	Other Income	2.26	6.45	2.03	1.49	1.26	0.53
	Total	**1,165.65**	**1,079.78**	**754.54**	**507.23**	**337.22**	**282.89**
II	**Expenditure**						
	Cost of Raw Material Consumed/Sold	652.69	679.22	340.27	247.67	188.03	156.42
	Manufacturing Expenses	113.79	123.33	88.68	74.59	58.34	47.41
	(Increase)/Decrease in Stock	(66.17)	(106.38)	9.67	(49.18)	(81.70)	(43.03)
	Employees Cost	137.38	103.70	73.75	46.80	34.55	24.65
	Operating & Administrative Expenses	44.27	48.28	62.29	42.82	28.80	24.17
	Selling & Distribution Expenses	109.76	72.93	71.88	71.74	68.32	46.22
	Total	**991.72**	**921.08**	**646.54**	**434.44**	**296.34**	**255.84**
	Profit Before Interest, Depreciation and Tax (I-II)	**173.93**	**158.70**	**108.00**	**72.79**	**40.88**	**27.05**
	Interest & Financial Charges	53.92	42.51	32.50	22.08	17.97	10.57
	Depreciation	14.21	10.64	6.72	5.11	3.64	2.61
	Miscellaneous Expenses W/off	1.14	1.53	-	-	0.01	0.01
	Profit Before Tax	**104.66**	**104.02**	**68.78**	**45.60**	**19.26**	**13.86**
	Provision for Taxes :						
	Current Tax	12.70	11.85	8.35	3.68	1.98	1.41
	Fringe Benefit Tax	1.18	1.55	0.79	-	-	-
	Deferred Tax	2.93	5.66	1.30	1.29	1.19	0.42
	Profit After Tax, as Restated	**87.85**	**84.96**	**58.34**	**40.63**	**16.09**	**12.03**
	Profit brought forward from Previous Year	166.09	81.13	22.79	27.16	21.07	19.04
	Profit Available for Appropriation	**253.94**	**166.09**	**81.13**	**67.79**	**37.16**	**31.07**
	Appropriations :						
	Transfer to General Reserve	-	-	-	45.00	10.00	10.00
	Balance Carried to Balance Sheet	253.94	166.09	81.13	22.79	27.16	21.07
		253.94	**166.09**	**81.13**	**67.79**	**37.16**	**31.07**

Annexure 'III'
(Rs. in Million)

Statement of Standalone Cash Flow (As Restated)

	Particulars Period/Year Ended on	9MFY08	FY07	FY06	FY05	FY04	FY03
A	**Cash Flow from Operating Activities**						
	Profit Before Depreciation and Tax	120.01	116.19	75.50	50.71	22.91	16.48
	Adjustment for :						
	Interest Expenses	53.92	42.51	32.50	22.08	17.97	10.57
	Loss/(Profit) on Transfer of Fixed Assets/on Sale of Shares	0.25	0.44	1.87	(0.18)	-	-
	Dividend Received	(0.01)	(0.01)	-	(0.01)	(0.02)	-
	Operating Profit before Working Capital Changes	**174.17**	**159.13**	**109.87**	**72.60**	**40.86**	**27.05**
	Adjustment for :						
	Increase in Inventories	(71.03)	(83.94)	(30.32)	(50.28)	(78.38)	(49.26)
	Increase in Sundry Debtors	(113.98)	(123.61)	(44.32)	(41.39)	(5.99)	(20.96)
	(Increase)/Decrease in Other Receivable	(27.33)	(54.82)	(103.24)	1.72	(10.42)	(4.65)
	Increase/(Decrease) in Current Liabilities & Provisions	5.56	18.24	8.97	(7.23)	33.32	11.43
	Cash from Operating Activities	**(32.61)**	**(85.00)**	**(59.04)**	**(24.58)**	**(20.61)**	**(36.39)**
	Income Tax Paid	(12.05)	(15.95)	(7.51)	(3.44)	(1.06)	(1.13)
	Net Cash from Operating Activities	**(44.66)**	**(100.95)**	**(66.55)**	**(28.02)**	**(21.67)**	**(37.52)**
B	**Cash Flow from Investing Activities**						
	Purchase of Fixed Assets	(17.30)	(27.07)	(19.13)	(11.99)	(14.69)	(14.63)
	Capital Work in Progress	(88.51)	(131.51)	(200.67)	(12.22)	(2.33)	-
	Sales of Assets	0.16	0.44	18.10	-	-	-
	(Purchase)/Sale of Investments	(115.19)	(34.75)	(2.29)	0.22	-	(0.09)
	Dividend Received	0.01	0.01	-	0.01	0.02	-
	Net Cash used in Investing Activities	**(220.83)**	**(192.88)**	**(203.99)**	**(23.98)**	**(17.00)**	**(14.72)**
C	**Cash Flow from Financing Activities**						
	Proceeds from Issue of Equity Share Capital	-	1.70	250.31	-	-	20.97
	Proceeds from Share Application Money	-	-	(15.00)	15.00	-	(0.60)
	Proceeds from Secured Loan (net of repayment)	382.80	286.23	15.23	72.21	36.73	39.30
	Proceeds from Unsecured Loan (net of repayment)	(41.13)	48.84	78.36	(10.82)	23.02	3.41
	Miscellaneous Expenditure Incurred	(0.62)	(0.91)	(7.63)	-	-	-
	Interest Expenses	(53.92)	(42.51)	(32.50)	(22.08)	(17.97)	(10.57)
	Net Cash used from Financial Activities	**287.13**	**293.35**	**288.77**	**54.31**	**41.78**	**52.51**
	Net Increase in Cash and Cash Equivalents (A+B+C)	**21.64**	**(0.48)**	**18.23**	**2.31**	**3.11**	**0.27**
	Cash and Cash Equivalents (Opening)	**23.90**	**24.38**	**6.15**	**3.84**	**0.73**	**0.46**
	Cash and Cash Equivalents (Closing)	**45.54**	**23.90**	**24.38**	**6.15**	**3.84**	**0.73**

Annexure 'IV'

Significant Accounting Policies

a. **Basis of preparation of financial statements**
The financial statements are prepared under the historical cost convention, on accrual basis, in accordance with applicable Mandatory Accounting Standards issued by The Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

b. **Revenue recognition**
Revenue in respect of Sales excludes excise duty wherever applicable, net of returns, claims and rate differences but includes sales tax. Dividend Income and Miscellaneous Income are accounted on cash basis.

c. **Use of Estimates**
The Preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materlised.

d. **Fixed assets and capital work in progress**
Fixed Assets are stated at cost of acquisition or construction after reducing accumulated depreciation (Other than Freehold/Leasehold Land where no depreciation is charged). Cost is inclusive of freight, duties, levies, interest, installation charges and other incidental expenses incurred for bringing the assets to their working condition for intended use. Capital work-in-progress includes the cost of fixed assets that are not yet ready for their intended use, including pre-operative expenses pending capitalization and capital advances.

e. **Depreciation**
Depreciation is provided on fixed assets as per the Straight Line Method at rates provided in Schedule XIV of the Companies Act, 1956 on pro-rata basis from the date assets have been put to use.

f. **Leases**
Operating lease payments are recognized as an expense in the Profit and Loss Account over the lease term.

g. **Impairment**
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 impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the 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 their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

h. **Investments**
Investments are stated at cost including all other expenses incurred on its acquisition and interest accrued thereon, if any.

i. **Inventories**
The inventories are valued at cost or net realizable value, whichever is lower and the cost is arrived as follows:

Raw-materials, accessories and bought out items cost is at landing cost inclusive of all attributable expenses and is computed on First In First Out basis.

Work in progress and finished goods cost include material cost, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and excise duty, wherever applicable.

j. **Retirement benefits**

The Company has created a Trust and has taken a Group Gratuity Life Assurance Policy with Life Insurance Corporation of India for future payments of gratuity to employees. Provisions in respect of gratuity are generally made as per the actuarial valuation and for the interim period are calculated on a year-to-date basis by using the actuarially determined rates at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events. The Company accounts for Provident Fund Contributions as per the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952. Bonus is accounted on accrual basis.

k. **Project Development Expenses Pending Adjustment**

Expenditure incurred during development and preliminary stages of the Company's new projects, are carried forward and the same is apportioned with the respective capital assets on completion of the projects.

l. **Borrowing Cost**

Interest and other cost in connection with the borrowing of the funds to the extent related attributed to the acquisition/construction of qualifying fixed assets are capitalized up to the date when such assets are ready for its intended use and other borrowing cost are charged to Profit & Loss Account.

m. **Expenditure during Construction and on new Projects**

In the case of new industrial units and substantial expansion of existing units, all pre-operating expenditures specifically for the project, incurred up to the date of installation, is capatilised and added pro-rata to the cost of fixed assets.

n. **Foreign Currency transactions**

Transactions of export sales as also transactions of imports are accounted at rates of exchange prevalent on the date of transaction.

Gains and losses arising out of subsequent fluctuation are accounted on the basis of actual realizations and payments. Exchange difference arising there from is transferred to Profit & Loss Account, except in relation to Fixed Assets where the difference is adjusted in the carrying cost of the assets.

Current Assets and Liabilities balances denominated in foreign currency at the period-end are translated at the period-end exchange rates except in cases where borrowings are covered by forward exchange contracts, and the resulting exchange difference is recognized in the Profit & Loss Account except in cases where it relates to the acquisition of fixed assets in which case it is adjusted to the carrying cost of such assets.

o. **Miscellaneous expenditure**

Preliminary expenses are amortized over a period of five years.

p. **Taxation**

Income-tax expenses comprises of Current Tax, Fringe Benefit Tax and Deferred Tax charge or credit. Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Provision for Fringe Benefit Tax is made on the fringe benefits provided / deemed to have been provided during the period at the rates and the values applicable to the relevant assessment year.

As per AS – 22, Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods

Income-tax for interim financial period is provided based on the taxable income for the period as per Accounting Standard – 25 of The Institute of Chartered Accountants of India presuming the consistency in profitability.

q. **Provisions & Contingent Liabilities**

A provision is recognised when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet Date. These are reviewed at each Balance Sheet Date and adjusted to reflect the current best estimates.

All known liabilities are provided for and liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty are treated as Contingent and disclosed by way other Notes on Accounts.

r. **Cash Flow Statement**

The Cash Flow Statement has been prepared in accordance with the indirect method prescribe in Accounting Standard 3 issued by The Institute of Chartered Accountants of India.

s. **Segment Reporting**

Reportable segment are identified having regard to dominant source of revenue and nature of risks and returns.

Annexure 'V'

Notes to Accounts

a) **Effect of Changes in Accounting Policies**

Adjustments have been made to the Standalone Audited Financials of the Company in the following circumstances:
- to apply accounting policies consistently across the periods presented and ;
- to record the effect of material facts which have become known subsequent to the preparation of the Statutory financial statements of earlier periods, and which result in changes to significant estimates made in those statutory financial statements, in accordance with the facts known at that time.

(Rs. in Million)

	Particulars Period/Year Ended on	9MFY08	FY07	FY06	FY05	FY04	FY03
I	**Net Profit after Tax as Per Audited Financial Statements**	**84.71**	**81.12**	**60.00**	**40.09**	**21.52**	**13.41**
II	**Changes in Accounting Policy**						
A	**Impact of Change in depreciation policy**						
	Depreciation Written Back	-	-	-	-	-	(6.83)
B	**Impact of Change in Misc Expenses policy**						
	Deferred Revenue Expenses w/off	-	-	-	-	-	8.42
	Impact of Provision for Gratuity	-	-	-	0.57	(0.30)	(0.27)
	Provision for Bonus Payable	3.29	(1.12)	(0.84)	(0.49)	(0.84)	-
	Total II (A+B)	**3.29**	**(1.12)**	**(0.84)**	**0.08**	**(1.14)**	**1.32**
III	**Other Adjustments**						
A	Prior Period Adjustments	-	3.95	-	-	(3.95)	-
B	Excess/(short) provision for tax relating to earlier years	(0.15)	1.01	(0.82)	0.46	(0.34)	0.40
C	Deferred Tax Asset	**-**	**-**	**-**	**-**	**-**	(3.10)
	Total III (A to C)	**(0.15)**	**4.96**	**(0.82)**	**0.46**	**(4.29)**	**(2.70)**
	Net Profit after Tax, as Restated (I+II+III)	**87.85**	**84.96**	**58.34**	**40.63**	**16.09**	**12.03**

Adjustments relating to Previous Years

i. **Depreciation:** Up to financial year ended March 31, 2002 the Company was providing depreciation on fixed assets with WDV method. From year ended March 31, 2003 and onwards the Company started providing depreciation on all its fixed assets on SLM Method. Consequently, the Company changed the method of charging depreciation on fixed assets with retrospective effect for earlier years and the same was disclosed in the Profit & Loss Account for the year ended March 31, 2003. The effect for the same has been restated hereinabove.

ii. **Deferred Revenue Expenditure:** Up to financial year ended March 31, 2002 the Company was writing off Deferred Revenue Expenditure over the period of five years. Subsequently in the financial statements for the year March 31, 2003 the Company charged the deferred revenue expenses to the Profit and Loss Account. The effect for the same has been restated above.

iii. **Gratuity:** Up to year ended March 31, 2004 the Company had not provided for gratuity liability towards its employees. Subsequently, in financial statements for the year ended March 31, 2005 the Company has provided for gratuity liability on the basis of actuarial valuation. The said gratuity liability has been restated above on a reasonable basis.

iv. **Bonus:** Up to year ended March 31, 2003 the company had provided for bonus on provisional basis, however for year ended March 31, 2004 and onwards the company was providing for bonus on cash basis. The Company has now changed the method of charging bonus to provisional basis. The said bonus liability has been restated above on a reasonable basis.

v. **Prior Period Adjustments:** The Company had made an arrangement with Sahara India and received air tickets which were considered prepaid during financial year 2003-04. This prepaid expenditure has been booked as expenditure during 2006-07 as Prior Period Items.

vi. **Income Tax:** Excess/short provision for income tax relating to previous years, have been adjusted in the year to which relates.

vii. **Deferred Tax:** Deferred tax has been restated to give effect of the above mentioned restatements.

b) **Segment Reporting**

i. Primary Segment
The company is primarily engaged in single business segment of textile and is managed as one business unit for its various service offerings, which are governed by a similar set of risks and returns.

ii. Secondary Segment: (By geographical segment) (As Restated) (Rs. In Million)

Sales	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
Domestic	1,163.39	1,067.74	745.21	496.40	323.97	276.35
Overseas	-	5.59	7.30	9.34	11.99	6.01
Total	**1,163.39**	**1,073.33**	**752.51**	**505.74**	**335.96**	**282.36**

c) Information on related party disclosures as per Accounting Standard 18 (AS-18) on Related Party Disclosures is given in Annexure XVI & XVIA.

d) Earning Per Share (Restated) is calculated as under:

Particulars Period/Year Ended on	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
Net Profit after Tax as restated	87.85	84.96	58.34	40.63	16.09	12.03
Weighted average number of Equity Shares outstanding during the year considered for Basic EPS (Nos. in Million)	8.98	8.82	7.96	6.00	6.00	5.71
Earning per shares (EPS) (Rs.) Basic	9.78	9.63	7.33	6.77	2.68	2.11
Weighted average number of Equity Shares outstanding during the year considered for Diluted EPS (Nos. in Million)	8.98	8.82	7.96	6.00	6.00	5.71
Earning per shares (EPS) (Rs.) Diluted	9.78	9.63	7.33	6.77	2.68	2.11

Note:

i. The Company has issued 96,710 equity shares of Rs.10 each at par on 27th March 2003.

ii. The Company has issued 100,000 equity shares of Rs.10 each at a premium of Rs.90 on 28th March 2003.

iii. The Company has issued 100,000 equity shares of Rs.10 each at a premium of Rs.90 on 31st March 2003.

iv. The Company has issued bonus equity shares in the ratio 3:1 on 28th March 2005.

v. The company has issued 2,000,000 equity shares of Rs.10 each at a premium of Rs.40 on 25th April 2005.

vi. The Company has issued 812,500 equity shares of Rs.10 each at a premium of Rs.175 on 17th February 2006.

vii. The Company has issued 170,500 equity shares of Rs.10 each on 16th March 2007

viii. For the purpose of calculation of weighted average number of equity shares the bonus shares has been considered.

ix. Earning per share for the nine months period ended 31st December 2007 is non-annualised.

e) Deferred Tax Liability

(Rs. in Million)

Sr. No.	Particulars Period/Year Ended on	9MFY08	FY07	FY06	FY05	FY04	FY03
A	Deferred Tax Liability Related Fixed Assets	15.46	12.53	6.87	5.57	4.28	3.09
B	Less : Previous Year Deferred Tax Liability	12.53	6.87	5.57	4.28	3.09	2.67
	Deferred Tax Liability Charged	**2.93**	**5.66**	**1.30**	**1.29**	**1.19**	**0.42**

f) The status of the company has changed from 'Private Limited' to 'Limited' w.e.f. 13th November, 2006 by duly complying with the provisions of the Companies Act, 1956.

g) Figures for the period ended 31st December, 2007 comprise figures for nine months only and hence not comparable.

h) Previous year's figures have been regrouped, rearranged and reclassified to correspond with the current period's figure, wherever considered necessary.

Annexure 'VI'
(Rs. in Million)

Statement of Standalone Accounting Ratios

Particulars Period/Year Ended on	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
Net Profit after Tax as restated	87.85	84.96	58.34	40.63	16.09	12.03
Earning per shares (EPS) (Rs.) Basic	9.78	9.63	7.33	6.77	2.68	2.11
Earning per shares (EPS) (Rs.) Diluted	9.78	9.63	7.33	6.77	2.68	2.11
Net Worth at end of the year/period	591.70	503.33	416.05	130.02	74.39	58.30
Return on Net Worth (%)	14.85%	16.88%	14.02%	31.25%	21.64%	20.64%
Net Asset Value per Share (Rs.) Basic	65.87	57.07	52.24	21.67	12.40	10.22
Net Asset Value per Share (Rs.) Diluted	65.87	57.07	52.24	21.67	12.40	10.22
Weighted average number of Equity Shares outstanding during the year considered for Basic EPS and Net Assets Value per Share (Nos.in Million)	8.98	8.82	7.96	6.00	6.00	5.71
Weighted average number of Equity Shares outstanding during the year considered for Diluted EPS and Net Assets Value per Share (Nos.in Million)	8.98	8.82	7.96	6.00	6.00	5.71
Formulae:						

Earnings Per Share (Rs.)	Net Profit Attributable to Equity Share Holders
	Weighted Avg. no. of Equity shares outstanding during the period/ year
Return on Net Worth (%)	Net Profit After tax
	Net Worth excluding Revaluation Reserve at the end of the period/year
Net Asset Value per Share (Rs.)	Net worth excluding revaluation reserves & Preference Shares
	Number of Equity shares outstanding at the end of the period/year

Notes:

the company had issued 4500000 equity shares of Rs. 10/- each fully paid by way of capitalization out of General Reserve as approved by the members on 28.03.2005 in the ratio of 3 equity shares for every one equity shares held on record date.

The EPS calculation is done in compliance with the requirements of the Accounting Standards - 20 on 'Earning Per Share' issued by the ICAI.

The Company has taken secured term loans from banks. However, there is no conversion clause in any of the loan agreements.

Restated net profit, as appearing in the restated statement of Profit and Loss (Annexure 'II') and Net Worth as appearing in Restated statement of Assets and Liabilities (Annexure 'I'), have been considered for computing the above ratios. These ratios are computed on the basis of the Standalone restated financial information of the company.

The figures for the nine months ended 31.12.2007 have not been annualised.

Calculation of Weighted Average Number of Shares Outstanding During the period/year						
Particulars Year/Period Ended on	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
Nominal Value of Equity Shares	10	10	10	10	10	10
Total Number of Equity Shares outstanding at the beginning of the year- fully paid up	8,983,000	8,812,500	6,000,000	1,500,000	1,500,000	1,203,290
Equity Shares issued on						
27.03.2003	-	-	-	-	-	96,710
28.03.2003	-	-	-	-	-	100,000
31.03.2003	-	-	-	-	-	100,000
28.3.2005 Bonus Shares	-	-	-	4,500,000	-	-
25.04.2005	-	-	2,000,000	-	-	-
17.02.2006	-	-	812,500	-	-	-
16.03.2007	-	170,500	-	-	-	-
Total Number of Equity Shares outstanding at the end of the year- fully paid up	8,983,000	8,983,000	8,812,500	6,000,000	1,500,000	1,500,000
Adjustment in respect of Bonus Shares issued in FY 2004-2005	-	-	-	-	4,500,000	4,500,000
Weighted Average Number of Equity Shares outstanding during the year -Considered for Basic EPS	8,983,000	8,819,974	7,964,212	6,000,000	6,000,000	5,705,985
Weighted Average Number of Equity Shares outstanding during the year -Considered for Diluted EPS	8,983,000	8,819,974	7,964,212	6,000,000	6,000,000	5,705,985

			Annexure 'VII' (Rs. in Million)
Statement of Standalone Capitalisation			
Sr. No.		**Pre Issue – As On 31.12.2007-**	**Post Issue ***
I	**Debt**		
A	Short-Term Debt (See Note – 1)	515.72	
B	Long-term Debt (See Note – 2)	486.86	
	Total Debt I (A+B)	**1,002.58**	
II	**Shareholders' Funds**		
C	Share Capital (See Note – 4)	89.83	
D	Reserves & Surplus (Net off Misc. Exp. to the extent of not written-off) (See Note - 3 & 4)	501.87	
	Total Shareholders' Funds II (C+D)	**591.70**	
III	Long Term Debt (B) / Shareholders' Funds (II)	0.82 : 1	
	Notes:		
1	As informed by management, short-term debts represent debts which are due within 12 months from December 2007 which are in nature of short term loan and also includes security deposit received.		
2	Long term debt represents debt other than short term debt, as defined above.		
3	Reserves include General Reserve, Security Premium Account and accumulated balance of Profit and Loss Account as at 31st December 2007.		
4	* Share Capital and Reserves (Post Issue) can be calculated only on conclusion of the Book Building Process.		

								Annexure 'VIII' (Rs. in Million)
Statement of Standalone Tax Shelter								
Particulars Period/Year Ended on		**Ref.**	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
Tax Rate (Including Surcharge & Education Cess								
Normal Rate			33.99%	33.66%	33.66%	36.59%	35.88%	36.75%
MAT Rate			11.33%	11.22%	8.42%	7.84%	7.69%	7.88%
Special Rate (%) - on Long Term Capital Gain						10.46%		
Profit Before Tax as per Audited Accounts								
Chargeable at Normal rate	'1'		101.36	105.15	69.64	45.54	24.35	12.56
Chargeable at Special rate								
Long Term Capital Gain	'2'		-	-	-	0.18	-	-
Total Profit Before Tax	'3'	**('1-2')**	**101.36**	**105.15**	**69.64**	**45.36**	**24.35**	**12.56**
Tax on notional rates								
Chargeable at normal rate	'4'		34.45	35.39	23.44	16.66	8.74	4.62
Chargeable at special rate	'5'		-	-	-	0.02	-	-
Total Tax at Notional Rates	'6'	**('4+5')**	**34.45**	**35.39**	**23.44**	**16.68**	**8.74**	**4.62**
Adjustments								
Timing Difference								
Diff between Tax & Book Depreciation	'7'		(15.43)	(23.71)	(2.13)	(4.61)	(3.53)	(1.88)
Depreciation Written back	'8'							(6.83)
Deduction U/S 35D Preliminary Exp. (net)	'9'		-	-	-	-	0.00	0.00
Section 40a (i) adjustments	'10'		(0.90)	0.90	-	-	-	-
Section 43B adjustment	'11'		-	0.44	-	-	0.00	0.14
Loss/(Profit) on sale of asset	'12'		0.25	0.44	3.47	(0.18)	-	0.00
Deferred Revenue Expenses	'13'		-	-	-	-	0.00	8.42
Total Timing Difference	'14'	**('7'to'13')**	**(16.08)**	**(21.92)**	**1.34**	**(4.78)**	**(3.53)**	**(0.15)**
Permanent Difference								
Deduction U/S 80 HHC	'15'		-	-	-	0.00	(0.05)	(0.11)
Deduction U/S 80 IB	'16'		(5.88)	(47.00)	(42.85)	(31.23)	(16.29)	(9.46)
Deduction U/S 80 IC	'17'		(42.64)	(5.38)	(4.61)	-	-	-
Total Permanent Difference	'18'	**('15'to'17')**	**(48.52)**	**(52.38)**	**(47.47)**	**(31.23)**	**(16.34)**	**(9.57)**
Net Adjustment	'19'	**('14'+'18')**	**(64.60)**	**(74.30)**	**(46.13)**	**(36.02)**	**(19.86)**	**(9.72)**
Tax (Saving) on Net Adjustment	'20'	**% on '19'**	**(21.96)**	**(25.01)**	**(15.53)**	**(13.18)**	**(7.13)**	**(3.57)**
Capital Gains		same as '2'	-	-	-	0.18	-	-
Chargeable at Normal Rate	'21'	**('1'+'18')**	36.76	30.85	23.51	9.52	4.49	2.84
Net Chargeable Capital Gains	'22'	same as '2'	-	-	-	0.18	-	-
Tax on Normal Income	'23'	**% on '21'**	12.49	10.38	7.91	3.48	1.61	1.04
Tax on Special Income	'24'	**% on '22'**	-	-	-	0.02	-	-
Total Tax		**('23'+'24')**	12.49	10.38	7.91	3.50	1.61	1.04
Profit Before Tax as per Audited Accounts	'25'	same as '1'	101.36	105.15	69.64	45.54	24.35	12.56
Less : 80HHC Profit	'26'		-	0.40	-	0.71	0.15	-
Books Profit	'27'	**('25'-'26')**	101.36	104.75	69.64	44.83	24.20	12.56

Tax under MAT (B)		**% on '27'**	11.48	11.75	5.86	3.52	1.86	0.98
Tax amount - (A) or (B) whichever is higher	'28'		**12.49**	**11.75**	**7.91**	**3.52**	**1.86**	**1.04**
Interest payable under the Act	'29'		0.15	0.09	0.34	0.14	0.11	0.01
Tax payable for the Period/Year	'30'	**('28'+'29')**	**12.65**	**11.84**	**8.25**	**3.66**	**1.97**	**1.05**

Notes:

1. The above calculation is based on Income-tax Return filed with tax authorities for completed financial years.

2. Income-tax for interim financial period is provided based on the taxable income for the period as per Accounting Standard – 25 of The Institute of Chartered Accountants of India presuming the consistency in profitability.

						Annexure 'IX'
						(Rs. in Million)
Statement of Standalone Other Income						
Particulars Period/Year Ended	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
Unrelated to Business						
Recurring						
Non-recurring						
Dividend	0.01	0.01	-	0.01	0.02	-
Related to Business						
Recurring						
Rent	1.99	1.23	-	-	-	-
Non-recurring						
Misc.Income	0.26	5.21	2.03	1.48	1.24	0.53
Total	**2.26**	**6.45**	**2.03**	**1.49**	**1.26**	**0.53**

						Annexure 'X'
						(Rs. in Million)
Statement of Standalone Secured Loans						
Particulars Period/Year Ended on	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
Working Capital Loans						
Cash Credit	256.32	219.33	29.14	66.72	101.17	86.92
Foreign Currency Loan	259.40	115.69	113.43	97.80	-	-
Term Loans						
Rupee Loans	363.69	156.01	54.89	10.65	26.55	5.00
Foreign Currency Loan	3.18	8.97	18.18	24.40	-	-
Vehicle Loans	4.40	4.19	2.33	2.09	1.64	0.64
Housing Loan	-	-	-	1.07	1.17	1.24
Total	**886.99**	**504.19**	**217.97**	**202.73**	**130.53**	**93.80**
Notes:						

1) Working Capital Loans are secured by hypothecation of current assets of the Company including stocks & book debts and collateral security over fixed assets of the Company and further secured by personal guarantee of three promoter directors.

2) Term Loans are secured by equitable mortgage of land & buildings and certain office premises of the Company and hypothecation of fixed assets of the Company present & future and collateral security over current assets of the Company and further secured by personal guarantee of three promoter directors. The Loan of Rs. 200.00 Million is secured by extension of mortgage over certain office premises of the Company and pledge of 0.60 Million equity shares of the Company by promoters.

3) The Vehicle Loans are secured by hypothecation of Vehicles.

4) The Housing Loan was secured against the Flat and personal guarantee of three promoter directors.

5) The details of principle terms and conditions of the secured loans and unsecured loans outstanding as at 31st December disclosed in Annexure XA.

						Annexure 'XA'
						(Rs. in Million)
Details of Principal Terms and Conditions of Loans Outstanding as at December 31, 2007						
	Nature of Loan	**Sanction Amount**	**Outstanding (as on December 31, 2007)**	**Rate of Interest p.a.**	**Repayment Terms**	**Security Offered**
A) Term Loan						
State Bank of India	Term Loan	62.50	39.21	11.50%	60 Monthly installment of Rs.1.04 million each commencing from April 1, 2005.	First Pari Passu charge with PNB & HDFC over fixed assets of Daman & Baddi units of the company. The facilities are further secured by personal guarantee of Mr Prakash Lakhani, Mr Jai Lakhani and Mr Anil Lakhnai, promoter directors of the company
		15.60	11.05	11.50%	60 Monthly installment of Rs.0.26 million each commencing from January 1, 2007.	
		34.40	27.27	11.50%	60 Monthly installment of Rs.0.57 million each commencing from January 1, 2007.	
HDFC Bank Ltd.	Term Loan	15.00	6.43	9.00%	Repayable in seven half yearly installments starting from the day of the first draw down.	First charge of the assets being financed , & personal guarantee of Mr Prakash Lakhani, Mr Jai Lakhani and Mr Anil Lakhnai, promoter Director of the company& pledge of 600000 equity shares of Gini & Jony Limited held by promoters. Certain facilities are further secured by first paripassu charge with SBI & PNB over fixed assets of Daman & Baddi Unit of the company.
		15.00	6.43			
		15.00	10.71			
		30.00	23.33			
		41.60	35.68	12.00%		
		10.00	8.57			
		200.00	195.00			
B) Foreign Currency Term Loan						
Punjab National Bank	Term Loan	0.08	3.18	9.33%	Monthly Installment	First Pari Passu charge with SBI & HDFC over fixed assets of Daman & Baddi units of the company. The facilities are further secured by personal guarantee

						of Mr Prakash Lakhani, Mr Jai Lakhani and Mr Anil Lakhnai, promoter directors of the company.
C)Working Capital Facilities						
Punjab National Bank	Cash Credit w/w	150.00	61.06	BPLR – 1.25%	N.A.	First Pari Passu charge over current assets of the company and second charge over fixed assets of the company. The facilities are further secured by personal guarantee of Mr Prakash Lakhani, Mr Jai Lakhani and Mr Anil Lakhnai, promoter directors of the company.
	WCDL (FCNR(B)	USD 1.60 mn	63.54	9.33%	N.A	
State Bank Of India	Cash Credit w/w	150.00	33.10	SBAR – 1.25%	N.A.	
	FCNR(B)	USD 2.43 mn	97.01	325 bps above 12 M LIBOR	N.A.	
	SLOC	25 mn	21.23		NA	
HDFC Bank Ltd.	Cash Credit w/w WCDL	150.00	98.85	9.39%	CC on demand / WCDL max 180 days	
Standard Chartered Bank	Cash Credit w/w	150.00	10.93	13%	60 Days Roll over.	
	WCDL	130.00	130.00	9%	N.A	
D) Vehicle Loan						
Bank/ Others	Vehicle Loan	4.40	4.40	Various	Monthly Installment	Against hypothecation of Vehicles

						Annexure 'XI'
						(Rs. in Millions)
Statement of Standalone Unsecured Loans & Deposits						
Particulars Period/Year Ended on	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
Long-term						
Promoter/promoter group	-	-	-	-	-	-
Others	-	-	-	-	-	-
Short-term						
Promoter/promoter group	-	-	-	4.18	1.51	3.00
Others	109.91	151.24	101.28	16.17	24.46	2.33
Security Deposits	5.68	5.48	6.60	9.17	14.36	11.98
Total	**115.59**	**156.72**	**107.88**	**29.52**	**40.33**	**17.31**

						Annexure 'XII'
						(Rs. in Millions)
Statement of Standalone Sundry Debtors						
Particulars Period/Year Ended	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
Unsecured, Considered Good						
Debts outstanding for a period exceeding six months	7.68	7.42	12.69	11.32	3.44	2.41
Other Debts	390.43	276.71	147.84	104.88	71.37	66.41
Total	**398.11**	**284.13**	**160.53**	**116.20**	**74.81**	**68.82**

Except as stated in ‘Related party transactions’ on page [●], none of our Sundry Debtors are related to Directors/Promoters/Associated to the Company in any other way other than as debtors

						Annexure 'XIII'
						(Rs. in Millions)
Statement of Standalone Loans & Advances						
Particulars Period/Year Ended on	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
Unsecured, Considered Good						
Advances recoverable in cash or in kind or for value to be received	40.74	23.70	45.15	4.58	10.10	4.96
With Subsidiary Company	123.26	129.91	66.50	-	-	-
Sundry Deposits	22.75	23.20	6.99	16.63	12.85	7.73
Pre-paid Expenses	20.20	2.80	6.16	0.36	0.33	0.21
Total	**206.95**	**179.61**	**124.80**	**21.57**	**23.28**	**12.90**

Except as stated in 'Related party transactions' on page [●], there is no loans & advance given to Directors/Promoters/Associated to the Company.

						Annexure 'XIV'
						(Rs. in Millions)
Statement of Standalone Investments						
Particulars Period/Year Ended	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
Investment in Government Securities						
National Saving Certificates	-	-	-	-	-	-
Long-term Traded						
Investment in Shares						
Union Bank of India	0.05	0.05	0.05	0.05	0.09	0.09
Investment in Mutual Fund						
SBI Bluechip Fund - Dividend	0.10	0.10	0.10	-	-	-
Unquoted Equity Shares						
Investment in Subsidiaries						
G & J Garment Processors Pvt. Ltd.	2.04	1.94	1.94	-	-	-
GJ Freedom Fashions Limited	150.09	35.00	0.25	-	-	-
(Formerly GJ Future Fashions Limited)						
Total	**152.28**	**37.09**	**2.34**	**0.05**	**0.09**	**0.09**

						Annexure 'XV'
						(Rs. in Millions)
Statement of Standalone Contingent Liability						
Particulars Period/Year Ended on	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
- Bank Guarantee	2.58	2.55	1.38	1.73	1.32	1.82
- Letter of Credits	2.89	-	16.60	11.31	-	-
- Income Tax under Appeal	5.63	-	-	-	-	-
- Civil/criminal matters pending in Courts, the company has not acknowledged the claims	7.00	3.55	5.08	2.46	1.00	-
- Lease Premium on Baddi units pending export obligation	14.61	14.61	-	-	-	-
- Textile Cess	0.96	-	-	-	-	-
- Custom Duty saved on EPCG License pending export obligation	4.28	4.28	2.70	1.05	1.05	0.82
- The company has entered foreign currency swap agreement as per the provisions contained in the 2000 ISDA definitions of Rs.300.00 million .The mark to market liabilities on this account as on 31.12.2007 was Rs. 10.20 million. This liability is contingent in nature and maturity of the same depends, how the forex market behaves during the contractual period.	10.20	-	-	-	-	-
Total	**48.15**	**24.99**	**25.76**	**16.55**	**3.37**	**2.64**

Annexure : 'XVI'

Details of The List of Related Parties And Nature of Relationships

Particulars Period/Year Ended	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
Nature of Relationship	Name of party	Name of party	Name of party	Name of party	Name of party	Name of party
Subsidiaries	G & J Garment Processors Pvt. Ltd.	G & J Garment Processors Pvt. Ltd.	G & J Garment Processors Pvt. Ltd.			
	GJ Freedom Fashions Limited	GJ Freedom Fashions Limited	GJ Freedom Fashions Limited			
Associates	Jyoti Creation	Jyoti Creation	Jyoti Creation	Jyoti Creation	Jyoti Creation	Jyoti Creation
	Hariraj	Hariraj	Hariraj	Hariraj	Hariraj	Hariraj
	Harison	Harison	Harison	Harison	Harison	Harison
Key Management Personnel (KMP)	Mr. Prakash Lakhani	Mr. Prakash Lakhani	Mr. Prakash Lakhani	Mr. Prakash Lakhani	Mr. Prakash Lakhani	Mr. Prakash Lakhani
	Mr. Jaikishan Lakhani	Mr. Jaikishan Lakhani	Mr. Jaikishan Lakhani	Mr. Jaikishan Lakhani	Mr. Jaikishan Lakhani	Mr. Jaikishan Lakhani
	Mr. Anil Lakhani	Mr. Anil Lakhani	Mr. Anil Lakhani	Mr. Anil Lakhani	Mr. Anil Lakhani	Mr. Anil Lakhani
	Mr. Ajay Kumar Agrawal					
	Mr. Harish Mehta	Mr. Harish Mehta	Mr. Harish Mehta	Mr. Harish Mehta	Mr. Harish Mehta	Mr. Harish Mehta
Relatives of Key Management Personnel (KMP)	Mrs. Jyoti Lakhani	Mrs. Jyoti Lakhani	Mrs. Jyoti Lakhani	Mrs. Jyoti Lakhani	Mrs. Jyoti Lakhani	Mrs. Jyoti Lakhani
	Mrs. Varsha Lakhani	Mrs. Varsha Lakhani	Mrs. Varsha Lakhani	Mrs. Varsha Lakhani	Mrs. Varsha Lakhani	Mrs. Varsha Lakhani
	Mrs. Manisha Lakhani	Mrs. Manisha Lakhani	Mrs. Manisha Lakhani	Mrs. Manisha Lakhani	Mrs. Manisha Lakhani	Mrs. Manisha Lakhani
	Ms. Roshni Lakhani	Ms. Roshni Lakhani	Ms. Roshni Lakhani	Ms. Roshni Lakhani	Ms. Roshni Lakhani	Ms. Roshni Lakhani
	Mrs. Simi Mehta	Mrs. Simi Mehta	Mrs. Simi Mehta			

Notes:

The classification and the disclosure of information of the related parties for each of the audited standalone financial statements for the respective years, which have been adjusted for restatements.

Details of transactions with related parties are given annexure XVIA.

							Annexure 'XVIA'
							(Rs. In Millions)
Statement of Standalone details of Transaction with Related Parties							
Sr. No.	**Particulars**	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
I	**Key Managerial Persons**						
A	**Remuneration**						
1	Mr. Prakash Lakhani	2.15	2.30	1.56	0.71	0.60	0.36
2	Mr. Jaikishan Lakhani	2.01	2.10	1.48	0.38	0.36	0.30
3	Mr. Anil Lakhani	2.01	2.10	1.48	0.65	0.36	0.30
4	Mr.Harish Mehta	2.27	2.27	1.37	0.60	0.60	0.60
5	Mr. Ajay Kumar Agarwal	0.89	-	-	-	-	-
	Total	**9.33**	**8.77**	**5.89**	**2.34**	**1.92**	**1.56**
B	**Rent Paid**						
1	Mr. Prakash Lakhani	-	-	-	0.12	0.24	0.24
2	Mr. Jaikishan Lakhani	-	-	0.12	0.12	-	-
3	Mr. Anil Lakhani	-	-	0.12	0.12	-	-
	Total	**-**	**-**	**0.24**	**0.36**	**0.24**	**0.24**
C	**Closing Balances**						
	Debit	-	-	-	0.67	-	-
	Credit	0.52	0.13	0.08	0.20	0.14	0.03
II	**Relatives of Key Managerial Persons**						
A	**Remuneration**						
1	Mrs. Jyoti Lakhani	0.38	0.51	0.56	0.18	0.18	0.17
2	Mrs. Varsha Lakhani	0.38	0.51	0.56	0.31	0.18	0.17
3	Mrs. Manisha Lakhani	0.38	0.51	0.56	0.43	0.18	0.17
4	Ms. Roshni Lakhani	0.22	-	0.08	0.13	0.03	-
5	Mrs. Simi Mehta	0.42	0.56	0.05	-	-	-
	Total	**1.78**	**2.08**	**1.81**	**1.05**	**0.56**	**0.52**
B	**Closing Balances**						
	Debit	-	-	-	0.11	-	-
	Credit	0.07	0.04	0.04	0.26	-	-
III	**Associate Concern / Firms**						
A	**Rent**						
1	GJ Freedom Fashions Ltd. (Formerly GJ Future Fashions Ltd.)	14.27	9.13	-	-	-	-
2	Hariraj	-	-	-	-	0.12	0.12
3	Harison	-	-	-	-	0.12	0.29
		14.27	**9.13**	**-**	**-**	**0.24**	**0.41**

B	**Interest**						
1	GJ Freedom Fashions Ltd. (Formerly GJ Future Fashions Ltd.)	0.79	2.12	-	-	-	-
C	**Consultancy**						
1	Jyoti Creation	-	-	-	-	0.09	0.09
D	**Commission**						
1	Harison	-	-	-	-	0.33	0.39
E	**Sales**						
1	GJ Freedom Fashions Ltd. (Formerly GJ Future Fashions Ltd.)	153.33	172.30	-	-	-	-
2	Jyoti Creation	-	-	-	-	-	1.96
		153.33	**172.30**	**-**	**-**	**-**	**1.96**
F	**Purchase**						
1	GJ Freedom Fashions Ltd. (Formerly GJ Future Fashions Ltd.)	4.17	-	-	-	-	-
G	**Job Charges**						
1	G & J Garment Processors Pvt. Ltd. (Formerly Newmoon Mercantile Company Pvt. Ltd.)	13.13	19.46	3.11	-	-	-
H	**Loan Given (net of repayment)**						
	GJ Freedom Fashions Limited		22.62				
I	**Closing Balances**						
	Debit	123.26	129.91	66.50	0.35	0.49	1.45
	Credit	1.31	0.15	0.34	-	-	-

Annexure 'XVII '						
(Rs. In Millions)						
Statement of Standalone Dividend Paid						
Particulars Period/Year Ended on	**9MFY08**	**FY07**	**FY06**	**FY05**	**FY04**	**FY03**
Number of equity Shares outstanding (Nos in million)	8.98	8.81	6.00	1.50	1.50	1.20
Dividend (%)	-	-	-	-	-	-
Dividend Amount	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Note :						
The Directors in their prudence and considering the funds requirement for business purposes, have not recommended or approved the payment of any dividend in the above years/period.						

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AND PROFITS AND LOSSES, AS RESTATED, FOR THE NINE MONTHS PERIOD ENDED 31st DECEMBEFR, 2007

Auditors' report as required by Part II of Schedule II of the Companies Act, 1956

The Board of Directors,
Gini & Jony Limited,
A-601, Citi Point,
Andheri Kurla Road,
Andheri (East),
Mumbai 400059

At your request, we have examined the annexed Restated Consolidated Financial Information of Gini & Jony Limited ('the Company' or 'the Parent Company) and its subsidiaries namely GJ Freedom Fashions Limited and G & J Garment Processors Private Limited (collectively referred to as the 'Group') for the nine months period ended 31st December, 2007 including the notes thereon being the last date to which the accounts of the Company have been made up. This financial information has been prepared by the management and is 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 Initial Public Offering ('IPO').

This Restated Consolidated Financial Information has been prepared in accordance with the requirements of:

i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');

ii) 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') in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments;

iii) The revised Guidance Note on the Reports in Company Prospectus issued by the Institute of Chartered Accountants of India ('ICAI'); and

iv) The terms of our letter of engagement with the Company requesting us to carry out work in connection with the Offer Document being issued by the Company in connection with its proposed IPO as aforesaid.

Further to our comments referred to above, we report that:

1. We have examined the Consolidated Statements of Assets and Liabilities (Annexure I) and Profits and Losses (Annexure II), as restated of the Group as at 31st December, 2007 as restated for the period ended 31st December, 2007 as prepared of the Group and approved by the Board of Directors. These Statements of Assets and Liabilities and Profits and Losses, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Group, which are appropriate and are more fully described in the Significant Accounting Policies and Notes appearing in Annexure III to this report.

2. We report that the Consolidated Statement of Assets and Liabilities, as restated of the Group as at 31st December, 2007are as set out in Annexure I to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes as appearing in Annexure III to this report.

3. We report that the Consolidated Statement of Profits and Losses, as restated of the Group for the six months period ended 31st December, 2007 are as set out in Annexure II to this report. These profits and losses have been arrive at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes as appearing in Annexure III to this report.

4. We report that the above restated Consolidated Statements, are to be read in accordance with the Significant Accounting Policies and Notes to the Consolidated Accounts as appearing in Annexure III to this report, have been extracted from the Consolidated audited financial statements of the Group for the period ended 31st December, 2007. The standalone financial statements of the Company for the nine

months period ended were prepared by the Company and audit thereof was conducted by us. The standalone financial statements for the nine months period ended 31st December, 2007 of the subsidiaries were prepared by the respective subsidiaries and approved by the Board of Directors of respective subsidiaries. Audit of these standalone financial statements of the subsidiaries, GJ Freedom Fashions Limited (Formerly GJ Future Fashions Limited) and G & J Garment Processors Private Limited and audit thereof was conducted by us. We have prepared Consolidated Financial Statements of the Group and its subsidiaries for the nine months period ended 31st December, 2007 to adhere with the provisions of Accounting Standard 21 – 'Consolidated Financial Statements'.

5. In our opinion the 'Restated Consolidated Financial Statements' as per the audited financial statements' and 'Consolidated Other Financial Information' of the Group have been prepared in accordance with Part II of Schedule II of the Act and the SEBI Guidelines.

6. This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Public Offer of the Group as mentioned above and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Bhageria Naredi & Associates**
Chartered Accountants

Mahesh Bhageria
Partner
Membership No. 34499

Mumbai, April 25, 2008

Annexure 'I'

Statement of Consolidated Assets and Liabilities, As Restated As At December 31, 2007

		(Rs. in Million)
I	**Fixed Asset**	
	Gross Block	487.28
	Less : Accumulated Depreciation	53.86
	Net Block	433.42
	Less : Revaluation Reserves	-
	Capital Work in Progress	134.36
	Net Block after adjustment of Revaluation Reserve	**567.78**
II	**Goodwill (On Consolidation)**	**57.13**
III	**Investments**	0.16
IV	**Current Assets, Loans & Advances**	
	Inventories	537.42
	Sundry Debtors	454.52
	Cash and Bank Balances	46.85
	Loans & Advances	119.89
	Deferred Tax Assets	27.30
		1,185.98
V	**Minority Interest**	2.06
VI	**Liabilities and Provisions**	
	Secured Loans	932.63
	Unsecured Loans	125.67
	Current Liabilities & Provisions	140.35
	Deferred Tax Liability	15.46
		1,214.11
VII	**Net Worth (I+II+III+IV-V-VI)**	**594.88**
VIII	**Represented by**	
	Share Capital	
	(Issued, Subscribed and Paid up)	89.83
	Share Application Money	-
	Reserves & Surplus	511.55
	Less : Revaluation Reserve	-
		601.38
	Less: Miscellaneous Expenditure to the extent not w/off	6.50
IX	**Net Worth**	**594.88**

Annexure 'II'

Statement of Consolidated Profit & Loss Account, As Restated for the period ended on December 31, 2007

		(Rs. in Million)
I	**Income**	
	Operating Income	1,240.05
	Other Income	2.26
	Total	**1,242.31**
II	**Expenditure**	
	Cost of Raw Material Consumed	657.71
	Manufacturing Expenses	107.74
	(Increase)/Decrease in Stock	(66.17)
	Employees Cost	149.20
	Operating & Administrative Expenses	78.57
	Selling & Distribution Expenses	130.51
	Total	**1,057.56**
	Profit Before Interest, Depreciation and Tax (I-II)	**184.75**
	Interest & Financial Charges	58.04
	Depreciation	17.36
	Miscellaneous Expenses W/off	1.15
	Profit Before Tax	**108.20**
	Provision for Taxes:	
	Current Tax	12.70
	Fringe Benefit Tax	1.28
	Deferred Tax (Net)	3.49
	Profit After Tax	90.73
	Add : Share of Minority Interest	0.19
	Profit brought forward from Previous Year	166.21
	Profit Available for Appropriation	**257.13**
	Appropriations :	
	Transfer to General Reserve	-
	Balance Carried to Balance Sheet	257.13
		257.13

ANNEXTURE 'III'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS OF CONSOLIDATED ACCOUNTS

1) Significant Accounting Policies

a. **Basis of preparation of financial statements**
The financial statements are prepared under the historical cost convention, on accrual basis, in accordance with applicable mandatory accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

b. **Basis of Consolidation**
The consolidated financial results comprise of the results of Gini & Jony Limited and its Subsidiaries GJ Freedom Fashions Limited (formerly GJ Future Fashions Limited) and G & J Garment Processors Pvt. Ltd., which are consolidated in accordance with Accounting Standard 21 on 'Consolidated Financial Statements' issued by The Institute of Chartered Accountants of India. The Consolidated Financial Statements relate to Gini & Jony Limited ('the company') and its subsidiaries company have been prepared on the following basis).

i) The financial statements of the company and its subsidiaries have been combined on a line-by-line basis by adding together the balances of like items of assets, liabilities, income & expenditure after fully eliminating the intra-group balances and intra-group transactions resulting in unrealized profit or loss.

ii) The consolidated financial statements have been prepared using uniform accounting policies like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

iii) The excess of cost to the company of its investment in the subsidiary over its portion in equity of subsidiary at the dates they become subsidiary is recognized in the financial statements as goodwill.

iv) The Subsidiary Companies considered in the consolidated financial statements are :

Sr. No.	Name of Subsidiary Company	Country of Incorporation	% of Holdings	Period of Consolidation
1	GJ Freedom Fashions Limited (Formerly GJ Future Fashions Limited)*	India	100.00%	01.07.2007 to 31.12.2007
2	G & J Garment Processors Pvt. Ltd.	India	51.00%	01.04.2007 to 31.12.2007

* GJ Freedom Fashions Limited was a Joint Venture before becoming a 100% subsidiary of the Company from 01.07.2007, hence for the period 01.04.2007 to 30.06.2007 proportionate consolidation was done as per AS-27 'Financial Reporting of Interests in Joint Venture'.

c. **Revenue recognition**
Revenue in respect of Sales excludes excise duty wherever applicable, net of returns, claims and rate differences but includes sales tax. Dividend Income and Miscellaneous Income are accounted on cash basis.

d. **Use of Estimates**
The Preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

e. **Fixed assets and capital work in progress**
Fixed Assets are stated at cost of acquisition or construction after reducing accumulated depreciation (Other than Freehold/Leasehold Land where no depreciation is charged). Cost is inclusive of freight,

duties, levies, interest, installation charges and other incidental expenses incurred for bringing the assets to their working condition for intended use. Capital work-in-progress includes the cost of fixed assets that are not yet ready for their intended use, including pre-operative expenses pending capitalization and capital advances.

f. **Depreciation**
Depreciation is provided on fixed assets as per the Straight Line Method at rates provided in Schedule XIV of the Companies Act, 1956 on pro-rata basis from the date assets have been put to use. Leasehold improvement and Furniture & fixtures are amortized over a period of six years and nine years respectively

g. **Leases**
Operating lease payments are recognized as an expense in the Profit and Loss over the lease term.

h. **Investments**
Investments are stated at cost including all other expenses incurred on its acquisition and interest accrued thereon, if any.

i. **Inventories**
The inventories are valued at cost or net realizable value, whichever is lower and the cost is arrived as follows:

Raw-materials, Accessories, Consumables and bought out items cost is at landing cost inclusive of all attributable expenses and is computed on First In First Out basis.

Work in progress and finished goods cost include material cost, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and excise duty, taxes wherever applicable.

j. **Retirement benefits**
The Company has created a Trust and has taken a Group Gratuity Life Assurance Policy with Life Insurance Corporation of India for future payments of gratuity to employees. Provisions in respect of gratuity for the interim period are calculated on a year-to-date basis by using the actuarially determined rates at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events. The Company accounts for Provident Fund Contributions & ESIC as per the provisions of respective Acts. Bonus is accounted on accrual basis.

k. Project Development Expenses Pending Adjustment
Expenditure incurred during development and preliminary stages of the Company's new projects, are carried forward.

l. Borrowing Cost
Interest and other cost in connection with the borrowing of the funds to the extent related attributed to the acquisition/construction of qualifying fixed assets are capitalized up to the date when such assets are ready for its intended use and other borrowing cost are charged to Profit & Loss Account.

m. Expenditure during Construction and on new Projects
In the case of new industrial units and substantial expansion of existing units, all pre-operating expenditures specifically for the project, incurred upto the date of installation, is capitalised and added pro-rata to the cost of fixed assets.

n. Foreign Currency transactions
Transactions of export sales as also transactions of imports are accounted at rates of exchange prevalent on the date of transaction.

Gains and losses arising out of subsequent fluctuation are accounted on the basis of actual realizations and payments. Exchange difference arising there from is transferred to Profit & Loss Account, except in relation to Fixed Assets where the difference is adjusted in the carrying cost of the assets.

Current Assets and Liabilities balances denominated in foreign currency at the period-end are translated at the period-end exchange rates except in cases where borrowings are covered by forward exchange contracts, and the resulting exchange difference is recognized in the Profit & Loss Account except in cases where it relates to the acquisition of fixed assets in which case it is adjusted to the carrying cost of such assets.

o. Miscellaneous expenditure

Preliminary expenses are amortized over a period of five years.

p. Taxation

Income-tax expenses comprises of Current Tax, Fringe Benefit Tax and Deferred Tax charge or credit. Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Provision for Fringe Benefit Tax is made on the fringe benefits provided/deemed to have been provided during the period at the rates and the values applicable to the relevant assessment year.

As per AS-22 Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Income-tax for interim financial period is provided based on the taxable income for the period as per Accounting Standard – 25 of The Institute of Chartered Accountants of India presuming the consistency in profitability.

q. **Provisions & Contingent Liabilities**

A provision is recognised when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet Date. These are reviewed at each Balance Sheet Date and adjusted to reflect the current best estimates.

All known liabilities are provided for and liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty are treated as Contingent and disclosed by way Other Notes on Accounts

r. **Cash Flow Statement**

This being the first year of presentation of consolidated financial statements in accordance with the accounting standard, prior year figures have not been provided as they are unconsolidated and therefore do not allow meaningful comparison. Thus, the consolidated financial statements do not include disclosure relating to consolidated cash flow statements.

s. **Segment Reporting**

Reportable segment are identified having regard to dominant source of revenue and nature of risks and returns.

(2) Notes on Accounts

a. Contingent liabilities not provided for in respect of – (Rs. in Million)

	31.12.2007
- Bank Guarantee	2.58
- Letter of Credits	2.89
- Civil/criminal matters pending in Courts, the company has not acknowledged the claims	7.00
- Custom Duty saved on EPGC License pending Export Obligation	4.28
- Income Tax Demand pending appeal (AY 2005-06)	5.63
- Textile Cess (August 2002 to March 2006)	0.96
- Lease Premium on Baddi Units Plots pending Export Obligation	14.61
- Effluent Treatment Charges	0.49
The company has entered foreign currency swap agreement as per the provisions contained in the 2000 ISDA definitions of Rs 300.00 million. The mark to market liabilities on this account as on 31.12.2007 was Rs 10.20 million. This liability is contingent in nature and maturity of the same depends on how the forex market behaves during the contractual period.	
In the opinion of the management, there is no contingent liability other than stated above and adequate provision have been made for all known liabilities, except interest and penalty as may arise.	

b. **Effect of Changes in Accounting Policies**

Adjustments have been made to the Consolidated Audited Financials of the Company in the following circumstances:
- to apply accounting policies consistently across the periods presented ;

(Rs. in Million)

Sr. No.	Particulars	31.12.2007
A	**Net Profit after Tax as Per Audited Financial Statements**	87.42
B	Provision for Bonus Payable	3.50
C	Provision for Tax	(0.12)
D	Deferred Tax Liability	(0.07)
E	**Total (B to D)**	**3.31**
	Net Profit after Tax as Restated (A-E)	**90.73**

c. Segment Reporting

i. Primary Segment
The company is primarily engaged in single business segment of textile and is managed as one business unit for its various service offerings, which are governed by a similar set of risks and returns.

ii. Secondary Segment: (By geographical segment) (Rs. in Million)

Sales	**31.12.2007**
Domestic	1,240.05
Overseas	-
Total	**1,240.05**

d. Earning Per Share

	31.12.2007
Net Profit for the year attributable to Equity Shareholders (Rs. in Millions)	90.92
Weighted average number of Equity Shares outstanding (No. in Millions)	8.98
Basic earning per shares (face value of Rs. 10/- each) (Rs.)	10.12
Weighted average number of Equity Shares outstanding for Diluted EPS (No. in million)	8.98
Diluted earning per shares (face value of Rs. 10/- each) (Rs.)	10.12

e. Deferred Tax Liability (Rs. in Million)

Sr. No.	Particulars	31.12.2007
A	Deferred Tax Liability	
	Related Fixed Assets	16.17
B	Deferred Tax Assets	
	Related Fixed Assets	0.13
	Related Unabsorbed Depreciation	0.73
	Business Loss	27.15
B	Less: Last Year Deferred Tax Liability (Net)	(14.51)
D	Add : Deferred Tax Assets for Joint Venture Period	0.82
	Deferred Tax Liability (Net) Charged	**3.49**

f. Related Party Transactions:

Nature of Relationship	Name of party
Subsidiaries	G & J Garment Processors Private Limited GJ Freedom Fashions Limited
Associates	Jyoti Creation Hariraj Harison
Key Management Personnel (KMP)	Mr. Prakash Lakhani Mr. Jaikishan Lakhani Mr. Anil Lakhani Mr. Ajay Kumar Agrawal Mr. Harish Mehta
Relatives of Key Management Personnel (KMP)	Mrs. Jyoti Lakhani Mrs. Varsha Lakhani Mrs. Manisha Lakhani Ms. Roshni Lakhani Mrs. Simi Mehta

(Rs. in Million)

Sr. No.	Particulars	31.12.2007
I	**Key Managerial Persons**	
A	**Remuneration**	
1	Mr. Prakash Lakhani	2.15
2	Mr. Jaikishan Lakhani	2.01
3	Mr. Anil Lakhani	2.01
4	Mr. Harish Mehta	2.27
5	Mr. Ajay Kumar Agarwal	0.89
	Total	**9.33**
B	**Closing Balances**	
	Debit	-
	Credit	0.52
II	**Relatives of Key Managerial Persons**	
A	**Remuneration**	
1	Mrs. Jyoti Lakhani	0.38
2	Mrs. Varsha Lakhani	0.38
3	Mrs. Manisha Lakhani	0.38
4	Ms. Roshni Lakhani	0.22
5	Mrs. Simi Mehta	0.42
	Total	**1.78**
B	**Closing Balances**	
	Debit	
	Credit	0.07

g. This being the first period of consolidated accounts, previous year's figures are not given.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Draft Red Herring Prospectus. You should also read the section titled "Risk Factors" beginning on page [●] of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to Gini & Jony Limited on an standalone basis. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (DIP) Guidelines and restated as described in Auditor's report of M/s. Bhageria Naredi & Associates dated April 25, 2008 on page [●] titled "Financial Information and Auditors' Report". All the discussion in the following section is based on the restated numbers of each item in the financial statements.

The following discussions is based on our restated standalone financial statements for the financial year ended March 31, 2003, March 31, 2004, March 31, 2005, March 31, 2006 and March 31, 2007 and for the nine months ended December 31, 2007 which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (DIP) Guidelines and on information available from other sources. Our fiscal year ends on March 31 each year, so all references to a particular year are to the twelve-month period ended on March 31 of that year.

The Directors confirm that there have been no events or circumstances since the date of the last financial statements which materially and adversely affect or are likely to affect the profitability of the Company or the value of its assets or its ability to pay its liabilities within the next twelve months.

Overview of the business of the Company

We are one of India's leading manufacturers of premium lifestyle Kidswear. Our business activities primarily includes designing, manufacturing, branding and selling of ready-made apparels and other lifestyle accessories for kids, under our various brands. Our brand "Gini & Jony" has become one of the leading kidswear brands in the country.

Background and Evolution

Mr. Prakash Lakhani, along with his two brothers Mr. Jaikishan Lakhani and Mr. Anil Lakhani, promoted the Company in November 1994. It became a public limited company on November 13, 2006 and the name of the Company was changed to Gini & Jony Limited. For details please refer to section titled "Our History and other Corporate Matters" on page no. [●] of this Draft Red Herring Prospectus.

We cater mainly to four segments through our in-house brands as given below:
1. Super premium segment - 'Gini & Jony'
2. Premium segment - 'GJ JEANS UNLTD.'
3. Mid-market segment - 'Palm Tree' & Red River
4. Niche segment - 'Gini & Jony Knowledge Wear'

We believe that a diverse and wide distribution channel forms the backbone of our selling and marketing strategy. Our distribution channel broadly comprises of network of Exclusive Brand Outlets (EBO), mix of Distributors, Shop-in-Shops (SIS) and Factory Seconds Outlet (FSO). Our wholly owned subsidiary, GJFFL distributes our products through its network of Exclusive Brand Outlets (EBO). As on March 31, 2008, our pan-India distribution network is spread over 108 cities comprising 60 EBO, 28 Distributors, 124 SIS and 38 FSO. Our 28 Distributors sell our products to 706 MBO, across India. We also have our sales offices at Gurgaon (Haryana) & Kolkata (West Bengal) and support office at Tirupur (Tamil Nadu) which oversee the marketing and distribution functions of the Company.

We are also vendors to schools in India for supply of quality school uniforms under our brand 'Gini & Jony - Knowledge Wear'. For FY 2008, we had executed orders for 29 schools. Currently, as on March 31, 2008, we have received orders from 39 schools.

We have a Licensee agreement with Levi Strauss (India) Pvt Limited, under which we design, manufacture and market Kidswear under the name of their kidswear Brand "Levi's Sykes Junior" We are also all India distributors of Benetton India Private Limited and Reebok India Company for their kidswear category in India.

Our wholly owned subsidiary GJFFL, sells our own branded, Licensee and distribution range through its EBO.

Our manufacturing facilities, having area of around 78,000 square feet & 36,071 square feet, are spread across 2 locations at Daman (U.T) and Baddi (Himachal Pradesh) respectively and employ approximately 1,400 personnel. We manufacture apparels at our facilities at Daman and Baddi and also outsource them from manufacturers/ vendors as per the design and manufacturing specification provided by us. At present we have a total apparel production capacity of 1.6 million pieces per annum.

Factors that may affect results of the operations:

Several factors have affected our results of operations, financial condition and cash flow significantly over the past few years. These factors include:

- Introduction of new brands under the umbrella of parent brand "Gini & Jony"
- Expansion of distribution network across the country
- Removal of woven garment manufacturing from SSI reservation list under Industries (Development and Regulation) Act, 1947
- Increase in disposable incomes
- Overall increase in demand for our products

We believe that the following future developments may affect our ourfuture results of operations, financial condition and the cash flow:

- Expansion of our EBOs through our subsidiary
- Expansion of SIS in large format stores and MBO's
- Introduction of new brands in the existing and new categories
- Competition from existing or new players in the industry
- Launch of new product categories
- Any change in the TUFS benefit available to us
- Change in raw material prices
- General economic and business conditions
- Change in government regulations
- Change in Tax rates or exemption status under sales tax laws
- Change in employment Cost

For more information on these and other factors/developments which have or may affect us, see "Risk Factors" on page [●] of this Draft Red Herring Prospectus and "Our Business" on page [●] of this Draft Red Herring Prospectus.

Brand wise contribution **(In Million)**

Brands	9MFY08			FY07			FY 06		
	Sales Units	Net Sales	% of Total Sales	Sales Units	Net Sales	% of Total Sales	Sales Units	Net Sales	% of Total Sales
Freedom Wear	0.80	364.95	31.37%	0.73	348.34	32.45%	0.50	279.53	37.15%
GJ Jeans Ultd.	0.71	301.94	25.95%	0.61	269.57	25.12%	0.45	227.19	30.19%
Palm Tree	1.23	389.08	33.44%	1.08	371.10	34.57%	0.63	243.53	32.36%
Levi's® SYKES™ JUNIOR *	0.16	84.94	7.30%	0.14	74.57	6.95%	0.01	1.85	0.25%
Knowledge- Wear	0.02	4.21	0.37%	0.01	2.61	0.24%	0.00	0.41	0.05%
Other Brands	0.06	18.27	1.57%	0.02	7.14	0.67%	-	-	0.00%
Total	**2.98**	**1,163.39**	**100.00%**	**2.59**	**1,073.33**	**100.00%**	**1.59**	**752.51**	**100.00%**

During the nine months ended December 31, 2007, fiscal 2007 and fiscal 2006, three brands comprising of Freedom wear, GJ Jeans Ltd and Palm Tree contributed 90.76 %, 92.14% and 99.70 % to the total sales of the Company respectively.

The contribution from Knowledge Wear has increased from Rs. 2.61 million in fiscal 2007 to Rs. 4.21 million for the nine months period ended December 31, 2007

The Company sells its merchandise through various EBO's (through subsidiary), SIS and MBO's. The contributions from the EBO's, SIS, MBO's etc. are as given below:
More than half our sales are made through various MBO's spread all across India. During the fiscal 2006, 2007 and nine month's period ended December 31, 2007, out of the total sales, sales made through various MBO's was 56.29 %, 62.74 % and 59.01 % respectively.

Format wise contribution							(In Million)		
Formats	9MFY08			FY07			FY 06		
	Sales Units	Net Sales	% of Total Sales	Sales Units	Net Sales	% of Total Sales	Sales Units	Net Sales	% of Total Sales
EBO / FF*	0.55	195.93	16.84%	0.41	118.65	11.05%	0.36	110.48	14.69%
Joint Venture**	-	-	0.00%	-	-	0.00%	0.16	58.58	7.78%
SIS	0.79	308.40	26.51%	0.55	274.29	25.56%	0.39	129.12	17.16%
MBO	1.62	654.85	56.29%	1.60	670.48	62.47%	0.65	44.04	59.01%
Institutional Sales #	0.02	4.21	0.36%	0.01	2.61	0.24%	0.00	0.41	0.05%
Export	-	-	0.00%	0.02	7.30	0.68%	0.03	9.88	1.31%
Total	**2.98**	**1,163.39**	**100.00%**	**2.59**	**1,073.33**	**100.00%**	**1.59**	**752.51**	**100.00%**

* through our subsidiary
** via slump sale
# Sale of knowledge wear, i.e. school uniforms.

Geographical distribution of Operating Income **(In Million)**

Particulars	9MFY08		FY07		FY 06	
	Sales	% of Total Sales	Sales	% of Total Sales	Sales	% of Total Sales
Domestic Sales	1.163.39	100%	1.067.74	99%	745.21	99%
Export Sales	-	-	5.59	1%	7.30	1%
Total	**1.163.39**	**100%**	**1.073.33**	**100%**	**752.51**	**100.00%**

The operating revenues for our Company have increased at a CAGR (Compounded Annual Growth Rate) of 47.28% over the period FY 2004-2007. After gaining expertise in the industry and recognizing the rising demand, we have continuously expanded our capacity and service offerings.

Income from Operations

Comparison of the significant items of income and expenditure between financial statements for Nine months ended December 2007 over FY 2007, FY 2007 over FY2006, FY 2006 over FY 2005, and FY 2005 over the previous year FY 2004.

Rs. in millions

Particulars	FY03	FY04	FY05	FY06	FY07	9MFY08
Sales						
Domestic	276.35	323.97	496.40	745.21	1,067.74	1,163.39
Y o Y Growth %		17.23%	53.22%	50.12%	43.28%	
% of Total Revenue	97.69%	96.07%	97.86%	98.76%	98.88%	99.81%
Exports (Exports Incentive & Fluctuations)	6.01	11.99	9.34	7.30	5.59	-
Y o Y Growth %		99.35%	-22.10%	-21.80%	-23.43%	-100.00%
% of Total Revenue	2.13%	3.56%	1.84%	0.97%	0.52%	0.00%
Total Operating Income	282.36	335.96	505.74	752.51	1,073.33	1,163.39
Y o Y Growth %		18.98%	50.53%	48.80%	42.63%	
% of Total Revenue	99.81%	99.63%	99.71%	99.73%	99.40%	99.81%
Other Income	0.53	1.26	1.49	2.03	6.45	2.26
Y o Y Growth %		137.62%	17.92%	36.59%	217.19%	
% of Total Revenue	0.19%	0.37%	0.29%	0.27%	0.60%	0.19%
Total Income	282.89	337.22	507.23	754.54	1,079.78	1,165.65
Y o Y Growth %		19.20%	50.41%	48.76%	43.10%	7.95%
Expenditure						
Cost of good sold		164.67	273.08	438.62	696.17	700.31

	160.80					
Y o Y Growth %		2.41%	65.84%	60.62%	58.72%	
% of Total Operating Income	56.95%	49.01%	54.00%	58.29%	64.86%	60.20%
Employee Cost	24.65	34.55	46.80	73.75	103.70	137.38
Y o Y Growth %		40.18%	35.45%	57.58%	40.62%	
% of Total Operating Income	8.73%	10.28%	9.25%	9.80%	9.66%	11.81%
Operating & Administrative Expenses	24.17	28.80	42.82	62.29	48.28	44.27
Y o Y Growth %		19.15%	48.66%	45.47%	-22.48%	
% of Total Operating Income	8.56%	8.57%	8.47%	8.28%	4.50%	3.81%
Selling & Distribution Expenses	46.22	68.32	71.74	71.88	72.93	109.76
Y o Y Growth %		47.81%	5.01%	0.20%	1.46%	
% of Total Operating Income	16.37%	20.34%	14.19%	9.55%	6.79%	9.43%
Miscellaneous Expenses W/off	0.01	0.01	-	-	1.53	1.14
Y o Y Growth %		0.00%	-100.00%	0.00%	0.00%	
% of Total Operating Income	0.00%	0.00%	0.00%	0.00%	0.14%	0.10%
Total Expenditure	255.85	296.35	434.44	646.54	922.61	992.86
Y o Y Growth %		15.83%	46.60%	48.82%	42.70%	
% of Total Operating Income	90.61%	88.21%	85.90%	85.92%	85.96%	85.34%
Earning Before Depreciation, Interest & Tax	27.04	40.87	72.79	108.00	157.17	172.79
Y o Y Growth %		51.14%	78.10%	48.38%	45.53%	
% of Total Operating Income	9.58%	12.17%	14.39%	14.35%	14.64%	14.85%
Depreciation	2.61	3.64	5.11	6.72	10.64	14.21
Y o Y Growth %		39.46%	40.38%	31.50%	58.37%	
% of Total Operating Income	0.92%	1.08%	1.01%	0.89%	0.99%	1.22%
Interest & Financial Charges	10.57	17.97	22.08	32.50	42.51	53.92
Y o Y Growth %		69.97%	22.90%	47.18%	30.81%	
% of Total Operating Income	3.74%	5.35%	4.37%	4.32%	3.96%	4.63%
Profit Before Tax	13.86	19.26	45.60	68.78	104.02	104.66
Y o Y Growth %		38.94%	136.69%	50.86%	51.23%	
% of Total Operating Income	4.91%	5.73%	9.02%	9.14%	9.69%	9.00%
Tax						
Current Tax	1.41	1.98	3.68	8.35	11.85	12.70
Fringe Benefit Tax	-	-	-	0.79	1.55	1.18
Deferred Tax	0.42	1.19	1.29	1.30	5.66	2.93
Total Tax	1.83	3.17	4.97	10.44	19.06	16.81
Y o Y Growth %		73.13%	56.74%	110.35%	82.51%	
% of Total Operating Income	0.65%	0.94%	0.98%	1.39%	1.78%	1.44%
Profit After Tax	12.03	16.09	40.63	58.34	84.96	87.85
Y o Y Growth %		33.73%	152.45%	43.58%	45.63%	
% of Total Operating Income	4.26%	4.79%	8.03%	7.75%	7.92%	7.55%

Note: *y o y growth refers to the growth over the previous financial year.*

Results of operations for the Nine month period ending December 31, 2007

Operating Income: Operating Income for nine months period ending on 31st December 2007 was Rs 1,163.39 million.

Other Income: Other Income for nine months period ending on 31st December 2007 was Rs 2.26 million.

Expenditure

Cost of Goods Sold: Cost of Goods Sold for nine months period ending on 31st December 2007 was Rs. 700.31 million. As a percentage of total operating income, the expense decreased from 64.86% in FY 2007 to 60.20% in nine months period ending on 31st December 2007. The decrease was due to optimum utilization of capacity at Baddi, better merchandising plan and negotiation with vendors.

Operating & Administrative Expense: Operating & Administrative expenses for nine months period ending on 31st December 2007 was Rs. 44.27 million. Due to higher sales volume during the nine months period ended December 31, 2007, the expense as a percentage of total operating income decreased from 4.50% in FY 2007 to 3.81%

Selling and Distribution Expense: Selling & Distribution expenses for nine months period ending on 31st December 2007 was Rs. 109.76 million. As a percentage of total operating income, the expense increased from 6.79% in FY 2007 to 9.43% in nine months period ending on 31st December 2007.The increase was due to increase in advertising expenses, benefit of which will be available in last quarter of FY 2008.

Earnings before Interest, Depreciation, Amortization and Tax (EBITDA): The EBIDTA for the nine month period ended December 31, 2007 was Rs. 172.79 million. The EBITDA margin for the period was 14.85 % as compared to 14.64 % in FY 2007.

Interest and Financial Charges: Interest and Financial Charges for nine months period ending on 31st December 2007 was Rs. 53.92 million. Due to increase in the interest rates, the interest expense as a percentage of total operating income increased from 3.96% in FY 2007 to 4.64% in nine months period ending on 31st December 2007.

Depreciation: The depreciation for the nine month period ended December 31, 2007 was Rs. 14.21 million.

Profit before Tax: Our profit before tax for the nine month period ended December 31, 2007 was Rs. 104.66 million.

Taxation: The total tax including the deferred tax and fringe tax for the nine months period ended December 31, 2007 was Rs. 16.81 million.

PAT (after extraordinary items and all adjustments): PAT (after extraordinary items and all adjustments) for nine months period ending on 31st December 2007 was Rs. 87.85 million. As a percentage of total operating income, the PAT decreased from 7.92% in FY 2007 to 7.55% in nine months period ending on 31st December 2007. The decrease was due to increase in interest rate, lower tax benefit for our Daman unit

Results of operations for the year ending March 31, 2007 compared to year ended March 31, 2006

Operating Income: Operating Income for FY 2007 was Rs 1,073.33 million compared to Rs. 752.51 million in FY 2006, year on year increase was 42.63%. The increase was due to introduction of licensee products and new brands in last quarter of the year.

Other Income: Other Income for FY 2007 increase to Rs 6.45 million as compared to Rs. 2.03 million in FY 2006 mainly due to write back-off of certain non-claimable debts.

Expenditure

Cost of Goods Sold: Cost of Goods Sold for FY 2007 was Rs. 696.17 million compared to Rs 438.62 million in FY 2006, year on year increase was 58.72%. As a percentage of total operating income, the expense increase from 58.29% in FY 2006 to 64.86% in FY 2007. The increase in cost of goods sold as % to sales is due to EBO business of the company transferred to its subsidiary company during 2006-07.

Operating & Administrative Expense: Operating & Administrative expenses for FY 2007 was Rs. 48.28 million compared to Rs. 62.29 million in FY 2006, year on year decrease was 22.48%. As a percentage of total operating income, the expense decreased from 8.28% in FY 2006 to 4.50% in FY 2007. The significant decrease due to transfer of rent expenses and store operating and administrative expenses to our subsidiary company.

Selling and Distribution Expense: Selling & Distribution expenses for FY 2007 was Rs. 72.93 million compared to Rs. 71.88 million in FY 2006, year on year increase was 1.46%. As a percentage of total operating income, the expense decreased from 9.55% in FY 2006 to 6.79% in FY 2007. The significant decrease was due to promotion expenses were directly done subsidiary company.

Earnings before Interest, Depreciation, Amortization and Tax (EBITDA): The EBIDTA for the year ended March 31, 2007 was Rs. 157.17 million. The EBITDA as percentage of the total operating income for the period has increased to 14.64 % as compared to 14.35 % in FY 2006.

Interest and Financial Charges: Interest and Financial Charges for FY 2007 was Rs. 42.51 million compared to Rs. 32.50 million in FY 2006, year on year increase was 30.81%. As a percentage of total operating income, the expense decreased from 4.32% in FY 2006 to 3.96% in FY 2007 infusion of equity funds in the company

Depreciation: The depreciation for the year ended March 31, 2007 was Rs. 10.64 million as against Rs.6.72 million. In FY 2006

Profit Before Tax: Our profit before tax for the year ended March 31, 2007 was Rs. 104.08 million. The profit before tax as a percentage of total operating income has increased to 9.69% in this period from 9.14 % in FY 2006.

Taxation: The total tax including the deferred tax and fringe tax for March 31, 2007 was Rs. 19.06 million as compared to Rs. 10.44 million in FY 2006.

PAT (after extraordinary items and all adjustments): PAT (after extraordinary items and all adjustments) for FY 2007 was Rs. 84.96 million compared to Rs. 58.34 million in FY 2006, year on year increase was 45.63%. As a percentage of total operating income, the PAT increased from 7.75% in FY 2006 to 7.92% in FY 2007. The increase was mainly due to availability of income tax benefit at our manufacturing units.

Results of operations for the year ended March 31, 2006 compared to year ended March 31, 2005

Operating Income: Operating Income for FY 2006 was Rs 752.51 million compared to Rs. 505.74 million in FY 2005, year on year increase was 48.80%. The rise in domestic sales was due to the launch of 2 new brands 'GJ Jeans Unltd' and 'Palm Tree' in December 2004. Both these brands saw considerable increase, both in terms of volume as well as value, in FY 2006

Other Income: Other Income for FY 2006 was Rs 2.03 million as compared to Rs. 1.49 million in FY 2005, year on year increase was 36.59%.

Expenditure

Cost of Goods Sold: Cost of Goods Sold for FY 2006 was Rs. 438.62 million compared to Rs 273.08 million in FY 2005, year on year increase was 60.62%. As a percentage of total operating income, the expense increased from 54.00% in FY 2005 to 58.29% in FY 2006. The increase was due to a proportionate increase in sales volume. Also, since the manufacturing location in Baddi become operational in April 2005 and additional expenditure was incurred in some of the outsourced activities.

Operating & Administrative Expense: Operating & Administrative expenses for FY 2006 was Rs. 62.29 million compared to Rs. 42.82 million in FY 2005, year on year increase was 45.47%. As a percentage of total operating income, the expense decreased marginally from 8.47% in FY 2005 to 8.28% in FY 2006.

Selling and Distribution Expense: Selling & Distribution expenses for FY 2006 was Rs. 71.88 million compared to Rs. 71.74 million in FY 2005, year on year increase was 0.20%. As a percentage of total operating income, the expense decreased from 14.18% in FY 2005 to 9.55% in FY 2006. The decrease was due to better selling & distribution plan and central warehousing system implemented.

Earnings before Interest, Depreciation, Amortization and Tax (EBITDA): The EBIDTA for the year ended March 31, 2006 was Rs. 108.00 million. The EBITDA as percentage of the total operating income for the period has marginally decreased from 14.35 % as compared to 14.39 % in FY 2005.

Interest and Financial Charges: Interest and Financial Charges for FY 2006 was Rs. 32.50 million compared to Rs. 22.08 million in FY 2005, year on year increase was 47.18%. As a percentage of total operating income, the expense marginally decreased from 4.37% in FY 2005 to 4.32% in FY 2006.

Depreciation: The depreciation for FY2006 was Rs. 6.72 million as against Rs. 5.11 million in FY2005.

Profit Before Tax: Our profit before tax for FY 2006 was Rs. 68.78 million. The profit before tax as a percentage of total operating income has increased to 9.14 % in this period from 9.02 % in FY 2005.

Taxation: The total tax including the deferred tax and fringe benefit tax for FY2006 was Rs. 10.44 million as against Rs. 4.97 million in FY 2005

PAT (after extraordinary items and all adjustments): PAT (after extraordinary items and all adjustments) for FY 2006 was Rs. 58.34 million compared to Rs. 40.63 million in FY 2005, year on year increase was 43.58%. Due to increase in the cost of goods sold, the PAT as a percentage of total operating income, decreased from 8.03% in FY 2005 to 7.75% in FY 2006.

Results of operations for the year ended March 31, 2005 compared to year ended March 31, 2004

Operating Income: Operating Income for FY 2005 was Rs 505.74 million compared to Rs. 335.96 million in FY 2004, year on year increase was 50.53%. The increase was mainly due to 50.53% rise in domestic sales, which increased from Rs 323.97 million in FY 2004 to Rs 496.40 million in FY 2005. The rise in domestic sales was because we appointed distributors for specific brands and ensured better product penetration among all our brands in all the major metros and mini metros; thereby leading to rise in product sales. This also ensured that we got first-hand feedback from all our distributors and vendors which in turn helped us to optimize our production planning and distribution; thereby leading to repeat orders. We were also exemption from excise duty w.e.f. from July 2004.

Other Income: Other Income for FY 2005 was Rs 1.49 million as compared to Rs. 1.26 million in FY 2004, year on year increase was 17.92%.

Expenditure

Cost of Goods Sold: Cost of Goods Sold for FY 2005 was Rs. 273.08 million compared to Rs 164.67 million in FY 2004, year on year increase was 65.84%. As a percentage of total operating income, the expense increased from 49.01% in FY 2004 to 54.00% in FY 2005. The increase was due to non availability of cenvat w.e.f July 2004 and increase in sales volume.

Operating & Administrative Expense: Operating & Administrative expenses for FY 2005 was Rs. 42.82 million compared to Rs. 28.80 million in FY 2004, year on year increase was 48.66%. As a percentage of total operating income, the expense decreased from 8.57% in FY 2004 to 8.47% in FY 2005.

Selling and Distribution Expense: Selling & Distribution expenses for FY 2005 was Rs. 71.74 million compared to Rs.68.32 million in FY 2004, year on year increase was 5.01%. As a percentage of total operating income, the expense decreased from 20.34% in FY 2004 to 14.19% in FY 2005. The decrease was due to better negotiations with vendors, increase in sales volume and better logistic planning.

Earnings before Interest, Depreciation, Amortization and Tax (EBITDA): The EBIDTA for FY 2005 was Rs. 72.79 million. The EBITDA margin for the period has increased to 14.39 % as compared to 12.17 % in FY 2004.

Interest and Financial Charges: Interest and Financial Charges for FY 2005 was Rs. 22.08 million compared to Rs. 17.97 million in FY 2004, year on year increase was 22.90%. As a percentage of total operating income, the expense decreased from 5.35% in FY 2004 to 4.37% in FY 2005. The decrease was due to repayment of unsecured loans and access to low cost secured funding from banks.

Depreciation: The depreciation for the year ended March 31, 2005 was Rs. 5.11 million as against Rs. 3.64 million in fiscal 2004.

Profit Before Tax: Our profit before tax for FY 2005 was Rs. 45.60 million. The profit before tax as a percentage of total revenue increased to 9.02 % in this period from 5.73 % in FY 2004.

Taxation

The total tax including the deferred tax and fringe benefit tax for the year ended March 31, 2005 was Rs. 4.97 million as against Rs. 3.17 million in FY 2004

PAT (after extraordinary items and all adjustments): PAT (after extraordinary items and all adjustments) for FY 2005 was Rs. 40.63 million compared to Rs. 16.09 million in FY 2004, year on year increase was 152.45%. As a percentage of total operating income, the PAT increase from 4.79% in FY 2004 to 8.03% in FY 2005. The increase was due to a significantly lower increase in expenditure as compared to operating income.

Overview of Balance Sheet
(All figures, unless otherwise mentioned are in Rupees million)

Fixed assets

As at	9MFY08	FY07	FY06	FY05	FY04
Fixed Asset					
Gross Block	420.85	320.37	86.72	75.98	62.09
Less : Accumulated Depreciation	45.55	31.68	21.84	17.80	12.69
Net Block	**375.30**	**288.69**	**64.88**	**58.18**	**49.40**

We saw a large increase in our Gross Block from FY06 to FY07 and 9MFY08 on account of rise in expenditure on factory building, plant and machinery at Baddi and Daman and office premises at Gurgaon and Mumbai (J B Nagar).

Sundry Debtors
Sundry debtors consist of receivables from customers. In turn, these receivables are divided into those that have remained outstanding for over six months and those that have been outstanding for periods up to six months (Other Debts). The following table presents the details of our debtors:

As at	9MFY08	FY07	FY06	FY05	FY04
Sundry Debtors					
(Unsecured, considered good)					
Outstanding for a period exceeding six months	7.68	7.42	12.69	11.32	3.44
Others	390.43	276.71	147.84	104.88	71.37
Total	**398.11**	**284.13**	**160.53**	**116.20**	**74.81**

The increase in sundry debts over the years is a result of a sustained growth in the distribution network of our Company. The receivables on our books as of December & March are usually comparatively higher as our end of sales and new season dispatches take place from second fortnight of December and February to the first fortnight of January and April.

Loans and advances
Loans and advances mainly consist of export incentive receivables, security deposits, prepaid expenses and advances that are considered good. These include, among other items, amounts retained by customers as security deposits that are recoverable in cash or in kind or for value to be received.

As at	9MFY08	FY07	FY06	FY05	FY04
Loans & Advances					
(Unsecured, considered good)					
Advances recoverable in cash or in kind or for value to be received	40.74	23.70	45.15	4.58	10.10
With Subsidiary Company	123.26	129.91	66.50	-	-
Sundry Deposits	22.75	23.20	6.99	16.63	12.85
Pre-paid Expenses	20.20	2.80	6.16	0.36	0.33
Total	**206.95**	**179.61**	**124.80**	**21.57**	**23.28**

We saw a large increase in our Loans & Advances from FY07 to 9MFY08 on account of increase in prepaid expenses which include booking expenses of summer 2008. We have also seen increase from FY 06 to FY 07 due to increase in sundry deposits. The amount recoverable from subsidiary has been included in the head "Advances recoverable in Cash or in kind for value to be received"

Debt obligation

As At	9MFY08	FY07	FY06	FY05	FY04
Secured Loans	886.99	504.19	217.97	202.73	130.53
Unsecured Loans	115.59	156.72	107.88	29.52	40.33
	1,002.58	**660.91**	**325.85**	**232.25**	**170.86**

The substantial increase in loans as of 9MFY2008 over the years is partially to fund capital expansion activities being undertaken by the Company and also for general corporate purposes.

Cash Flows

The table below summarizes our cash flows in the years ended March 31, 2003, 2004, 2005, 2006, 2007 and 9M FY2008:

As At	9MFY08	FY07	FY06	FY05	FY04
Net Cash from Operating Activities After Prior Period Adjustments	(44.66)	(100.95)	(66.55)	(28.02)	(21.67)
Net Cash used in Investing Activities	(220.83)	(192.88)	(203.99)	(23.98)	(17.00)
Net Cash used from Financial Activities	287.13	293.35	288.77	54.31	41.78
Net Increase in Cash and Cash Equivalents (A+B+C)	21.64	(0.48)	18.23	2.31	3.11

The company has achieved a CAGR growth of more than 47.28% in last 3 years resulting in increasing net current assets which has resulted in negative cash flow from operating activities.

Quantitative and Qualitative Disclosure about Market Risk
We are exposed to market risk from changes in foreign exchange rates and interest rates.

Interest Rate Risk
Our financial results are subject to changes in interest rates, which may affect our debt service obligations. Upward fluctuations in interest rates increase the cost of both existing and new debts.

INFORMATION REQUIRED AS PER CLAUSE 6.10.5.5. OF SEBI DIP GUIDELINES

Unusual or infrequent events or transactions
There are no unusual or infrequent events or transactions that has significantly affected the business of the Company

Significant economic changes that materially affected or are likely to affect income from continuing operations
There have been no significant economic and regulatory changes that are likely to affect income from regular operations.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations
Other than as described in the "Risk Factors" and "Managements Discussion and Analysis of Financial Conditions and Results of Operations" and elsewhere in this Draft Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known
Other than as described in the "Risk Factors" and "Managements Discussion and Analysis of Financial Conditions and Results of Operations" and elsewhere in this Draft Red Herring Prospectus, to our knowledge there are no future relationship between costs and income that have or had or are expected to have a material adverse impact on our operations and finances.

Extent to which material increase in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

As mentioned in the Management Discussion and Analysis, the increase in the revenue is mainly due to increase in our capacity and introduction of licensee products and newer brands.

Total turnover of each major industry segment in which the Company operated
No separate segments have been identified by the Company.

Status of any publicly announced new products or business segment
There is no a publicly announced new product or business segment.

The extent to which business is seasonal
The sales of the Company are seasonal with higher sales during the festive season, which is from August to March.

Any significant dependence on a single or few suppliers or customers
Our major customers, which source apparels from us, include large retailers, MBO and various distributors. We derive significant part of our revenue from these major customers which also include Pantaloon Retail (India) Limited, Shopper Stops and GJFFL. As of FY 2007, our top ten customers contribute to about 43.74% of our sales. If we loose one or more large customers and fail to add sufficient new customers to offset such losses, our results of operations could be adversely affected. In addition, any consolidation among our customers is likely to increase our reliance on few key customers.

We are dependent on external suppliers for the timely supply of raw materials. We procure our raw material from manufacturers and authorized distributors appointed by the manufacturers based on our requirement. We analyze the production requirement on a monthly basis; based on which we place orders to our suppliers. Failure to supply or delay in supply of raw material or non conformance to quality requirements or fluctuations in the prices can impact our ability to meet our customer requirements and thus affect our profitability.

Competitive conditions
For details please refer to the discussions of our competition in the “Risk Factors” and “Our Business” beginning on page [●] and [●] respectively of this Draft Red Herring Prospectus

Significant developments after December 31, 2007 that may affect our future results of operations

Pursuant to the Share Purchase Agreement dated March 25, 2008, the Company has acquired balance 49% shareholding in GJGPPL thereby making it a wholly owned subsidiary.

FINANCIAL INDEBTEDNESS

Our Company has obtained the following term loans. Set forth below is a brief summary of our aggregate borrowings as of December 31, 2007:

Details of Principal Terms and Conditions of Loans Outstanding as at December 31, 2007

(Rs. in million)

Details of Principal Terms and Conditions of Loans Outstanding as at December 31, 2007						
	Nature of Loan	Sanction Amount	Outstanding (as on December 31, 2007)	Rate of Interest p.a.	Repayment Terms	Security Offered
A) Term Loan						
State Bank of India	Term Loan	62.50	39.21	11.50%	60 Monthly installment of Rs.1.04 million each commencing from April 1, 2005.	First Pari Passu charge with PNB & HDFC over fixed assets of Daman & Baddi units of the company. The facilities are further secured by personal guarantee of Mr Prakash Lakhani, Mr Jai Lakhani and Mr Anil Lakhnai, promoter directors of the company
		15.60	11.05	11.50%	60 Monthly installment of Rs.0.26 million each commencing from January 1, 2007.	
		34.40	27.27	11.50%	60 Monthly installment of Rs.0.57 million each commencing from January 1, 2007.	
HDFC Bank Ltd.	Term Loan	15.00	6.43	9.00%	Repayable in seven half yearly installments starting from the day of the first draw down.	First charge of the assets being financed , & personal guarantee of Mr Prakash Lakhani, Mr Jai Lakhani and Mr Anil Lakhnai, promoter Director of the company& pledge of 600000 equity shares of Gini & Jony Limited held by promoters. Certain facilities are further secured by first paripassu charge with SBI & PNB over fixed assets of Daman & Baddi Unit of the company.
		15.00	6.43			
		15.00	10.71			
		30.00	23.33			
		41.60	35.68	12.00%		
		10.00	8.57			
		200.00	195.00			
B) Foreign Currency Term Loan						
Punjab National Bank	Term Loan	0.08	3.18	9.33%	Monthly Installment	First Pari Passu charge with SBI &

						HDFC over fixed assets of Daman & Baddi units of the company. The facilities are further secured by personal guarantee of Mr Prakash Lakhani, Mr Jai Lakhani and Mr Anil Lakhnai, promoter directors of the company.
C)Working Capital Facilities						
Punjab National Bank	Cash Credit w/w	150.00	61.06	BPLR – 1.25%	N.A.	First Pari Passu charge over current assets of the company and second charge over fixed assets of the company. The facilities are further secured by personal guarantee of Mr Prakash Lakhani, Mr Jai Lakhani and Mr Anil Lakhnai, promoter directors of the company.
	WCDL (FCNR(B)	USD 1.60 mn	63.54	9.33%	N.A	
State Bank Of India	Cash Credit w/w	150.00	33.10	SBAR – 1.25%	N.A.	
	FCNR(B)	USD 2.43 mn	97.01	325 bps above 12 M LIBOR	N.A.	
	SLOC	25 mn	21.23		NA	
HDFC Bank Ltd.	Cash Credit w/w WCDL	150.00	98.85	9.39%	CC on demand / WCDL max 180 days	
Standard Chartered Bank	Cash Credit w/w	150.00	10.93	13%	60 Days Roll over.	
	WCDL	130.00	130.00	9%	N.A	
D) Vehicle Loan						
Bank/ Others	Vehicle Loan	4.40	4.40	Various	Monthly Installment	Against hypothecation of Vehicles

Restrictive Covenants under our lender agreement:

As per our Loan agreements with the Lenders, we shall not do the following without the prior consent of the lender:

- Enter into any scheme of compromise, reconstruction or amalgamation.
- Change the nature or scope of its business, cease or suspend all or a substantial part of its business operations.
- Create any charge, lien or encumbrance over its undertaking or any part thereof, in favour of any bank financial institution or company, individual, firm or persons.
- Effect any change in their capital structure or management.
- Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the bank.
- Enter into any contractual obligations of long term nature or affecting the Company financially towards significant extent.
- Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees etc.

- Undertake any trading activity other than the sale of products arising out of its own manufacturing operations.
- Permit any transfer of the controlling interest or make any drastic change in the management setup.
- Substantially alter the nature of its borrowings powers and principal business activities
- Undertake any expansion/ diversification/ mordernisation without obtaining prior permission of the bank and without proper tie up of funds. Further, no investment shall be made in associate/allied/ group concerns without prior bank permission.
- Undertake guarantee obligation on behalf of any third party or any other company.
- Declare dividends for any year except out of profits relating to that year.
- Invest by way of share capital in or lend or advance funds to or place deposits with any other concerns.
- Enter into borrowing arrangement either secured or unsecured with any other bank financial institution or company, save and except under the consortium arrangement.
- Divert / utilise banks to sister / associate / group concern or for purposes other than those for which the credit facilities have been sanctioned.
- Make any change in promoter's shareholding

The company shall keep the bank informed of the happening of any event which is likely to have a substantial effect on their operations/ production, sale, profits/ disbursements etc, such as defaults, over dues, labour problem, lock out lay off, power cut etc, and the remedial steps to be taken by the company.

The bank will have a first charge on the profits of the company, after provisions for taxation for repayment of installments under term loan granted/deferred payment guarantees executed by the bank or other repayment obligations if any due from the company to the bank.

We have, for this Issue, received approval from all our lenders.

OUTSTANDING LITIGATIONS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES

Except as described below, there are no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding or tax liabilities against our Company, our Directors, our Subsidiaries, our Promoter or our Promoter Group Companies that would have a material adverse effect on our business and there are no defaults, non payment or overdue of statutory dues, institutional/ bank dues or dues payable to holders of debentures, bonds and fixed deposits and arrears of preference shares, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Act) other than unclaimed liabilities of the Company, and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, its Promoters or Directors.

I. Litigation involving our Company

Cases filed against our Company

A. Criminal Cases

1. M/s Kanodia Fashions filed a complaint against our Company, Mr. Prakash Lakhani, Anil Lakhani and Jaikishan Lakhani bearing case No. 596/S/2005 under section 138 read with section 141 of the Negotiable Instruments Act in the Metropolitan Magistrate's 30th Court at Kurla now shifted to the Metropolitan Magistrate's 50th Court Vikhroli, Mumbai for dishonour of two cheques alleged to have been given to the complainant which were returned with an endorsement "Account Closed". The accused made an application bearing No. C.C. N596/SS/2005 in the Metropolitan Magistrate's 50th Court at Vikhroli, Mumbai for calling upon the complainant to produce the document as stated in the application, the same was rejected by the order November 16, 2007. Another application was made by the accused calling the complainant as defence witness, the same was also rejected by the Metropolitan Magistrate's 50th Court at Vikhroli, Mumbai and the same was challenged in the High court by application No. 3995 of 2007 but was rejected by order dated January 11, 2008. Against the order dated January 11, 2008 a criminal review has been filed by the accused bearing No. 353 of 2008 in High Court of Bombay. However, the Hon'ble Court has declined to review its own order by its order dated Februray 22, 2008. The said complaint is still pending in the above mentioned court for hearing.

2. M/s Berlia Trading & Holding (P) Limited filed a complaint against our Company, Mr. Prakash Lakhani, Anil Lakhani and Jaikishan Lakhani and others bearing Criminal Complaint No 5660/2003 under section 406/420/380 of Indian Penal Code in the court of Chief Metropolitan Magistrate at Calcutta for criminal breach of trust. M/s Berlia Trading & Holding (P) Limited has alleged that our Company took Rs. 0.6 million by way of security for appointing it as franchisee of our Company. The said complaint was rejected by Metropolitan Magistrate, Kolkata by order dated March 23, 2007. The complainant has preferred criminal revision bearing CR No.90/2007 against the said order on the grounds that said order was bad in law. The Complainant has prayed to set aside the impugned order dated March 23, 2007 and order of stay on the impugned order. The said matter is pending for hearing in the above mentioned court.

3. Mr. Ghanee Hanief filed a complaint against our Company, Mr. Prakash Lakhani, Anil Lakhani and Jaikishan Lakhani and others bearing PCR No. 22/05 under section 378/383/419/420/506 B read with 120 B and 34 of Indian Penal Code in the court of the XI ADDL. C.M.M at Bangalore. Mr. Ghanee Hanief has alleged that our Company made false promises and representations with intention to cheat as our Company failed to sign the franchisee agreement and carried out threat, misrepresentation, fraud, cheating and threat to life. He has prayed in the complaint that matter be referred under 156(3) to the jurisdictional police to investigate the matter or in alternatively take cognizance for having committed alleged offences under section 378,383,419,420,506B read with 120 B and Section 34 of the Indian Penal Code. The case is pending for hearing.

B. Civil Cases

1. M/s Berlia Trading & Holding Private Limited filed a suit against our Company bearing civil suit No 200 of 2004 in the Calcutta High Court for getting decree for a sum of Rs. 1.45 million and interest @ 14% p.a on the principal amount for alleged non- refund of security deposit of Rs 0.6 million and commission on sale. The Plaintiff has also moved an application bearing G.A. No. 1910 of 2005 praying for an order of

attachment of all the attachable assets and stock-in-trade lying at its regional office in Kolkata. Both the suit and application are pending for hearing in the Calcutta High Court.

2. Ms. Chanda Vishnuprakash Kanodia filed a suit against our Company, Mr. Prakash Lakhani, Mr. Jaikishan Lakhani and Mr. Anil Lakhani bearing summary suit No. 1254 of 2004 in the Bombay High Court alleging that the two cheques which were issued by our Company have been dishonoured. Plaintiff has prayed for decree for a sum of Rs 1.12 million and interest @ 18%p.a on the principal amount of Rs 1 million, out of which Rs 0.5 million have been deposited in the court by the defendants as per order dated 7.10.2005 of the Mumbai High Court. The suit is pending for hearing.

3. M/s Retail Fixtures & Furnitures Private Limited filed a civil suit against our company and Mr. Prakash Lakhni bearing No. 3793/07 in the Court of XXth Additional Judge at Banglore, alleging non payment of the dues amounting Rs.2.25 Million together with interest @ 21% per annum for the supply of the Merchandise display fixtures The matter is pending before the court.

4. Court Case No 4211452/SS/07 has been filed against the Company and Summons have been received by Mr Prakash Lakhani on behalf of the company on January 21, 2008 for alleged violation of section 328 – A read with section 471 of the Mumbai Municipal Corporation Act by display of glow sign board. The matter is still pending.

C. Labour Cases

1. Mr. R.U. Rajan made an application to Deputy Commissioner of Labour (Conc.), Tardeo, Mumbai laying its demand against our Company for reinstatement and full back wages and praying that his application may be admitted in conciliation and in case the amicable settlement is not arrived at the dispute should be referred to the Labour Court for adjudication.

   The Conciliation proceedings in the dispute failed due to firm stand taken by both the parties, for which failure report was submitted by Conciliation Officer dated January 01, 2005.

   Pursuance to the Commissioner of Labour Order No. CL/IDA/AJD/2A/12/D-25 for adjudication under Section 12(5) of the Industrial Dispute Act, 1947 the Industrial Tribunal vide Reference (I.D.A) No. 87 of 2002 in the 4th Labour Court at Mumbai issued notice to Mr. R.U. Rajan to file Statement of claim in Reference for Adjudication on or before 09.06.06. Notice was given to our Company to file written statement in Reference for Adjudication on or before 21.08.06 after the Statement of claim being filed by the Mr. R.U. Rajan. Notice for hearing was given to both the parties to appear for hearing on 07.09.06

   R.U Rajan has not submitted his statement of claim and the case is pending for want of submission of statement of claim.

2. Mr. Mohd. Murtuza Khan made an application to Deputy Commissioner of Labour (Conc.), Tardeo, Mumbai laying its demand against our Company for reinstatement and full back wages and praying that his application may be admitted in conciliation and in case the amicable settlement is not arrived at the dispute should be referred to the Labour Court for adjudication.

   The Conciliation proceedings in the dispute failed due to firm stand taken by both the parties, for which failure report was submitted by Conciliation Officer dated October 19, 2005.

   Pursuance to the Commissioner of Labour vide Order No. CL/IDA/AJD/2A/80/D-25 for adjudication under Section 12(5) of the Industrial Dispute Act, 1947 the Industrial Tribunal vide Reference (I.D.A) No. 28 of 2006 in the 4th Labour Court at Mumbai issued notice to Mr. Mohd. Murtuza Khan to file Statement of claim in Reference for Adjudication on or before 09.06.06. Notice was given to our Company to file written statement in reference for adjudication on or before 21.06.06 after the Statement of claim being filed by the Mr. Mohd. Murtuza Khan. Notice for hearing was given to both the parties to appear for hearing on 07.09.06

   Mohd. Murtuza Khan has submitted his statement of claim against which a written statement has beeen filed by the company denying the claims saying that there was no employee – employer relationship between the company and applicant and it is not liable to pay wages to him. The matter is pending before the Labour Court.

3. Mr. Vijay Jaysingh made an application to Deputy Commissioner of Labour (Conc.), Tardeo, Mumbai laying its demand against our Company for reinstatement and full back wages and praying that his

application may be admitted in conciliation and in case the amicable settlement is not arrived at the dispute should be referred to the Labour Court for adjudication.

The Conciliation proceedings in the dispute failed due to firm stand taken by both the parties, for which failure report was submitted by Conciliation Officer dated October 15, 2005.

Pursuance to the Commissioner of Labour vide Order No. CL/IDA/AJD/2A/G-50(05)/D-25 for adjudication under Section 12(5) of the Industrial Dispute Act, 1947 to Industrial Tribunal vide Reference (I.D.A) No. 309 of 2005 in the 4th Labour Court at Mumbai issued notice to Mr. Vijay Jaysingh to file Statement of claim in Reference for Adjudication on or before 09.06.06. Notice was given to our Company to file written statement in Reference for Adjudication on or before 21.06.06 after the Statement of claim being filed by the Mr. Vijay Jaysingh. Notice for hearing was given to both the parties to appear for hearing on 07.09.06 .

Mr. Vijay Jaysingh had submitted his statement of claim demanding his reinstatement with full back wages and all consequent benefits effective from 10.01.2003. The company has filed a written statement saying that there was no employee-employer relationship between company and the applicant and it is not liable to pay wages to him. The matter is pending before the Labour Court.

4. Mr. Mohd. Gaffer Ali made an application to Deputy Commissioner of Labour (Conc.), Tardeo, Mumbai laying its demand against our Company for reinstatement and full back wages and praying that his application may be admitted in conciliation and in case the amicable settlement is not arrived at the dispute should be referred to the Labour Court for adjudication.

   The Conciliation proceedings in the dispute failed due to firm stand taken by both the parties, for which failure report was submitted by Conciliation Officer dated May 27, 2005.

   Pursuance to the Commissioner of Labour vide Order No. CL/IDA/AJD/2A/80/D- for adjudication under Section 12(5) of the Industrial Dispute Act, 1947 the Industrial Tribunal vide Reference (I.D.A) No. 308 of 2005 in the 4th Labour Court at Mumbai issued notice to Mohd. Gaffar Ali to file Statement of claim in Reference for Adjudication on or before 09.06.06. Notice was given to our Company to file written statement in reference for adjudication on or before 21.06.06 after the Statement of claim being filed by the Mr. Mohd. Gaffar Ali. Notice for hearing was given to both the parties to appear for hearing on 07.09.06

   Mohd. Gaffar Ali has submitted his statement of claim against which a written statement has beeen filed by the company denying the claims saying that there was no employee – employer relationship between the company and applicant and it is not liable to pay wages to him. The matter is pending before the Labour Court.

5. Mr. Mohd. Mustaque made an application to Deputy Commissioner of Labour (Conc.), Tardeo, Mumbai laying its demand against our Company for reinstatement and full back wages and praying that his application may be admitted in conciliation and in case the amicable settlement is not arrived at the dispute should be referred to the Labour Court for adjudication.

   The Conciliation proceedings in the dispute failed due to firm stand taken by both the parties, for which failure report was submitted by Conciliation Officer dated November 18, 2005.

   Pursuance to the Commissioner of Labour vide Order No. CL/IDA/AJD/2A/69/D-25 for adjudication under Section 12(5) of the Industrial Dispute Act, 1947 the Industrial Tribunal vide Reference (I.D.A) No. 12 of 2006 in the 4th Labour Court at Mumbai issued notice to Mohd. Mustaque to file Statement of claim in reference for adjudication on or before 09.06.06. Notice was given to our Company to file written statement in Reference for Adjudication on or before 21.06.06 after the Statement of claim being filed by the Mr.Mohd. Mustaque. Notice for hearing was given to both the parties to appear for hearing on 07.09.06.

   Mr. Mohd. Mustaque has not submitted his statement of claim and the case is pending for want of submission of statement of claim.

6. Mr. Javed Khan made an application to Deputy Commissioner of Labour (Conc.), Tardeo, Mumbai laying its demand against our Company for reinstatement and full back wages and praying that his application may be admitted in conciliation and in case the amicable settlement is not arrived at the dispute should be referred to the Labour Court for adjudication.

The Conciliation proceedings in the dispute failed due to firm stand taken by both the parties, for which failure report was submitted by Conciliation Officer dated October 19, 2005, which was forwarded to the Deputy Commissioner of Labour (Conc.) Mumbai.

Pursuance to the Commissioner of Labour vide Order No. CL/IDA/2A/81/2006/D25 for adjudication under Section 12(5) of the Industrial Dispute Act, 1947 the Industrial Tribunal vide Reference (I.D.A) No. 25 of 2006 in the 4th Labour Court at Mumbai issued notice to Mohd. Javed Khan to file Statement of claim in Reference for Adjudication on or before 09.06.06. Notice was also given to our Company to file written statement in Reference for Adjudication on or before 21.06.06 after the Statement of claim being filed by the Mr. Javed Khan. Notice for hearing was given to both the parties to appear for hearing on 07.09.06.

Mohd. Javed Khan has submitted his statement of claim against which a written statement has beeen filed by the company denying the claims saying that there was no employee – employer relationship between the company and applicant and it is not liable to pay wages to him. The matter is pending before the Labour Court..

7. Mr. V. Arun Thasan made an application to Deputy Commissioner of Labour (Conc.), Tardeo, Mumbai laying its demand against our Company for reinstatement and full back wages and praying that his application may be admitted in conciliation and in case the amicable settlement is not arrived at the dispute should be referred to the Labour Court for adjudication.

   The Conciliation proceedings in the dispute failed due to firm stand taken by both the parties, for which failure report was submitted by Conciliation Officer dated October 19, 2005, which was forwarded to the Deputy Commissioner of Labour (Conc.) Mumbai.

   Pursuance to the Commissioner of Labour vide Order No. CL/IDA/AJD/84/D25 for adjudication under Section 12(5) of the Industrial Dispute Act, 1947 the Industrial Tribunal vide Reference (I.D.A) No. 26 of 2006 in the 4th Labour Court at Mumbai issued notice to Mr. V. Arun Thasan to file Statement of claim in reference for adjudication on or before 09.06.06. Notice was also given to our Company to file written statement in Reference for Adjudication on or before 21.06.06 after the statement of claim being filed by the Mr. V. Arun Thasan. Notice for hearing was given to both the parties to appear for hearing on 07.09.06.

   Mohd. V. Arun has submitted his statement of claim against which a written statement has beeen filed by the company denying the claims saying that there was no employee – employer relationship between the company and applicant and it is not liable to pay wages to him. The matter is pending before the Labour Court.

8. Mr. Mohd. Tajuddin Khan made an application to Deputy Commissioner of Labour (Conc.), Tardeo, Mumbai laying its demand against our Company for reinstatement and full back wages and praying that his application may be admitted in conciliation and in case the amicable settlement is not arrived at the dispute should be referred to the Labour Court for adjudication.

   The Conciliation proceedings in the dispute failed due to firm stand taken by both the parties, for which failure report was submitted by Conciliation Officer dated October 19, 2005, which was forwarded to the Deputy Commissioner of Labour (Conc.) Mumbai.

   Pursuance to the Commissioner of Labour vide Order No. CL/IDA/AJD/2A/83/D25 for adjudication under Section 12(5) of the Industrial Dispute Act, 1947 the Industrial Tribunal vide Reference (I.D.A) No. 27 of 2006 in the 4th Labour Court at Mumbai issued notice to Mr. Mohd. Tajuddin Khan to file Statement of claim in reference for adjudication on or before 09.06.06. Notice was also given to our Company to file written statement in Reference for Adjudication on or before 21.06.06 after the statement of claim being filed by the Mr. Mohd. Tajuddin Khan. Notice for hearing was given to both the parties to appear for hearing on 07.09.06

   Mohd. Tajuddin Khan has submitted his statement of claim against which a written statement has beeen filed by the company denying the claims saying that there was no employee – employer relationship between the company and applicant and it is not liable to pay wages to him. The matter is pending before the Labour Court.

9. Mr. V. Susai Michael made an application to Deputy Commissioner of Labour (Conc.), Tardeo, Mumbai laying its demand against our Company for reinstatement and full back wages and praying that his application may be admitted in conciliation and in case the amicable settlement is not arrived at the dispute

should be referred to the Labour Court for adjudication.

The Conciliation proceedings in the dispute failed due to firm stand taken by both the parties, for which failure report was submitted by Conciliation Officer dated October 19, 2005, which was forwarded to the Deputy Commissioner of Labour (Conc.) Mumbai.

Pursuance to the Commissioner of Labour vide Order No. Cl/IDA/AJD/2A/82/D25 for adjudication under Section 12(5) of the Industrial Dispute Act, 1947 the Industrial Tribunal vide Reference (I.D.A) No. 29 of 2006 in the 4th Labour Court at Mumbai issued notice to Mr. V. Susai Michael to file Statement of claim in reference for adjudication on or before 09.06.06. Notice was also given to our Company to file written statement in Reference for Adjudication on or before 21.06.06 after the statement of claim being filed by the Mr. V. Susai Michael. Notice for hearing was given to both the parties to appear for hearing on 07.09.06.

Mohd. V. Susai has submitted his statement of claim against which a written statement has beeen filed by the company denying the claims saying that there was no employee – employer relationship between the company and applicant and it is not liable to pay wages to him. The matter is pending before the Labour Court. .

10. Mr. Mohammad Anwar Ali made an application to Deputy Commissioner of Labour (Conc.), Tardeo, Mumbai laying its demand against our Company for reinstatement and full back wages and praying that his application may be admitted in conciliation and in case the amicable settlement is not arrived at the dispute should be referred to the Labour Court for adjudication.

    The Conciliation proceedings in the dispute regarding alleged demand of reinstatement with full back wages and continuity of services from 06.11.2000 failed due to firm stand taken by both the parties, for which failure report was submitted by Conciliation Officer dated October 19, 2005. [Status to be updated]

    Pursuance to the Commissioner of Labour vide Order No. CL/IDC/2001/SDB/D25 for adjudication under Section 12(5) of the Industrial Dispute Act, 1947 the Industrial Tribunal vide Reference (I.D.A) No. 110 of 2002 in the 4th Labour Court at Mumbai issued notice to Mr. Mohammad Anwar Ali to file Statement of claim in Reference for Adjudication on or before 09.06.06. Notice was given to our Company to file written statement in Reference for Adjudication on or before 21.06.06 after the statement of claim being filed by Mr. Mohammad Anwar Ali. Notice for hearing was given to both the parties to appear for hearing on 07.09.06

    Mr. Mohammad Anwar Ali submitted his statement of claim demanding his reinstatement with full back wages and all consequent benefits effective from 08.11.2000. The Company had filed its written statement that he had voluntarily remained absent from work and hence there was no illegal termination. The matter is pending for hearing.

11. Maharashtra Sanyukt Trade Kamgar Union filed a compliant bearing Complaint ULP No. 24 of 2003 in the 6th Labour Court, Mumbai against our Company and our Promoters alleging that all the respondents have indulged in Unfair Labour Practices under item 1(a), (b), (d), (e), (f) & (g) of Sch. IV of the MRTU & PULP Act, 1971 and have terminated the services of the employees who are members of the union without any reasonable reason. The Maharashtra Sanyukt Trade Union has claimed the reinstatement of eleven employees and has asked for relief for back wages to be paid to the said employees. The said matter is pending for hearing.

D. Income Tax Cases

The Income Tax Department raised a demand of Rs. 56,33,305/- for the assessment year 2005-06 against our company and for which company has filed an appeal to the Commisioner of Income Tax (Appeals) XXVI Mumbai and matter is pendiang for hearing.

Cases filed by our Company

E. Criminal Cases

1. Our Company filed a case against Vishnu Prakash Ramniwas Kanodia and Smt Chanda Vishnuprasad Kanodia bearing C.C No 107 of 2005 under section 378, 405, 410, 410, 411, 415, 471, 463, 468 and 420 of the Indian Penal Code in the court of Metropolitan Magistrate at Dadar, Mumbai. Our Company has prayed for orders under section 156(3) Cr.Pc. for recovering the cheques illegally taken by the defendants.

Metropolitan Magistrate, Dadar, by order dated May 14, 2007 dismissed the complaint. Our Company has preferred a revision bearing Criminal Revision Application No. 366 of 2007 in Sessions Court, Greater Bombay. Our Company has prayed for quashing the impugned order dated May 14, 2007. The said matter is pending for hearing.

2. Our Company has filed a criminal complaint under Section 142 read with Section 138 and 141 of the Negotiable Instruments Act, 1881 bearing No. 7747/SS/2006 in the Court of Metropolitan Magistrate's 30th Court, Kurla, Mumbai against Mr. Paramjit Singh as the Cheque for Rs. 7,38,694/- given by accused against the purchases made on credit returned for insufficiency of funds. The case is pending for hearing.

3. Our Company has filed a criminal complaint under Section 142 read with Section 138 and 141 of the Negotiable Instruments Act, 1881 bearing No. 8019/SS/2006 in the Court of Metropolitan Magistrate's 30th Court, Kurla, Mumbai against Mr. Paramjit Singh as the Cheque for Rs. 2,78,581/- given by accused against the purchases made on credit returned with remarks "Payment stopped by drawer". The case is pending for hearing.

4. Our Company has filed a criminal complaint under Section 142 read with Section 138 and 141 of the Negotiable Instruments Act, 1881 bearing No. 8059/SS/2006 in the Court of Metropolitan Magistrate's 30th Court, Kurla, Mumbai against Mr. Paramjit Singh and Mr. Amarjit Singh, partners of M/s Fashion Trendz, as the Cheque for Rs. 4,66,194/- given by accused against the purchases made on credit returned with remarks "Account Closed". The case is pending for hearing.

5. Our Company has filed a criminal complaint under Section 138 read with Section 141 and 142 of the Negotiable Instruments Act, 1881 bearing No. 2084/SS/2007 in the Court of Metropolitan Magistrate's 10th Court, Andheri, Mumbai against Mr. Paramjit Singh and Mr. Amarjit Singh, partners of M/s Fashion Trendz, as the Cheque for Rs. 2,00,000/- given by accused against the purchases made on credit returned with remarks "Funds Insufficient". The case is pending for hearing.

6. Our Company has filed a criminal complaint under Section 142 read with Section 138 and 141 of the Negotiable Instruments Act, 1881 bearing No. 431/SS/2007 in the Court of Metropolitan Magistrate's 10th Court, Andheri, Mumbai against Mr. R.K Mittal, Proprietor of M/s Kanha International, as the Cheque for Rs. 1,16,609/- given by accused for the purchases made on credit returned with remarks "Account Closed". Though our Company had sent a legal notice dated December 11, 2006 which was duly served upon the accused but accused vide his repy to demand notice refused to pay the dues on some frivolous grounds. The case is pending for hearing.

7. Our Company has filed a criminal complaint under Section 138 read with Section 141 & 142 of Negotiable Instrument Act, 1881 bearing No. 3805/MS/2007 in the Court of Metropolitan Magistrate's 10th Court, Andheri, Mumbai against Mr. Mayur Shah, Proprietor of M/s Veena Associates, as the Cheques for Rs. 1,00,000/- and 2,00,000/- given by accused for the purchases made on credit was returned with remarks "Payment stopped by drawer". Though our Company had sent a legal notice dated April 24, 2007 which was duly served upon the accused and which was not accepted by the accused. The matter is pending for hearing.

8. Our Company has filed a criminal complaint under Section 138 read with Section 141 & 142 of Negotiable Instrument Act, 1881 bearing No. 3806/MS/2007 in the Court of Metropolitan Magistrate's 10th Court, Andheri, Mumbai against Mr. Paramjit Shingh & others as the Cheque for Rs. 2,00,000/- given by accused for the purchases made on credit was returned with remarks "Funds insufficient". The said case is pending for hearing.

9. Our Company has filed a criminal complaint under Section 142 read with Section 138 and 141 of the Negotiable Instruments Act, 1881 bearing No. 6928/2007 in the Court of Metropolitan Magistrate's 10th Court, Andheri, Mumbai against Mr. Pankaj Kumar Thakur, Propritor -Thakur Communications, as the Cheque for Rs. 7,50,000/- given by accused against the package for advertising its corporate brands in ICC world Cup, returned with remarks "Not arranged for". The matter is pending for hearing.

10. Our Company has filed a criminal complaint under Section 138 read with Section 141 & 142 of Negotiable Instrument Act, 1881 bearing No. 51/MS/2008 in the Court of Metropolitan Magistrate's 10th Court, Andheri, Mumbai against Mr. Haresh Sugnani & others, Propritor - Raj Apparels, as the Cheque for Rs. 1,72,467/- given by accused for the purchases made on credit returned with remarks "Cheque book destroyed". The said case is pending for hearing.

F. Civil Cases

1. Our Company has filed a suit against M/s Kanodia Fashions, Mumbai bearing suit No. 1268/05 in the Bombay High Court alleging that defendants misused the goodwill of the plaintiff company and its directors and have misused the cheque No 669611 and 669612 of Oriental Bank of Commerce. The plaintiff in this suit prayed for granting permanent injunction against defendants on relying on the said two cheques. The suit is pending for hearing in the Bombay High Court.

2. Our Company has filed a suit againt Mr Lokesh Sharma bearing summary suit No. 947 of 2007 in the Bombay High Court for getting decree for a sum of Rs. 0.24 million and interest @ 24% p.a on amount of Rs. 0.15 million, for non- refunding the security deposit of his two flats at hiranandani gardens, Powai, Mumbai given by defendant to plaintiff on leave and license basis. The suit is pending for hearing in the Bombay High Court.

3. Our Company has filed a restoration application No. 330 of 2007 in the Court of A.D.M (Finance & Revenue) District Ghaziabad againt order dated March 28, 2007 passed by District Magistrate (F & R) Ghaziabad in stamp case No. 330 of 2006-2007 under section 33 of Indian Stamp Act titled as State vs. M/s Gini & Jony. Our Company has prayed for setting aside the order dated March 28, 2007 and restore the proceedings of case No. 330 of 2006-2007 on its original number as well as setaside the order passed in original proceeding for proceeding exparte. Our Company has also filed Civil Misc. Stay Application No. 330 of 2006-2007 accompanying the restoration application praying that the order dated March 28, 2007 be stayed till disposal of the instant application.

G. Sales Tax Cases

1. There is dispute relating to sales tax for the assessment year 2002-03 and the aggregate of claim under the dispute is Rs. 600,000 (Rupees six hundred thousand) wherein excise and taxation officer detained the goods because of bills accompanying the goods were outdated and R.C No. mentioned on documents was found cancelled as per computer record. The case was then forwarded to Assistant Excise & Taxation Commissioner (Export) for action under section 14 B(ii) of Punjab General Sales Tax Act and penalty was imposed of Rs. 600,000 (Rupees six hundred thousand). Our Company has deposited the amount and has appealed against the said order before Joint Director (ENF), Patiala division, Punjab, where it is still pending.

2. There is dispute relating to Central Sales Tax (West Bengal) assessment for the assessment year 2002-2003, whereby the assessing officer has levied a demand of Rs. 12,710/- relating to non production of 'C' Form. Our Company had gone into appeal and asked for relief for refund of Rs. 2,157/- and the 'C' form (which was not received at the time of assessment) will be produced at the time of hearing, the appeal has succeeded and the Commercial Tax Officer has been directed to take steps accordingly.

3. There is a dispute relating to West Bengal Sales Tax assessment for the assessment year 2002-2003, whereby the assessing officer has levied a demand of Rs. 3,580/- relating to calculation error Our Company has gone into appeal and asked for relief for refund Rs. 551/-.

4. There is dispute relating to Central Sales Tax (West Bengal) assessment for the assessment year 20032004, whereby the assessing officer has levied a demand of Rs. 5,00,397/- relating to non production of 'F' Form. Our Company has gone into appeal and asked for relief and have made a payment of Rs. 22,805/- on 18.08.2006 and the 'F' form has been be produced at the time of hearing and the matter is still pending.

5. The Sales Tax Authority levied a penalty of 77,385 under section 8(3) of the Sales Tax Act and the company has deposited the disputed amount under protest with Commissioner of Sales Tax and the matter is still pending.

H. Details of Past Penalties:

By order dated 4 March 2005 by the Excise and Taxation Officer – Cum Assessing Authority Gurgaon (E) has levied a penalty (including interest) of Rs 226,797 for non deduction of Tax on Work Contract under the Haryana Value Added Tax 2003.

An inspection was conducted on February 5 2008 and a contribution of Rs 88,854 was recovered under the provident fund act for non extension of benefit to casual labourers.

By order dated 22 February 2008 of the Deputy Conmmisioner Circle Commercial Tax Noida has levied a penalty of Rs 228,000 for attaching wrong way bills were attached . The consignment was seized due to mismatch in way bills and consignee TIN No.After verification of the records, check post of Noida raised demand notice for penalty charges for mismatch in way bills and invoices. Penalty of Rs 228,000 was levied.

Contingent Liabilities of our Company as on December 31, 2007

As on December 31, 2007, our contingent liabilities are as follows:

(Rs. million)

Particulars	**9M FY08**
- Bank Guarantee	2.58
- Letter of Credits	2.89
- Income Tax under Appeal	5.63
- Civil/criminal matters pending in Courts, the company has not acknowledged the claims	7.00
- Lease Premium on Baddi units pending export obligation	14.61
- Textile Cess	0.96
- Custom Duty saved on EPCG License pending export obligation	4.28
- The company has entered foreign currency swap agreement as per the provisions contained in the 2000 ISDA definitions of Rs.300.00 million .The mark to market liabilities on this account as on 31.12.2007 was Rs. 10.20 million. This liability is contingent in nature and maturity of the same depends, how the forex market behaves during the contractual period.	10.20
Total	**48.15**

II. Litigations involving our Subsidiaries

1. GJFFL

Cases against GJFFL

a) A notice was received by GJFFL dated January 22, 2008 from M/s Creons Advertising Private Limited ("**CAPL**"), wherein it has been alleged that GJFFL had placed orders for fabrication of its showroom at Rave Mall, Kanpur and installation of necessary interiors etc, which was vide GJFFL's letter dated April 23, 2007, requested to be halted. Thereafter CAPL raised an invoice for an amount of Rs. 4,404,937/- along with additional amount of Rs. 440,494/- towards interest. CAPL vide its letter has called upon GJFFL to pay Rs. 4,845,431/- along with interest thereon @ 24% p.a. from January 01, 2008. GJFFL has replied to the above letter vide their letter dated February 13, 2008 denying the allegations of CAPL. No further correspondence has been received from the CAPL.

b) GJFFL has received the summon on June 1 2007 from Assistant Supritendent Metropolitian Magistrate Court No.6, Kota Ahemdabad, against the notice issued by Ahemdabad Municipal corporation in relation to a Octroimatter. The said matter is pending for decision.

Cases by GJFFL

NIL

Contingent Liabilities of GJFFL as on March 31, 2007

NIL

2. GJGPPL

Cases against GJGPPL

Nil

Cases by GJGPPL

NIL

Contingent Liabilities of GJGPPL as on March 31, 2007

The Company has not provided liability in respect of Effluent Treatment Charges of Rs. 4.91 Lacs (Rs. 1.97 Lacs)

III. Litigation involving our Promoter Group Companies

As at date of this Draft Red Herring Prospectus, there are no outstanding litigations instituted by and/ or against our Promoter Group Companies.

IV. Litigations involving our Promoter Directors

Cases against our Promoter Directors

1. Criminal Cases

A. Against Mr. Prakash Lakhani

1. For details please refer to A.1 under the Litigation involving our Company at page [●] of this Draft Red Herring Prospectus.

2. For details please refer to A.2 under the Litigation involving our Company at page [●] of this Draft Red Herring Prospectus.

3. For details please refer to A.3 under the Litigation involving our Company at page [●] of this Draft Red Herring Prospectus.

B. Against Mr. Jaikishan Lakhani

1. For details please refer to A.1 under the Litigation involving our Company at page [●] of this Draft Red Herring Prospectus.

2. For details please refer to A.2 under the Litigation involving our Company at page [●] of this Draft Red Herring Prospectus.

C. Against Mr. Anil Lakhani

1. For details please refer to A.1 under the Litigation involving our Company at page [●] of this Draft Red Herring Prospectus.

2. For details please refer to A.2 under the Litigation involving our Company at page [●] of this Draft Red Herring Prospectus.

2. Civil Cases

A. Against Mr. Prakash Lakhani

1. For details please refer to B.2 under the Litigation involving our Company at page [●] of this Draft Red Herring Prospectus.

2. For details please refer to B.3 under the Litigation involving our Company at page [●] of this Draft Red Herring Prospectus.

3. For details please refer to B.4 under the Litigation involving our Company at page [●] of this Draft Red Herring Prospectus.

B. Against Mr. Jaikishan Lakhani

1. For details please refer to B.2 under the Litigation involving our Company at page [●] of this Draft Red Herring Prospectus.

C. Against Mr. Anil Lakhani

1. For details please refer to B.2 under the Litigation involving our Company at page [●] of this Draft Red Herring Prospectus.

3. Labour Cases

A. Against Mr. Prakash Lakhani

1. For details please refer to C.11 under the Litigation involving our Company at page [●] of this Draft Red Herring Prospectus.

B. Against Mr. Jaikishan Lakhani

1. For details please refer to C.11 under the Litigation involving our Company at page [●] of this Draft Red Herring Prospectus.

C. Against Mr. Anil Lakhani

1. For details please refer to C.11 under the Litigation involving our Company at page [●] of this Draft Red Herring Prospectus.

V. Litigations involving our Directors

NIL

VI Intellectual Property Litigation

Trademark Oppositions

1. Oppositions Received

1. Our Company has received notice for opposition for the registration of our Trademark 'GJCROCO' along with their device of a crocodile from Crocodile International Private Limited. A counter statement has been filed by our Company on January 20, 2006. The matter is still pending with the Registry of Trademarks, Mumbai.

2. Our Company has received notice for opposition for the registration of their Trademark 'GINI & JONY' from GINI Silk Mills Limited in 2003, whereby "Gini Silk Mills" alleged that our trademark "Gini & Jony" resembles its trademark "Gini" and its registration is prohibited under section 11(b) of the Trade and Merchandise Marks Act, 1958. Counter statement has been filed by our Company in this regard and the matter is pending with the Registry of Trademarks, Mumbai.

2. Oppositions Made

1. Our Company has made opposition to the registration of the trademark 'FREEDOM FEEL IT' vide application No. 921743B dated 01.05.2000 in respect of readymade garments and jeans wear included in class 25. The following application was advertised in the trademark Journal No 1334 Suppl. (1) dated September 15, 2005 at page 2607 and made available to the public on February 8, 2006. Our Company has prayed for the rejection of the said impugned Trade Mark/Advertisement. The matter is pending with the Registrar of Trade Marks, Trade Mark Registry, Mumbai.

2. Our Company has made opposition to the registration of the trademark 'GINNI SPECTRA PVT. LTD.' vide application No. 1295211 dated 09.07.2004 in respect of suiting, shirting, dress materials, non – woven and synthetics fabric, wool, silk and all goods included in class 24 . The following application was advertised in the Trade Mark Journal No 1335 Regular dated October 1, 2005 at page 2607 and made available to the public on February 14, 2006. Our Company has prayed for the rejection of the said impugned Trade Mark/Advertisement. The matter is pending with the Registrar of Trade Marks, Trade Mark Registry, Mumbai.

3. Our Company has made opposition to the registration of the trademark in the name of Abdul Matin and trading as 'FREEDOM' vide application No. 840069 dated 05.02.1999 in respect to readymade garments

and apparels wear included in Class 25. The following application was advertised in the Trade Mark Journal No 1332 Suppl. (1) dated July 15, 2005 at page 3386 and made available to the public on November 23, 2005 Our Company has prayed for the rejection of the said impugned Trade Mark/Advertisement. The matter is pending with the Registrar of Trade Marks, Trade Mark Registry, Mumbai.

4. Our Company has made opposition to the registration of the trademark in name of Gini Silk Mills Limited vide application No. 586523 dated 10.12.1992 in respect of ‘clothing and wearing apparels’ included in class 25. The following application was advertised in the Trade Mark Journal No 1321 dated November 22, 2004 at page 326 and made available to the public on December 6, 2004 Our Company has prayed for the rejection of the said impugned Trade Mark/Advertisement. The matter is pending with the Registrar of Trade Marks, Trade Mark Registry, Mumbai.

5. Our Company has made opposition to the registration of the trademark in name of Hindustan Silk Mills vide application No. 809800 dated 13.07.1998 in respect of ‘artificial silk dhotis and lungis’ included in class 25. The following application was advertised in the Trade Mark Journal No 1340 Suppl. (1) dated March 15, 2004 at page 4402 and made available to the public on June 20, 2006. Our Company has prayed for the rejection of the said impugned Trade Mark/Advertisement. The matter is pending with the Registrar of Trade Marks, Trade Mark Registry, Mumbai.

6. Our company has made opposition to the registration of the trademark in name of Bahubali Knitwears vide application No. 1358502 dated 20.05.2005 in respect of ‘Hosiery and readymade garments’ included in class 25. The following application was advertised in the Trade Mark Journal No. 1339 Regular dated February 2006 at page 1007 and made available to the public on May 3, 2006. The Company has prayed for the rejection of the said impugned Trade Mark/Advertisement. The matter is pending with the Registrar of Trade Marks, Trade Mark Registry, Mumbai.

7. Our company has made opposition to the registration of the trademark in name of Raj Fashions vide application No. 1275461 dated 29.03.2004 in respect of ‘All types of garments included in class 25, for sale in the State of Maharastra only’ included in class 25. The following application was advertised in the Trade Mark Journal No. 1338 Suppl.(1) dated January 15 2006 at page 1007 and made available to the public on May 1, 2006. The Company has prayed for the rejection of the said impugned Trade Mark/Advertisement. The matter is pending with the Registrar of Trade Marks, Trade Mark Registry, Mumbai.

8. Our company has made opposition to the registration of the trademark in name of Dilwar Thander vide application No. 1401569 dated 25.11.2005 in respect of ‘Readymade garments & hosiery, goods for sale in the State of West Bengal, Bihar, Orrisa and Jharkhand’ included in class 25. The following application was advertised in the Trade Mark Journal No. 1365 Regular dated April 1st 2007 at page 325 and made available to the public on August 7, 2007. The Company has prayed for the rejection of the said impugned Trade Mark/Advertisement. The matter is pending with the Registrar of Trade Marks, Trade Mark Registry, Mumbai.

VI Showcause Notices

1. A show cause notice was received from the department of labour and employment, Daman on May 17, 2005 for producing certain registers for verification purposes. A date of May 20, 2005 was fixed for hearing. However there is no correspondence received in this regard. The matter is still pending and as of now no future date has been fixed.

2. Another show cause notice was issued in furtherance of the above notice by the department of labour and employment, Daman on September 21, 2005. According to this notice, the Company has not adhered to the above mentioned notice dated May 20, 2005. Moreover since more than 100 workers were employed, five copies of the draft standing order as per section 3 of the Industrial Employment (Standing Order) Act, 1946 were to be submitted to the certifying officer within 15 days from the date of receipt of this notice. No further information or correspondence has been received in this regard and as per the Company, the matter is still pending.

3. A notice was issued by the assistant commissioner central excise, Kalyan on December 30, 2005 due to failure of filing monthly returns. The Company had not responded to the show cause notice issued by the department. As a result of which a penalty of Rs 5000 (Rupees five thousand) was imposed under the provisions of Rule 27 of the Central Excise rules, 2002. The Company had to go on appeal against this

order within 60 days from the above mentioned date. The matter is still pending. However, no correspondence has been submitted in this regard.

4. The Company has received the summons from ITO (TDS) -1 (4), Mumbai, for survey proceedings under section 133A of the Income Tax Act, 1961. The matter is being attended and is being heard by the ITO authorities. The matter is pending for decision.

5. A notice of demand under Rule 8 of the Textile Committee (Cess) Rules, 1975 was received by our Company on July 03, 2007 from Textile Committee, Mumbai whereby allegation has been put that we have failed to submit monthly returns/furnished incorrect returns in accordance with Rule 4 of the Textiles Committee Rules, 1975 for period 08/2002 to 03/2003 to 2005-2006 for which the assessing officer has assessed an amount of cess of Rs. 9,63,712/- payable by us on the basis of the figures obtained from the office of the principal accountant general (Comm. & Receipt, Audit) Ahmedabad.The reply dated September, 2007 to the same has been sent and matter is still pending.

6. A notice under Section 64 of the Maharashtra Value Added Tax Act 2002 dated 11 March 2008 of Assistant Commisioner of Sales Tax (Investigation) 28 , Mumbai requiring the company to produce all books of accounts from April 1 2005 till date of notice

7. A notice under Section 64 of the Maharashtra Value Added Tax Act 2002 dated 11 March 2008 of Assistant Commisioner of Sales Tax (Investigation) 28 , Mumbai requiring the GJFFL to produce all books of accounts from April 1 2005 till date of notice

Material Developments

In the opinion of the Board of Directors, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstance that materially or adversely affect or are likely to affect the profitability of the Company and its subsidiaries taken as a whole or the value of their consolidated assets or their ability to pay their material liabilities within the next twelve months other than as disclosed in the Draft Red Herring Prospectus.

REGULATORY AND OTHER APPROVALS

We have received all the necessary licenses, permissions and approvals from the central and state governments and other government agencies/certification bodies required for our business and no further approvals are required by us carrying on the present as well as proposed business activities of the Company. It must, however be distinctly understood that in granting above approvals, the government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, we can undertake this issue and our current business activities and no further major approvals from any statutory authority are required to continue those activities.

The following statement sets out the details of licenses, permissions and approvals taken by the Company under various central and state laws for carrying out its business.

Sr. No.	Issuing Authority	Registration / License	Nature of Registration / License	Validity
1.	Registrar of Companies	11-82837	Certificate of Incorporation	Permanent
2.	Ministry of Commerce and Industry	1172/SIA/IMO/2006	Acknowledgement for manufacture of readymade garments at Daman.	Permanent
3.	Ministry of Commerce and Industry	1771/SIA/IMO/2006	Acknowledgement for manufacture of readymade garments at Baddi, Himachal Pradesh.	Permanent
4.	Ministry of Commerce and Industry	IEC No. 0395024803	Certificate of Importer-Exporter Code(IEC)	Permanent
5.	Apparel Export Promotion Council of India	AEPC/REG/MAF/WR/62755/95-96	Registration cum Membership	31/03/2012
6.	Department of Industries	DMN/DIC/LSI/06-07/131	Clearance to Establish Large Scale Industry for the manufacture of readymade garments.	Permanent
7.	Electricity Department	ED/EE/T-12/655	Approval for the release of Power to the installation with load of 25HP/KW at Daman.	Permanent
8.	Electricity Department	ED/EE/T-12/555	Approval for the release of Power to the installation with load of 90HP/KW at Daman.	Permanent
9.	Chief Inspector of Factories, Daman	Factory License No. 2987	Approval to operate a factory to manufacture readymade garments, not employing more than 950 persons and not using motive power beyond 500 (KVA) (H.P)	31.12.2008
10.	Chief Inspector of Factories, Baddi	No. L&E (Fac) 9 – 108/05	Approval to operate a factory to manufacture readymade garments	Applied for renewal on October 31, 2007
11.	Chief Inspector of Factories, Baddi	No. L&E (Fac) 9 – 130/06	Approval to operate a factory to manufacture readymade garments	Applied for renewal on October 31, 2007
12.	Himachal Pradesh State Environment	No./PCB/EED Baddi/137/Gini &	Consent to operate under Water Act, 1974 & Air Act,	March 31, 2012

	Protection and Pollution Control Board	Jony /2007-2230-31	1981	
13.	Pollution Control Committee Daman & Diu and Dadra & Nagar Haveli	PCC/DDD/G-4325/RW/AA/06-07/787	Permission to establish a unit for manufacturing of readymade garments.	Applied for renewal on April 08, 2008
14.	Technical officer & Assistant Engineer P.W.D ., Panchayat Sub Division, District Panchayat, Moti Daman	DP/D&D/Tech-officer/Occo. Cert/2006-07/89 dt. 25/04/06	Occupancy Certificate for building construction on plot bearing survey No. 56/2 & 57/2 at Daman.	Permanent
15.	Directorate of Medical and Health Services Primary Health Centre	DMHS/D&D/NOC/2001-02/76	No objection certificate with regard to the sanitation.	Permanent
16.	Kanchigam Group Panchayat	VP/N.O.C/2003-2004	No object certificate for establishing a small scale industry for manufacturing readymade garments.	Permanent
17.	Village Panchayat, Dabhel	V.P/Plant/2005-06/26	Certificate for Construction of a factory	Permanent
18.	National Depository Ltd.	10221900074951171 /TAN/CR/NOR	TAN No. being MUMG03944D	Permanent
19.	National Depository Ltd.	MUM/63/102219001553751141/6451383	PAN No. AACG1295N	Permanent
20.	Professional Tax Officer (32),'G' Ward Unit-V, Mumbai	PT/R/1/1/27/13193	Certificate for registration of Gini & Jony Limited as an employer under The Maharashtra State Tax on Professions, Trade, Callings and Employments Act, 1975	Permanent
21.	Professional Tax Officer (62), G/H, Ward, Mumbai	PT/E/1/1/27/18/2269	Certificate of Enrolment of Gini & Jony Limited under the Maharashtra State Tax on Professions, Trade, Callings and Employments Act, 1975	Permanent
22.	Professional Tax Officer, Calcutta South Range.	RCS/1172204	Certificate for registration of Gini & Jony Limited as an employer under The West Bengal State Tax on Professions, Trade, Callings and Employments Act, 1979	Permanent
23.	Professional Tax Officer, Calcutta South Range.	ECS/0469867	Certificate of Enrolment of Gini & Jony Limited under the West Bengal State Tax on Professions, Trade, Callings and Employments Act, 1979	Permanent
24.	Deputy Commercial Tax Officer – II, Sanathnagar Circle	PJT/06/1/PT/REG/817/06-07	Certificate for registration of Gini & Jony Limited as an employer under The Andhra Pradesh State Tax on Professions, Trade, Callings and Employments Act, 1987	Permanent
25.	Deputy Commercial Tax Officer - II Sanathnagar Circle	PJT/06/1/PT/ENT/3009/06-07	Certificate of Enrolment of Gini & Jony Limited under the Andhra Pradesh State	Permanent

			Tax on Professions, Trade, Callings and Employments Act, 1987	
26.	Commercial Tax Department LVO 90	PT.CTO. 12/474/97-98	Certificate for registration of Gini & Jony Limited as an employer under The Karnataka State Tax on Professions, Trade, Callings and Employments Act, 1976	Permanent
27.	Commercial Tax Department LVO 90	2305304-5	Certificate of Enrolment of Gini & Jony Limited under the Karnataka State Tax on Professions, Trade, Callings and Employments Act, 1976.	Permanent
28.	Regional Provident Fund Commissioner, Bombay	MH/PE/APP/43996/ Ent II /034/2510	Code No. MH/43996 allotted to Gini & Jony Limited for the purpose of making compliances with Provisions of the Employees State Provident Fund and Miscellaneous Provisions Act, 1952.	Permanent
29.	Assistant Provident Fund Commissioner, Sub Regional Office Vapi	GJ/VAPI/46482/ENF /3082	CodeNo. GJ/VAPI/46482 allotted to Gini & Jony Limited for the purpose of making compliances with Provisions of the Employees State Provident Fund and Miscellaneous Provisions Act, 1952.	Permanent
30.	Assistant Provident Fund Commissioner , Shimla	HP /3892/CON/Enf 1/19545	Code No. PN/SM/HP/3892 allotted at Plot No. 2-D, Baddi to Gini & Jony Limited for the purpose of making compliances with Provisions of the Employees State Provident Fund and Miscellaneous Provisions Act, 1952.	Permanent
31.	Assistant Provident Fund Commissioner, Shimla	HP / 5943	Code No. HP / 5943 for Plot No. 47, Baddi by our Company for the purpose of making compliances with Provisions of the Employees State Provident Fund and Miscellaneous Provisions Act, 1952.	Permanent
32.	Dy. Regional Director Mumbai,	B/Cov./R-49420(31-46125-19)	Code No. 31-46125-19 (LO Sakinaka) allotted to Gini & Jony Limited for the purpose of making compliances with Provisions of the Employees State Insurance Act , 1948.	Permanent
33.	Regional Office Parwanoo (H.P),	HP-43194/18	Code No. HP-43194/18 allotted to Gini & Jony Limited for the purpose of making compliances with Provisions of the Employees State Insurance Act , 1948	Permanent

34.	Regional Office Parwanoo (H.P),	HP-43314/18	Code No. HP-43314/18 allotted to Gini & Jony Limited for the purpose of making compliances with Provisions of the Employees State Insurance Act , 1948	Permanent
35.	Senior Inspector Shop & Establishment K/E Ward	KE-II /018638	Certificate under Bombay Shop and Establishment Act stating that A-601/A-701 Citipoint Mumbai Gini & Jony Limited has been registered under Act.	31/12/2008
36.	Senior Inspector Shop & Establishment K/E Ward	760001944	Certificate under Bombay Shop and Establishment Act stating that B-704/B-705 Citipoint Mumbai Gini & Jony Limited has been registered under Act.	31/12/2008
37.	Inspector of Shop & Establishment S-Ward	S-I/014162	Certificate under Bombay Shop and Establishment Act stating that Shop No.14-15, Huma Mall Mumbai Gini & Jony Limited has been registered under Act.	31/12/2008
38.	Inspector of Karnataka Shop & Commercial Establishment	43/A/302/2007	Certificate under Shop/Commercial Establishment Act, 1961 stating that Shop No.4 Ground Floor, Gopal Legency, Mysore Road Bangalore. Gini & Jony Limited has been registered under Act.	31/12/2010
39.	Labour Inspector, Circle-7, Gurgaon	GGN/7/2007/261	Certificate under Harayana Shop & Commercial Establishment Act, 1958 stating that A-304, Signature Tower, Gurgaon. Gini & Jony Limited has been registered under Act.	31/12/2009
40.	Labour Inspector Circle, Gurgaon	GGN/W/2006/2300	Certificate under Harayana Shop & Commercial Establishment Act, 1958 stating that 1972/2 Atul Kataria Chowk, sector 14, Gurgaon 122016. Gini & Jony Limited has been registered under Act.	31/12/2009
41.	Dy. Commissioner Service tax Div, II, Mumbai	AAACG1295NST03	Certificate of registration Under Service Tax Act.	Permanent
42.	Central Excise	AAACG1295N/XM/001, AAACG1295N/XM/002 and AAACG1295N/XM/003	Central Excise Registration Certificate	Permanent
43.	The Kolkata Municipal	3063/4600/0170	Certificate under Kolkata	31/12/2008

	Corporation, License Depptt.		Municipal Corporation Act, 1980	
44.	Welfare Commissioner, Maharashtra Labour Welfare Board	MLWB-Ordinance-II/2002/01	Establishment Code No.01FG 3562N allotted to Gini & Jony Limited for the purpose of making compliances with Provisions of the Bombay Labour Welfare Fund Act, 1953.	Permanent
45.	Assistant Commissioner of Sales Tax, Sales Tax Department, Maharashtra	VAT TIN 27710387509V and CST No. 27710387509C	Certificate of Registration under Section 16 of the Maharashtra Value added Tax, 2002 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
46.	Commercial Tax Officer, VAT Registering Authority, Andhra Pradesh	TIN 28220237740 and CST No. PJT/06/01/3589/02-03	Certificate of Registration under APVAT Act, 2005 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
47.	Assistant Value Added Tax Officer, Daman	TIN 25000006671 and CST No. DA/CST/6119	Certificate of Registration under Daman & Diu Value Added Tax Act, 2005 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
48.	Commissioner, Commercial Taxes, West Bengal	TIN 19432219036 and CST No. 19432219230	Certificate of Registration under W.B Value Added Tax, 2003 and Central Sales Tax Act, 1956	Permanent
49.	Department of Commercial Tax T. Nagar (North)	TIN No. 33321522088 and CST No. 813696	Certificate of Registration under Tamil Nadu Value Added Tax Act, 2006 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
50.	Commercial Taxes Officer, Rajasthan	TIN No. 08331606206 and CST No. 08331606206	Certificate of Registration under Rajasthan VAT Tax Act, 2003 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
51.	Assistant Commissioner of VAT, Ahemdabad	TIN No. 24073500873 and CST No. 24573500873	Certificate of Registration under Gujarat Value Added Tax Act and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
52.	Assistant Excise and Sales Tax Officer cum Assessing Authority, Haryana	TIN No. 06201924325 and CST No. GRE/CST/1924325	Certificate of Registration under Haryana Value Added Tax Act, 2003 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
53.	Assistant Excise and Taxation Commissioner, Chandigarh	TIN No. 04280020689 and CST No. CHA/CST/20489	Certificate of Registration under Punjab Value Added Tax Act, 2005 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
54.	Assistant Commissioner Sales Tax, Uttar Pradesh	TIN No. 09565802898 and CST No. ND – 5129404	Certificate of Registration under Uttar Pradesh Value Added Tax Act 2007 and Central Sales Tax (Registration and Turnover)	Permanent

			Rules, 1957	
55.	Assessing Authority Solan, Himachal Pradesh	HPST No. SOL III 8747 and CST No. SOL CST 8598	Certificate of Registration under Himachal Pradesh General Sales Act, 1968 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
56.	Excise and Taxation Officer, Ludhiana, Punjab	TIN No. 03162012715 and CST No. 031622012715	Certificate of Registration under Punjab VAT Act, 2005 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
57.	Value Added Tax Officer, Delhi	TIN No. 07260220713 and CST No. LC/44/220713/0899	Certificate of Registration under Delhi VAT Act, 2005 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
58.	Assistant Commissioner of Commercial Taxes (LVO), Bangalore	TIN No. 29330327351 and CST No. 29330327351	Certificate of Registration under Karnataka VAT Act, 2003 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
59	Commercial Taxes officer, Circle -9 , Indore	TIN No. 23970905024 and CST No. 23970905024	Certificate of Registration under Madhya Pradesh VAT Act, 2002 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
60	Commercial Taxes officer, Circle - 4 , Raipur	TIN No. 22881404834 and CST No. 22881404834	Certificate of Registration under Orissa Value Added Tax Act, 2004 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
61	Asst. Commissioner of Sales Taxes, Puri Range, Bhubhaneswar	TIN No. 21941120365 and CST No. 21941120365 (Central)	Certificate of Registration under Chattisghrh VAT Act, 2005 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
62	Asst. Labour officer, Circle 10, Hyderabad	ALO10/HYD/3/2004	Certificate under Andhara Pradesh Shop & Establishment Act, 1988 Gini & Jony Limited has been registered under Act.	31/12/2008
63	Inspector under the Bombay Shop and Establishment Act	760040918	110 – 123 , GALA – 14, Arihant , Industrial Estate , Sakivihar road , Saki naka , Andheri (E) , Mumbai – 400 072 . Maharashtra , India	31/12/2008
64	Commercial Tax Department Government of Jharkhand	TIN No. 20460405747	Letter dated April 09, 2008 received from Commercial Taxes Department, Government of Jharkhand informing / requiring the Company to quote TIN for all transaction / reference and correspondence with immediate effect.	Permanent

Regulatory and other approvals for our Subsidiaries

GJFFL

Sr. No.	Issuing Authority	Registration / License	Nature of Registration / License	Validity
1	Registrar of Companies	11/160377	Certificate of Incorporation	Permanent
2	Ministry of Commerce and Industry	IEC No. 0307074251	Certificate of Importer-Exporter Code(IEC)	Permanent
3	National Securities Depository Ltd.(NSDL)	883020100878741171/ TAN/NEW	TAN No. MUMG11472G	Permanent
4	National Securities Depository Ltd.(NSDL)	MUM/981/1022270000 52651111/11251092	PAN No. AACCG5427E	Permanent
5	Sales Tax officer (8), Registration Branch, Mumbai 10	PT/R/1/1/29/26410	Certificate for registration of GJ Future Fashions Limited as an employer under The Maharashtra State Tax on Professions, Trade, Callings and Employments Act, 1975	Permanent
6	Professional Tax Officer (I), Enrollment Registration Br, Mumbai	PT/E/1/1/29/18/8455	Certificate of Enrolment of GJ Future Fashions Limited under the Maharashtra State Tax on Professions, Trade, Callings and Employments Act, 1975	Permanent
7	Professional Tax Officer, Calcutta west Range.	RCW0008656	Certificate for registration of GJ Future Fashions Limited as an employer under The West Bengal State Tax on Professions, Trade, Callings and Employments Act, 1979	Permanent
8	Professional Tax Officer, Calcutta west Range.	ECW/0048224	Certificate of Enrolment of GJ Future Fashions Limited under the West Bengal State Tax on Professions, Trade, Callings and Employments ct, 1979	Permanent
9	Professional Tax Officer, Somajiguda Circle, Hyd.	PJT/12/2/E/1308/2006-2007	Certificate for registration of GJ Future Fashions Limited as an employer under The Andhra Pradesh State Tax on Professions, Trade, Callings and Employments Act, 1987	Permanent
10	Professional Tax Officer, Somajiguda Circle, Hyd.	PJT/12/2/E/1308/2006-2007	Certificate of Enrolment of GJ Future Fashions Limited under the Andhra Pradesh State Tax on Professions, Trade, Callings and Employments Act, 1987	Permanent
11	LVO 020, VTK – 2, Bangalore 09	P05P: 9123	Certificate for registration of GJ Future Fashions	Permanent

			Limited as an employer under The Karnataka State Tax on Professions, Trade, Callings and Employments Act, 1976	
12	LVO 020, VTK – 2, Bangalore 09	TIN : 29810491114	Certificate of Enrolment of GJ Future Fashions Limited under the Karnataka State Tax on Professions, Trade, Callings and Employments Act, 1976.	Permanent
13	Asst. Commericial Tax officer, Circel 9, Ahemedabad	PR0735000150	Certificate for registration of GJ Future Fashions Limited as an employer under The Gujarat State Tax on Professions, Trade, Callings and Employments Act, 1976	Permanent
14	Asst. Commericial Tax officer, Circel 9, Ahemedabad	PE073500457	Certificate of Enrolment of GJ Future Fashions Limited under the Gujarat State Tax on Professions, Trade, Callings and Employments Act, 1976.	Permanent
15	Professional Tax officer	78400903266	Certificate for registration of GJ Future Fashions Limited as an employer under The Madhya Pradesh State Tax on Professions, Trade, Callings and Employments Act, 1976	Permanent
16	Professional Tax officer	79570900634	Certificate of Enrolment of GJ Future Fashions Limited under the Madhya Pradesh State Tax on Professions, Trade, Callings and Employments Act, 1976.	Permanent
17	Regional Provident Fund Commissioner, Maharashtra	MH/PF/APP/94313/EN T II/268	Code No. MH/94313 allotted to GJ Future Fashions Limited for the purpose of making compliances with Provisions of the Employees State Provident Fund and Miscellaneous Provisions Act, 1952.	Permanent
18	Asst. Director, ESIC corporation Mumbai 93	B/Cov/RM-5067 (35-01585-102)	Code No. 35-01585-102 (LO Jogeshwari) allotted to GJ Future Fashions Limited for the purpose of making compliances with Provisions of the Employees State Insurance Act , 1948.	Permanent
19	Senior Inspector Shop & Establishment K/E Ward	KE017509	Certificate under Bombay Shop and Establishment Act stating at A-701 Citipoint, Andheri (E), Mumbai to GJ Future Fashions Ltd has been registered under Act.	31/12/2008
20	Senior Inspector Shop & Establishment D	D019292	Certificate under Bombay Shop and Establishment Act	31/12/2008

	Ward		stating at Orchid City Centre, Unit FA-17, Mumbai Central, Mumbai to GJ Future Fashions Limited has been registered under Act.	
21	Senior Inspector Shop & Establishment P/South Ward	PS010682	Certificate under Bombay Shop and Establishment Act stating at F14, Inorbit Mall, Malad (W), Mumbai to GJ Future Fashions Ltd has been registered under Act.	31/12/2008
22	Senior Inspector Shop & Establishment H/West Ward	HW011474	Certificate under Shop and Commercial Establishment Act, stating at Shop No. 1, Sushmore, Link Road, Khar (W), Mumbai to GJ Future Fashions Ltd has been registered under Act.	31/12/2008
23	Shop Inspector, Thane	S/54617	Certificate under Shop and Commercial Establishment Act, 1961 stating at Shop No.3, Adeshwar Nagar,Thane to GJ Future Fashions Ltd has been registered under Act.	31/12/2008
24	Shop Inspector, Navi Mumbai	S/20225	Certificate under Shop and Commercial Establishment Act, 1961 stating at Shop No. S 23/24, Centre One Mall, Vashi, Navi Mumbai to GJ Future Fashions Ltd has been registered under Act.	31/12/2008
25	The Municipal Commissioner	0060 1100 6634	The Kolkata Municipal Corporation under CMC Act 1980 stating that 22, Abanindra Nath Thakur Sarani, Kolkata-700 016 to GJ Future Fashions Ltd has been registered under Act.	31/12/2008
26	The Inspector & Asst. Labour Officer, Circle 10, Hyderabad	ALO10/HYD/22/2007	Certificate of Registration under the Andhra Pradesh Shop & Establishment Act, 1988 stating that 6-3-348,F No.2,S S Estate,Dwarkapuri Colony, Hyderabad to GJ Future Fashions Ltd has been registered under Act.	A31/12/2008
27	Chief Inspector of Shop, Gaziabad	1/6779F	Certificate under the Utter Pradesh Shop & Establishment Act, 1962 stating that Shop No.21 & 24,Shipra, Mall,Gaziabad to GJ Future Fashions Ltd has been registered under Act.	31/03/2012
28	Office of the Inspector	76/Shop/1468/6.6.2006	Certificate under Karnataka Shop & Commercial Establishment Act, 1961 stating that Shop No.47/48, Banglore-25 to GJ Future Fashions Ltd has been	31/12/2010

			registered under Act.	
29	Navi Mumbai Municipal Corporation	NMMC/CEG/03/02870	Certificate under Navi Mumbai Mahanagarpalika Upkar Section Shop No.23/24, Centre One Mall,that Vashi to GJ Future Fashion Ltd has been registered under Act.	Permanent
30	Service Tax Div III, Mumbai	AACCG5427EST001	Office of the Assistant Commissioner of Service Tax Division III, Mumbai Commissionerate, A-701, Citi Point, Andheri to GJ Freedom Fashion Ltd has been registered under Act.	Permanent
31	Welfare Commissioner, Maharashtra Labour Welfare Board	MUM22757	Establishment Code MUM22757 to GJ Future Fashions Limited for the purpose of making compliances with Provisions of the Bombay Labour Welfare Fund Act, 1953.	Permanent
32	Assistant Commissioner of Sales Tax, Sales Tax Department, Maharashtra	VAT TIN 27960524772V and CST No. 27960524772C	Certificate of Registration under Section 16 of the Maharashtra Value added Tax, 2002 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
33	Commercial Tax Officer, Somajiguda Circle, Punjagutta Division	TIN 28365728679 and CST No. 28365728679	Certificate of Registration under APVAT Act, 2005 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
34	Assistant Commissioner,Sales Tax, South Circle	TIN 19433260040 and CST No. 19433260234	Certificate of Registration under W.B Value Added Tax, 2003 and Central Sales Tax Act, 1956	Permanent
35	Department of Commercial Tax T. Nagar (South)	TIN No. 33861542452 and CST No. 865716	Certificate of Registration under Tamil Nadu Value Added Tax Act, 2006 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
36	Assistant Commissioner of Commercial Tax, Unit-9, Ahemdabad	TIN No. 24073501207 and CST No. 24573501207	Certificate of Registration under Gujarat Value Added Tax Act and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
37	Assistant Excise and Sales Tax Officer cum Assessing Authority, Haryana	TIN No. 06291826160 and CST No. 06291826160	Certificate of Registration under Haryana Value Added Tax Act, 2003 and Central Sales Tax (Registration and Turnover) Rules, 1956	Permanent
38	Assistant Excise and Taxation Commissioner, U.T., Chandigarh	TIN No. 04300031445 and CST No. CHA/CST/04300031445	Certificate of Registration under Punjab Value Added Tax Act, 2005 and Central Sales Tax (Registration and Turnover) Rules, 1956	Permanent
39	Assistant Commissioner Sales Tax 7, Uttar Pradesh	TIN No. 09590702332 and CST No. GC 5088814	Certificate of Registration under Uttar Pradesh Value Added Tax Act 1948 and	Permanent

			Central Sales Tax (Registration and Turnover) Rules, 1957	
40	Excise and Taxation Officer, Ludhiana, Punjab Dist.II	TIN No. 03582016461 and CST No. 03582016461	Certificate of Registration under Punjab VAT Act, 2005 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
41	Value Added Tax Officer ,Ward 76, Delhi	TIN No. 07890314699 and CST No. 07890314699	Certificate of Registration under Delhi VAT Act, 2005 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
42	Value Added Tax Officer ,Ward 76, Delhi	TAN No. 07773002053	Registration order of TAN under Delhi VAT Act, 2005 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
43	Assistant Commissioner of Commercial Taxes (LVO - 20),Divisional Vat Office – I, VTK-2, Bangalore - 09	TIN No. 29810491114 and CST No. 29810491114	Certificate of Registration under Karnataka VAT Act, 2003 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
44	Commercial Taxes officer, Circle -9 , Indore	TIN No. 23750904757 and CST No. 23750904757	Certificate of Registration under Madhya Pradesh VAT Act, 2002 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
45	Asst. Commissioner of Sales Taxes, Puri Range, Bhubhaneswar	TIN No. 21211120427 and CST No. 21211120427	Certificate of Registration under Chattisghrh VAT Act, 2005 and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent
46	Commercial Tax Department Government of Jharkhand	TIN No. 20090405746	Letter dated April 09, 2008 received from Commercial Taxes Department, Government of Jharkhand informing / requiring the Company to quote TIN for all transaction / reference and correspondence with immediate effect.	Permanent

GJGPPL

Sr. No.	Issuing Authority	Registration / License	Nature of Registration / License	Validity
1	Registrar of Companies	11/143076	Certificate of Incorporation	Permanent
2	National Securities Depository Ltd.(NSDL)	10222700002641171/TAN/CR/NOR	TAN No. MUMG11026B	Permanent
3	National Securities Depository Ltd.(NSDL)	MUM/952/1022700005803111/11317008	PAN No. AABCN9143K	Permanent
4	Joint Commissioner Of Industrial Safety & Health, Surat	Factory License No. 17122/1780A	Approval to operate a factory, not employing more than 50 persons and not using motive power	21/02/2009

			beyond 250 H.P	
5	Gujarat Pollution Control Board	No. PC/VCD/CCA-1012/23166	Consent for use for the discharge of trade effluent & emission due to operation of industrial plant for manufacture of readymade garments.	21.03.2011
6	Asst. Commericial Tax officer, Vapi	Applied for on May 30, 2007	Certificate for registration of G & J Garment Processors Private Limited as an employer under The Gujarat State Tax on Professions, Trade, Callings and Employments Act, 1976	Permanent
7	Asst. Commericial Tax officer, Circle 9, Ahemedabad	Applied for on May 30, 2007	Certificate of Enrollment of G & J Garment Processors Limited under the Gujarat State Tax on Professions, Trade, Callings and Employments Act, 1976.	Permanent
8	Assistant Commissioner Central Excise & Custom Dn. I, Vapi	AABCN9143KST001	Office of the Assistant Commissioner of Central Excise & Customs, Vapi Commissionerate, 791/6, 40 Shed Area, GIDC, Vapi, Valsad, Gujarat 396195 to G & J Garment Processors Private Limited has been registered under Act.	Permanent
9	Assistant Provident Fund Commissioner, Sub Regional Office Vapi	GJ/APFC/VAPI/46842 ENF/967	Code No. GJ/VAPI/46842 allotted to G & J Garment Processors Private Limited for the purpose of making compliances with Provisions of the Employees State Provident Fund and Miscellaneous Provisions Act, 1952.	Permanent
10	Dy. Director, ESI Corporation, SRO Surat.	No. 39/40030/99	Code No. 39-40030/99 (LO Vapi) allotted to G & J Garment Processors Private Limited for the purpose of making compliances with Provisions of the Employees State Insurance Act , 1948.	Permanent
11	Assistant Commissioner of Commercial Tax (1), Unit-2(74), Vapi	TIN No. 24250901128 and CST No. 2475091128	Certificate of Registration under Gujarat Value Added Tax Act and Central Sales Tax (Registration and Turnover) Rules, 1957	Permanent

Trademark

A) REGISTRATION RECEIVED				
APPL NO./R.NO.	**APP DATE**	**TRADE MARK**	**REGD./RENEWED UPTO**	**CL**
767829	07-10-1997	RUGBY	07-10-2007 TO 06/10/2017	25
602143	21-07-1993	BAZUKA	21/07/2007 TO 20/07/2017	25
484906	29-01-1988	GINI & JONY COLLECTION	00/01/00	25
780050	28-11-1997	&	28-11-2007 TO 27/11/2017	25
780052	28-11-1997	G & J	28-11-2007 TO 27/11/2017	25
1326259	16.12.2004	GJ JEANS UNLTD.	15.12.2014	25
1385213	16.09.2005	Chantera	16.09.2015	25
1326260	16.12.2004	PALM TREE	15.12.2014	25
1385210	16.06.2005	Acilec	15.09.2015	25
1385208	16.06.2005	Scamera	15.09.2015	25
B) FORWARDED FOR REGISTRATION (NEW)				
1180887	03/06/03	Day 2 Day	Opposed by Gini Silk	25
1344757	15/03/05	GINI & JONY (Colour Label)	Pending for acceptance	25
1344758	15/03/05	GINI & JONY (Black Label)	Pending for acceptance	25
1385177	16/09/2005	GINI (label)	Pending for acceptance	9
1385178	16/09/2005	JONY (label)	Pending for acceptance	9
1385179	16/09/2005	GINI (label)	Pending for acceptance	12
1385180	16/09/2005	JONY (label)	Pending for acceptance	12
1385181	16/09/2005	GINI (label)	Pending for acceptance	14
1385182	16/09/2005	JONY (label)	Pending for acceptance	14
1385183	16/09/2005	GINI (label)	Pending for acceptance	16
1385184	16/09/2005	JONY (label)	Pending for acceptance	16
1385185	16/09/2005	GINI (label)	Pending for acceptance	18
1385186	16/09/2005	JONY (label)	Pending for advert.	18
1385187	16/09/2005	GINI (label)	Pending for advert.	20
1385188	16/09/2005	JONY (label)	Pending for acceptance	20
1385189	16/09/2005	GINI (label)	Pending for acceptance	21
1385190	16/09/2005	JONY (label)	Pending for acceptance	21
1385191	16/09/2005	GINI (label)	Pending for acceptance	24
1385192	16/09/2005	JONY (label)	Pending for advert.	24

1385193	16/09/2005	GINI (label)	Pending for advert.	25
1385194	16/09/2005	JONY (label)	Pending for acceptance	25
1385195	16/09/2005	GINI (label)	Pending for acceptance	28
1385196	16/09/2005	JONY (label)	Pending for acceptance	28
1385197	16/09/2005	GINI (label)	Pending for acceptance	35
1385198	16/09/2005	JONY (label)	Pending for acceptance	35
1385199	16/09/2005	GINI (label)	Pending for acceptance	38
1385200	16/09/2005	JONY (label)	Pending for advert.	38
1385201	16/09/2005	GINI (label)	Pending for acceptance	41
1385202	16/09/2005	JONY (label)	Pending for acceptance	41
1385203	16/09/2005	GINI (label)	Pending for advert.	42
1385204	16/09/2005	JONY (label)	Pending for acceptance	42
1385205	16/09/2005	MICE ATTACK	Pending for advert.	25
1385206	16/09/2005	UFO	Pending for acceptance	25
1385207	16/09/2005	JACK THE GENIUS	Pending for acceptance	25
1385209	16/09/2005	MADGUN MADDOX	Pending for acceptance	25
1385211	16/09/2005	MISS FLAMELLA	Pending for acceptance	25
1385212	16/09/2005	ISABEL	Pending for acceptance	25
1385214	16/09/2005	FIXO A2Z	Pending for acceptance	25
1386499	22/09/2005	GINI & JONY Cartoon Characters	Pending for acceptance	9
1386500	22/09/2005	GINI & JONY Cartoon Characters	Pending for acceptance	12
1386501	22/09/2005	GINI & JONY Cartoon Characters	Pending for advert.	14
1386502	22/09/2005	GINI & JONY Cartoon Characters	Pending for acceptance	16
1386503	22/09/2005	GINI & JONY Cartoon Characters	Pending for acceptance	18
1386504	22/09/2005	GINI & JONY Cartoon Characters	Pending for acceptance	20
1386505	22/09/2005	GINI & JONY Cartoon Characters	Pending for acceptance	21
1386506	22/09/2005	GINI & JONY Cartoon Characters	Pending for acceptance	24
1386507	22/09/2005	FREEDOM WEAR	Pending for acceptance	25
1386508	22/09/2005	GINI & JONY	Pending for	25

		Cartoon Characters	acceptance	
1386509	22/09/2005	GINI & JONY Cartoon Characters	Pending for acceptance	28
1386510	22/09/2005	GINI & JONY Cartoon Characters	Pending for acceptance	35
1386511	22/09/2005	FREEDOM WEAR	Pending for acceptance	35
1386512	22/09/2005	GINI & JONY Cartoon Characters	Pending for acceptance	38
1386513	22/09/2005	GINI & JONY Cartoon Characters	Pending for acceptance	41
1386514	22/09/2005	GINI & JONY Cartoon Characters	Pending for acceptance	42
1459846	14/06/06	Gini & Jony Freedom Wear & Cartoon	Pending for advert.	25
1459847	14/06/06	Palm Tree (oval shaped green label)	Pending for advert.	25
1467845	07/07/06	GJ Jeans Unltd.	Pending for advert.	25
1469396	12/07/06	Red River (Word)	Pending for advert.	25
1469397	12/07/06	Red River (Label)	Pending for advert.	25
1517009	02/01/07	Chocolate	Pending for advert.	25
1533022	21/02/07	GJ Gold	Pending for advert.	25
1534457	26/02/07	GJ Future Fashions Ltd.,	Pending for advert.	25
1534458	26/02/07	GJ Knowledge Wear	Pending for advert.	25
1540755	16/03/07	Freedom Fashions	Pending for advert.	35

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has, pursuant to resolution passed at its meeting held on January 16, 2008, authorised the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act.

Our shareholders have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra-Ordinary General Meeting of the Company held on January 24, 2008 at Mumbai.

The Board of Directors has, pursuant to a resolution dated January 16, 2008, authorised a committee of its Directors and CFO, referred to as the IPO Committee, to take decisions relating to the Issue on behalf of the Board of Directors.

Prohibition by SEBI

Our Company, our Directors, our Promoters, Promoters Group or subsidiaries (other than as disclosed in this Draft Red Herring Prospectus), the directors or the person(s) in control of the Promoter Group and Companies in which our Directors are directors have not been prohibited from accessing the capital market or restrained from buying or selling or dealing in securities under any order or directions passed by SEBI.

The listing of any securities of the Issuer has never been refused at anytime by any of the Stock Exchanges in India.

Prohibition by RBI or Governmental Authorities

Our Company, our Subsidiaries and its directors, our Directors, our Promoters, Promoter Group entities and the companies in which the Directors are associated as directors has not been declared as wilful defaulter by the RBI or any other governmental authority and there has been violation of securities laws committed by any of them in the past and no such proceedings are pending against any of them. Except as disclosed below:

Our Independent Director Mr. Pradeep Kumar Sarkar is a Nominee Director with Shalimar Wires Industries Ltd of State Bank of India which has been declared as a RBI Defaulter.

Eligibility for the Issue

We are eligible for this Issue as per clause 2.2.1 of the SEBI Guidelines as we are in compliance with the conditions specified therein.

In terms of clause 2.2.1 of the SEBI Guidelines, an unlisted company may make an Initial Public Offering (IPO) of Equity Shares or any other securities, which may be converted into or exchanged, with Equity Shares at a later date, only if it meets all the following conditions.

(a) The company has net tangible assets of at least Rs. 30 million in each of the preceding 3 full financial years (of 12 months each), of which not more than 50% is held in monetary assets.

Provided that if more than 50% of the net tangible assets are held in monetary assets, the company has made firm commitments to deploy such excess monetary assets in its business/project;

(b) The company has a track record of distributable profits in terms of Section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years.

Provided further that extraordinary items shall not be considered for calculating distributable profits in terms of Section 205 of the Companies Act, 1956;

(c) The company has net worth of at least Rs.10 million in each of the preceding 3 full years (of 12 months each);

(d) In case the company has changed its name within the last one year, at least 50% of the revenue for the preceding 1 full year is earned by the company from the activity suggested by the new name;

(e) The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e., offer through offer document + firm allotment + promoters' contribution through the offer document), does not exceed five (5) times its pre-issue networth as per the audited balance sheet of the last financial year.

Our Company has received certificate dated April 25, 2008 from our statutory auditors viz., M/s. Bhageria Naredi & Associates, Chartered Accountants certifying that our Company has fulfilled the above mentioned eligibility criterion in the following manner:

(Rs. in million)

	For the financial year March 31,				
Particulars	**2003**	**2004**	**2005**	**2006**	**2007**
Distributable Profits	12.03	16.09	40.63	58.34	84.96
Net Worth	58.30	74.39	130.02	416.05	503.33
Net Tangible Assets	58.30	74.39	130.02	416.05	503.33
Monetary Assets	0.73	3.84	6.15	24.38	23.90
Monetary Assets as a % of Net Tangible Assets	1.25	5.16	4.73	5.86	4.75

In above-mentioned chart,

a) The Distributable Profits of the Company are as per Section 205 of the act, and have been calculated from the audited financial statements of the respective year as restated;
b) Net worth is defined as Equity Share Capital plus reserve & surplus (excluding revaluation reserve) less miscellaneous expenditures;
c) Net tangible assets as defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserve), trade investments, current assets less current liabilities and long term liabilities both secured and unsecured.
d) Monetary assets include cash & bank balances.

Hence we are eligible for the Issue under clause 2.2.1 of the SEBI Guidelines.

Further in accordance with clause 2.2.2A of the SEBI Guidelines, our Company shall ensure that the number of prospective allottees to whom Equity Shares of our Company will be allotted is not less than one thousand (1,000) in number .

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 ISSUE 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 EDELWEISS CAPITAL 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 ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER EDELWEISS CAPITAL LIMITED, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MAY 07, 2008 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"WE, THE UNDER NOTED LEAD MERCHANT BANKERTO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE 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 MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY,**

   WE CONFIRM THAT:

   (a) **THE DRAFT PROSPECTUS FORWARDED TO THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   (b) **ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE BOARD, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   (c) **THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE (AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS).**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

5. **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 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 PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7. **WE UNDERTAKE THAT CLAUSES 4.9.1, 4.9.2, 4.9.3 AND 4.9.4 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT ALL PROMOTER'S CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD BE RECEIVED ATLEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE- NOT APPLICABLE**

8. **WHERE THE REQUIREMENT OF PROMOTERS' CONTRIBUTION IS NOT APPLICABLE TO**

THE ISSUER, WE CERTIFY THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION UNDER CLAUSE 4.10 (SUB-CLAUSE (A), (B), OR (C), AS MAY BE APPLICABLE) ARE NOT APPLICABLE TO THE ISSUER – NOT APPLICABLE.

9. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

10. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.

11. WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.

12. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE AS THE OFFER SIZE IS MORE THAN 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

13. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:

(a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND

(b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME."

The filing of the Draft Red Herring Prospectus does not, however, absolve the Company from any liabilities under section 63 or section 68 of the companies act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Maharashtra, Mumbai in terms of section 56, section 60 and section 60B of the Companies Act.

Caution - Disclaimer from the Company and the BRLM

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, www.giniandjony.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 MoU entered into between the BRLM and us and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us 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, at bidding centres or elsewhere.

Neither us nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, 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 of the Company and will not Issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, 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 of the Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, 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, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase equity shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US 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).

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.

Further, each Bidder where required agrees that such Bidder will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security.

Disclaimer Clause of the Bombay Stock Exchange (BSE)

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. Bombay Stock Exchange has given vide its letter dated [●] permission to the Company to use its name in this Draft Red Herring Prospectus as one of the stock exchanges on which the Company's securities are proposed to be listed. BSE has scrutinised this Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner:

i. warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; or
ii. warrant that the Company's securities will be listed or will continue to be listed on BSE; or
iii. take any responsibility for the financial or other soundness of the 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 Draft Red Herring Prospectus has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

The disclaimer clauses given above will be updated on receipt of in-principle approval from the BSE.

Disclaimer Clause of the National Stock Exchange of India Limited (NSE)

As required a copy of this Draft Red Herring Prospectus has been filed with the National Stock Exchange (NSE). NSE has given vide its letter Ref. No. [●] dated [●] permission to the Company to use NSE's name in this Draft Red Herring Prospectus as one of the stock exchanges on which the Companies securities are proposed to be listed subject to the Company fulfilling the various criteria for listing including the one related to paid up capital and market capitalisation (i.e the paid up capital shall not be less than Rs. 100 million and market capitalisation shall not be less than Rs. 250 million at the time of listing). NSE has scrutinised this Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. It is to be distinctively understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Company's securities will be listed or will continue to be listed on NSE; nor does it take any responsibility for the financial or other soundness of the Company, its Promoters, its management or any scheme or project of our Company.

Every person who desires to apply for or otherwise acquire any securities of the Company may do so pursuant to independent enquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

The disclaimer clauses given above will be updated on receipt of in-principle approval from the NSE.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, Maharashtra (Mumbai) at Everest, 100 Marine Drive, Mumbai 400 002 at least three days before the issue opening date.

Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of our Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it, i.e. from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalisation of the Basis of Allotment for the Issue.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) Book Running Lead Managers to the Issue, and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue, the Monitoring Agent, Legal Counsel to Issuer and Legal Counsels to the Underwriters, to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 1956 and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000, M/s Bhageria Naredi & Associates Chartered Accountants, have given their written consent to the inclusion of their financial report as well as report in relation to tax benefits accruing to our Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

[●], the IPO grading agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Registrar of Companies.

Expert to the Issue

Other than as stated above, we have not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. [●] million. The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be paid by our Company.

The estimated Issue expenses are as under:

(Rs. in million)

Activity	Expenses *	Percentage of the Issue Expenses	Percentage of the Issue Size
Lead management, underwriting and selling commission	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
Others (Registrar's fee, legal fee, listing fee, IPO grading agency's fee etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**To be completed after finalisation of issue price*

Fees Payable to the BRLMs and the Syndicate Members

The total fees payable to the Book Running Lead Managers and the Syndicate Members will be as per the engagement letter dated December 26, 2007 with the BRLMs, issued by our Company, a copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue 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 the per the MoU between our Company and the Registrar to the Issue dated 1 February 2008.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Previous Rights and Public Issues

We have not made any previous rights and public issues in India or abroad in the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of shares otherwise than for cash

Except as stated in the section titled "Capital Structure" on page [●] of this Draft Red Herring Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

Companies under the same management

No company under the same management (within the meaning of section 370(1)(B) of the Companies Act) as us has made any capital issue during the last three years.

Promise v. performance – Promoter Group

Our Company has not made any public issue since inception. None of our group companies have made any public issue since their respective dates of inception.

Outstanding Debentures, Bond Issues, or Preference Shares

The Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Draft Red Herring Prospectus**.**

Stock Market Data for our Equity Shares

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least six months 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 Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, 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

Our Company or the Registrar to the Issue shall redress routine investor grievances within seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have also appointed Mr. Gaurav Thakur, Company Secretary of our Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems, at the following address:

A-601, Citi Point, Next to Kohinoor Continental,
Andheri-Kurla Road , Andheri-East,
Mumbai -400059
Tel :91-22-40911100
Fax: 91-22-40911111
Email: investor@giniandjony.com

Changes in Auditors

There have been no change of our auditors of the Company in the last three years.

Capitalization of Reserves or Profits

Except as disclosed in the 'Capital Structure' beginning on page no. [•] of this Draft Red Herring Prospectus, we have not capitalised our reserves or profits at any time during the last five years.

Revaluation of Assets

Our Company has not revalued its assets in the last five years.

Purchase of Property

Other than as disclosed in this Draft Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or

- The amount of the purchase money is not material.

Except as stated elsewhere in this Draft Red Herring Prospectus, the Company has not purchased any property in which any of its Promoter and/or Directors, have any direct or indirect interest in any payment made thereunder.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of our Company

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.

None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of this Draft Red Herring Prospectus, Red Herring Prospectus, the 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 Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, Stock Exchanges, RBI, and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

Our Board has, pursuant to resolution passed at its meeting held on January 16, 2008, authorised the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act.

Our shareholders have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra-Ordinary General Meeting of the Company held on January 24, 2008 at Mumbai.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari passu in all respects with the existing Equity Shares of the Company, including rights in respect of dividends. The Allottees will be entitled to dividend or any other corporate benefits, if any, declared by the Company after the date of Allotment. See the “Main Provisions of the Articles of Association” on page [●] of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

We shall pay dividends to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of the Price Band is Rs. [•] per Equity Share and at the higher end of the Price Band is Rs. [•] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

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 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 "Main Provisions of the Articles of Association" on page [●] of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI Guidelines, the trading in the 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 Issue will be done only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent Courts/authorities in Mumbai, India.

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 in accordance with section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or at the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee as provided under Section 109A, 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 Issue will be made only in dematerialised mode, there is no need to make a separate nomination with the Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the Bidders require to change the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Company do not receive the minimum subscription of 90% of the Issue, including devolvement on Underwriters, if any, within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

Further, in accordance with the Clause 2.2.2A of the SEBI Guidelines, the Company shall ensure that the number of Allotees under the Issue shall not be less than 1,000.

The Equity Shares have not been and will not be registered under the US 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).

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.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. See "Main Provisions of our Articles of Association" on page [●] of this Draft Red Herring Prospectus.

ISSUE STRUCTURE

Issue of 3,000,000 Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] million.. The Issue will constitute 25.04% respectively of the post Issue paid up capital of the Company.

The Issue is being made through the 100% Book Building Process.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Not more than 1,500,000 Equity Shares or Issue to the public less allocation to Non-Institutional Bidders and Retail Individual Biddders.	Not less than 450,000 Equity Shares	Not less than 1,050,000 Equity Shares
Percentage of Issue Size available for Allotment/allocation	Not more than 50% (of which 5% shall be reserved for Mutual Funds) Issue to Public or Issue to Public less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than 15% of Issue to Public or Issue to Public less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of Issue to Public or Issue to Public less allocation to QIB Bidders and Non Institutional Bidders
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter.	[•] Equity Shares and in multiples of [•] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue 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.
Bid Lot	[•] Equity Shares and in multiples of [•] Equity Shares thereafter.	[•] Equity Shares and in multiples of [•] Equity Shares thereafter.	[•] Equity Shares and in multiples of [•] Equity Shares thereafter.
Allotment Lot	[•] Equity Shares and in multiples of 1 Equity Share thereafter	[•] Equity Shares and in multiples of 1 Equity Share thereafter	[•] Equity Shares and in multiples of 1 Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs, venture capital funds registered with SEBI,	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Resident Indian individuals, Eligible NRIs and HUF (in the name of Karta)

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law and National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India.).		
Terms of Payment	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to Non-institutional Bidder at the time of submission of Bid cum Application Form to the Syndicate Members.	Amount applicable at the time of submission of Bid cum Application Form to the Syndicate Members.
Margin Amount	At least 10% of Bid Amount	Full Bid amount of Bidding	Full Bid amount of Bidding

* Subject to valid bids being received at or above the Issue Price. Under subscription, if any, in any of the categories would be metwith spill over from other categories at the sole discredtion 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.

Withdrawal of the Issue

The Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment, without assigning any reason therefor. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. Under the SEBI Guidelines QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Bid Period / Issue Programme

BID / ISSUE OPENS ON	**[•]**
BID / ISSUE CLOSES ON	**[•]**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)** during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid-cum-Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded till (i) 5 .00 pm in case of Bids by QIB Bidders and Non – Institutional Bidders and uploaded until such time as permitted by the BSE and the NSE ,in case of Bids by Retail Individual Bidders. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date.

Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

The Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. The cap should not be more than 20% of the floor of the Price Band. Subject to the immediately preceding sentence, the floor of the Price Band can be revised 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 shall be extended for three additional working days after such revision subject to the Bidding Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the websites of the BRLM and at the terminals of the other members of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process under clause 2.2.1 of SEBI (DIP) Guidelines, 2000, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs where 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only.. Further, not less than 15% shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% shall be available for allocation on a proportionate basis to the Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price within price band.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured and submitted only through the BRLM or their affiliate syndicate members. In case of QIB Bidders, the Company in consultation with the BRLM may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for such rejection shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders our Company would have a right to reject the Bids only on technical grounds.

Investors should note that allotment of Equity Shares to all successful Bidders will only be in the 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 specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Draft 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, dispatch 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 our Company to make the necessary changes in the Draft 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 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
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FIIs applying on a repatriation basis	Blue

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three) or in the names of their minor children as natural/legal guardian, in single or joint names;
- Hindu Undivided Families or 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;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
- Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Guidelines and regulations, as applicable);

- FIIs registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by Associates of BRLM and Syndicate Members

The BRLM and Syndicate Member shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than 75,000 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

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.

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.

Bids by Eligible NRIs

Eligible NRI bidders to comply with following:

1. Bid cum application forms have been made available for NRIs at our registered office, members of the Syndicate and Registrar to the Issue.

2. NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

All instruments accompanying bids shall be payable in Mumbai only.

Bids by FII

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital Equity Shares of our Company. 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 our total issued capital or 5% of our total issued capital of our Company in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in us cannot exceed 24% of our total issued capital.

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 by SEBI registered Venture Capital Funds (Domestic)

The SEBI (Venture Capital) Regulations, 1996 prescribe investment restrictions on venture capital funds registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund, Further, Venture Capital Funds 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. We and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that 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 [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of cut-off option, the Bid would be considered for allocation under the Non Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Non-Institutional Bidders and QIB Bidders**: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB Bidder should not exceed the investment limits prescribed for them by applicable laws. **Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid /Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

(c) In case of revision in 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, Bids by Non Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIB Bidders are not allowed to Bid at 'Cut-Off'.

In case of revision in 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, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

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 oras specified in this Draft Red Herring Prospectus.

Information for the Bidders

(a) The Company will file the Red Herring Prospectus with the RoC at least three days before the Bid / Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) Eligible investors who are interested in subscribing for or purchasing our Company's Equity Shares should approach any of the BRLM or Syndicate Members or their authorized agent(s) to register their Bid.

(d) Any investor (who is eligible to invest in our Equity Shares according to the terms of this Draft Red Hearing Prospectus and applicable law) 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 members of the Syndicate.

(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.

Method and Process of Bidding

(a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band in the Red Herring Prospectus with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation. This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Schedule XX–A of the SEBI guidelines, as amended by SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 date January 25, 2005. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.

(b) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed seven working days. The Bid/ Issue Period maybe extended, if required, by an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

(c) During the Bid/Issue Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.

(d) 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 titled "Bids at Different Price Levels" below) within the Price Band 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 Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form after 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 Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Build up of the Book and Revision of Bids".

(f) The members of the Syndicate 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.

(g) During the Bid/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

(h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Terms of Payment and Payment into the Escrow Accounts" on page [●].

Bids at Different Price Levels

1. The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share of Rs. 10 each, Rs. [•] being the Floor Price and Rs. [•] being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Rs. [•].

2. Our Company, in consultation with the BRLM reserves the right to revise the Price Band, during the Bid/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the Floor Price. 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.

3. In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to NSE and BSE, by issuing a public notice in three national newspapers (one each in English, Hindi and Marathi), and also by indicating the change on the websites of the BRLM and at the bidding terminals of the members of the Syndicate.

4. We, in consultation with the BRLM, shall finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

5. Bidder can bid at any price within the Price Band. Bidder has to Bid for the desired number of Equity Shares at a specific price.

   Retail Individual Bidders may Bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB Bidders and Non-Institutional Bidders and such Bids from QIB Bidders and Non Institutional Bidders shall be rejected.

6. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the cap of the Price Band with the members of the Syndicate. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the respective Refund Account.

7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders 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 (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to bid at Cut-off Price), with the Syndicate Member 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 Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to the revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation,

such that the no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

8. In case of a downward revision in the Price Band Retail Individual Bidders 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 respective Escrow Accounts/refund account(s).

9. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [•] 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.

10. 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.

11. 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.

12. 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.

13. 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 Draft Red Herring Prospectus. In case of QIBs, 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 the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

14. Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. 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. Only bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation / allotment. In case of discrepancy of data between NSE or BSE and the members of the Syndicate, the decision of the BRLM based on the physical records of Bid Application Forms shall be final and binding to all concerned.

PAYMENT INSTRUCTIONS

Escrow Mechanism

Our Company and the Members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour 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.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. 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 Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and the Draft Red Herring Prospectus , Red Herring Prospectus and Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the Members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder shall pay the applicable Margin Amount, and shall, with the submission of the Bid-cum-Application Form, draw a cheque or demand draft in favor of the Escrow Account of the Escrow Collection Bank(s) (see the section "Payment Instructions" beginning on page [●] of this Draft Red Herring Prospectus), and submit such cheque or demand draft to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide their QIB Margin Amount only to a BRLM. Bid-cum-Application Forms accompanied by cash/Stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid-cum-Application Form.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account of the Company shall be transferred to the Refund Account on the Designated Date. No later than 15 working days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment, to the Bidders.

Each category of Bidders, i.e., QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders are required to pay their applicable Margin Amount at the time of submission of the Bid-cum-Application Form. The Margin Amount payable by each category of Bidders is mentioned in the section "Issue Structure" beginning on page [●] of this Draft Red Herring Prospectus. 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 Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in Date. If the payment is not made favoring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be rejected. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid-cum-Application Form.

Where the Bidder has been allocated a lesser number of Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 15 working days from the Bid/Issue Closing Date, failing which the Company shall pay interest according to the provisions of the Companies Act for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

1. The members of the Syndicate will register the Bids using the on-line facilities of the BSE and the NSE. There will be at least one on-line connectivity facility in each city where a stock exchange is located in India and where Bids are being accepted.

2. The NSE and the BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate shall upload the Bids until such time as may be permitted by the Stock Exchanges.

3. The aggregate demand and price for Bids registered on electronic facilities of the NSE and the BSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centers as well as on the NSE's website at www.nseindia.com and on the BSE's website at www.bseindia.com. A graphical representation of consolidated demand and price will be made available at the bidding centers during the Bidding Period.

4. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

    - Name of the Bidder(s). Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders 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—Individual, Corporate, QIBs, Eligible NRI, FII or Mutual Fund, etc.;

- Numbers of Equity Shares bid for;
- Bid price;
- Bid-cum-Application Form number;
- Margin Amount paid upon submission of Bid-cum-Application Form; and
- Depository Participant identification number and client identification number of the demat account of the Bidder.

5. A system-generated TRS will be given to the Bidder as proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or the Company.

6. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

7. In case of QIB Bidders, members of the Syndicate also have the right to accept the Bid or reject the Bid. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed in this Draft Red Herring Prospectus.

8. The permission given by the NSE and the BSE 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 the Company or the BRLM are cleared or approved by the NSE and the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, the Promoters, the management or any scheme or project of the Company.

9. It is also to be distinctly understood that the approval given by the NSE and the BSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by the NSE or the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and the BSE.

Build Up of the Book and Revision of Bids

1. Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.

2. The book gets built up at various price levels. This information will be available from the BRLM on a regular basis.

3. 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.

4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. The Bidder must complete the details of all the options in the 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 complete all 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.

5. 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 the original Bid was placed.

6. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only on such Revision Form or copies thereof.

7. 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 this Draft Red Herring Prospectus. In the case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental amount in the QIB Margin, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

8. When a Bidder revises a Bid, the Bidder shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request and obtain the revised TRS, which will act as proof of revision of the original Bid.**

9. Only Bids that are uploaded on the online IPO system of the NSE and the BSE shall be considered for allocation. In the event of a discrepancy of data between the Bids registered on the online IPO system and the physical Bid-cum-Application Form, the decision of the Company, in consultation with the BRLMs and the Designated Stock Exchange, based on the physical records of Bid-cum-Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

(a). After the Bid Closing Date /Issue Closing Date, the BRLM will analyse the demand generated at various price levels and discuss pricing strategy with us.

(b) Our Company in consultation with the BRLM, shall finalise the "Issue Price" and the number of Equity Shares to be allotted in each category.

(c) The allocation to QIB Bidders for not more than 50% of the Issue, to Non-Institutional Bidders of not less than 15% and to Retail Individual Bidders of not less than 35% of the Issue, would be on proportionate basis, in the manner specified in the SEBI DIP Guidelines, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

(d) Under subscription, if any, in any category, would be allowed to be met with spill over from any of the other categories at our discretion in consultation with the BRLM in accordance with the basis of allotment described in the "Basis of Allotment" on page [●] of this Prospectus.

(e) Allocation to NRIs, FIIs registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by the FIPB and RBI while granting permission for allotment of Equity Shares to them.

(f) The BRLM in consultation with us shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) We reserve the right to cancel the Issue any time after the Bid /Issue Opening Date but before Allotment without assigning any reasons whatsoever.

(h) Allocation to FIIs, NRIs registered with SEBI applying on repatriation basis will be subject to the terms contained herein.

(i) In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid /Issue Closing Date.

(j) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) Our Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with ROC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

We will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall after receiving final observations, if any, on the Draft Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI Guidelines in two widely circulated newspapers (one each in English and Hindi) and a Marathi newspaper with wide circulation.

Advertisement regarding Issue Price and Prospectus

We will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

(a) Upon approval of basis of allocation by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. 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, investors should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date. The BRLM or Registrar to the Issue shall send to the Syndicate Member a list of their Bidders who have been allocated Equity Shares in the Issue.

(b) The BRLM or members of the Syndicate would then dispatch the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid into the Escrow Accounts at the time of bidding shall pay in full the amount payable into the Escrow Accounts by the Pay-in Period specified in the CAN.

(c) Bidders who have been allocated Equity Shares and who have already paid into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Accounts. The dispatch of a CAN shall be a deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.

(d) The Issuance of CAN is 'Subject to "Allotment/ Transfer Reconciliation and Revised CANs" as set forth below.

INVESTORS ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOTTED TO THEM PURSUANT TO THIS PUBLIC ISSUE.

Notice to QIBs: Allotment/ Transfer Reconciliation and Revised CANs

After the Bid/Issue 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 on or prior to [●], 2008, indicating the number of Equity Shares that may be allotted 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 physical 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. It is not necessary that a revised CAN will be sent. 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 Allotment of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue

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

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid /Issue Closing Date. After the funds are transferred from the Escrow Accounts to the Public Issue Account on the Designated Date, we would ensure the credit to the successful Bidders depository account within two working days of the date of Allotment.

(b) As per SEBI Guidelines, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the allottees.

(c) Allottees will have the option to re-materialise the Equity Shares, if they so desire, in the manner stated in the Depositories Act.

GENERAL INSTRUCTIONS

DOs:

(a) Check if you are eligible to apply having regard to applicable law, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus;

(b) Ensure that your Bid is within the Price Band;

(c) Read all the instructions carefully and complete the Bid-cum-Application Form;

(d) Ensure that the details of your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be Allotted in dematerialized form only;

(e) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;

(f) Ensure that you have collected a TRS for all your Bid options;

(g) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(h) Ensure that in all cases where Bids are received, the PAN of the Bidder is quoted in the Bid-cum-Application Form (See the section "Issue Procedure – PAN Number" on page [•] of this Draft Red Herring Prospectus);

(i) Ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. Where the Bid-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid-cum-Application Form; and

(j) Ensure that the Demographic Details 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 or revise the Bid to a price that is less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid amount in cash, postal order, or by Stockinvest;

(e) Do not send Bid-cum-Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not Bid at the Cut-off Price, in the case of a Bid by a QIB Bidder or a Non-Institutional Bidder;

(g) Do not complete the Bid-cum-Application Form such that the number of Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;

(h) Do not bid at Bid Amount exceeding Rs.100,000, in the case of a Bid by a Retail Individual Bidder;

(i) Do not submit the Bid without the QIB Margin Amount, in the case of a Bid by a QIB;

(i) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground and

(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 members of the Syndicate.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

1. Made only on the prescribed Bid-cum-Application Form or Revision Form, as applicable (white or blue).

2. Made in a single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Completed in full, in BLOCK LETTERS in English and in accordance with the instructions contained herein, on the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.

4. Bids from the Retail Individual Bidders must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter subject to a maximum Bid Amount of Rs.100,000.

5. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.100,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them does not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws and regulations.

6. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of the 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 Issue will obtain from the Depository, demographic details of the Bidders such as their address, bank account details MICR code for printing on refund orders or giving credit through ECS or Direct Credit, and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds to the Bidders. 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 Bidder's sole risk and neither the BRLMs nor the Company shall have any responsibility or undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details on the Bid-cum-Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALIZED 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 ON THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IF 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 SUCH JOINT NAMES ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR ON THE BID-CUM-APPLICATION FORM.

These Demographic Details will be used for all correspondence with the Bidders including mailing of the refund orders/ECS credit for refunds/direct credit of refund/CANs/allocation advice/NEFT or RTGS for refunds and printing of Company particulars on the refund order. The Demographic Details given by Bidders in the Bid-cum-Application Form will not be used for any other purposes by the Registrar to the Issue.

By signing the Bid-cum-Application Form, the Bidder will be deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CAN would be mailed to the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if such refund orders or documents, once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid-cum-Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidder's sole risk and neither the Escrow Collection Bank(s) nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or pay any interest for such delay. **In case of refunds through electronic modes as detailed in this Draft Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.**

Where no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidder's (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.

See also "Bids under Power of Attorney" given below.

Bids by Eligible NRIs and FIIs on a repatriation basis.

Bids and revisions to Bids must be made:

1. On the Bid-cum-Application Form or the Revision Form, as applicable (blue form), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. 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 Eligible NRIs) or their nominees.

3. In a single name or joint names (not more than three and in the same order as their Depository Participant details).

   Bids by 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 Bids by Eligible NRIs for a Bid Amount of more than Rs.100,000 would be considered under the Non-Institutional Portion for the purposes of allocation.

   Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the prevailing exchange rate and 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 NRE Accounts, details of which should be furnished in the space provided for this purpose on the Bid-cum-Application Form. The Company will not be responsible for any loss incurred by the Bidder on account of conversion of foreign currency.

It is to be clearly understood that there is no reservation for Eligible NRIs and FIIs and other non-resident bidders, and all such Bidders will be treated on the same basis as with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Bids under Power of Attorney

In the 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 submitted along with the

Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In the 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 submitted with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid, in whole or in part, in either case, without assigning any reason therefor.

Bids by Insurance Companies

In the case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

Bids by Provident Funds and Pension Funds

In the case of Bids made by provident funds, subject to applicable law, with a minimum corpus of Rs.25 crore and pension funds with a minimum corpus of Rs.25 crore, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

Bids by Mutual Funds and VCFs

In the case of Bids made by Mutual Funds and VCFs, a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

The Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions that the Company and the BRLMs may deem fit.

The Company, in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar to the Issue 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 Issue shall use Demographic Details as given on the Bid-cum-Application Form instead of those obtained from the Depositories.

Payment Instructions Payment Instructions

Our Company shall open Escrow Accounts 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/Allotment in the Issue.

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

Payment into Escrow Account

1. The Bidders for whom the applicable Margin Amount is equal to 100%, shall, with the submission of the Bid-cum-Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

2. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue 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 members of the Syndicate by the BRLMs.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

    (a) In case of Resident QIB Bidders: "–[●]"

(b) In case of Non Resident QIB Bidders: "–[●]"

(c) In case of Resident Retail and Non-Institutional Bidders: "–[●]"

4. 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 Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made out of NRO account.

5. In case of Bids by NRIs applying on non-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 or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-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 or NRO Account.

6. 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.

7. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

8. 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 Issue Account with the Bankers to the Issue.

9. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.

10. 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 centre 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/ Stockinvest/Money Orders/ Postal orders will not be accepted.

Payment by Stock invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 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. Hence, payment through stockinvest would not be accepted in this Issue.

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 members of the Syndicate 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 centre of the members of the Syndicate 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 favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the demographic details received from the depositories.

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 Issue 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 a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The Registrar to the Issue will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.

4. The addresses of all the applications in 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, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.

5. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

6. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as 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 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.

The Company reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

The Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her Permanent Account Number (PAN) allotted under the I.T. Act. In accordance with the SEBI Guidelines, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is 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.**

The Company's Right to Reject Bids

In case of QIB Bidders, the Company in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders who Bid, the Company has a right to reject Bids 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 on among others on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for;
2. Bank account details (for refund) not given;
3. Age of first Bidder not given;
4. 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;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and insane persons;
6. GIR number given instead of PAN;
7. Bids for lower number of Equity Shares than specified for that category of investors;
8. Bids at a price less than the lower end of the Price Band;
9. Bids at a price more than the higher end of the Price Band;
10. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
11. Bids for a number of Equity Shares, which are not in multiples of [●];
12. Category not ticked;
13. Multiple Bids;
14. In the case of a Bid under power of attorney or by limited companies, corporates, trusts etc., relevant documents are not submitted;
15. Bids accompanied by Stockinvest/money order/postal order/cash;
16. Signature of sole and/or joint Bidders missing;
17. Bid-cum-Application Form does not have the stamp of the BRLM or the Syndicate Members;
18. Bid-cum-Application Form does not have the Bidder's depository account details;
19. Bid-cum-Application Form is not delivered by the Bidder within the time prescribed as per the Bid-cum-Application Form and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Form;
20. 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 account number;
21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
22. Bids by QIBs not submitted through members of the Syndicate;
23. Bids by OCBs;
24. Bids by persons who are not eligible to acquire Equity Shares of the Company under any applicable law, rule, regulation, guideline or approval, in India or outside India.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Copanies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised 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 the Company, the respective Depositories and the Registrar to the Issue:

- an agreement dated July 22, 2005 with NSDL, us and Registrar to the Issue; and

- an agreement dated [●] with CDSL, us and Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- 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.

- 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.

- Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

- 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.

- If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

- 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.

- 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.

- The trading of the Equity Shares of the Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue 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 Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary accounts, refund orders etc.

PAYMENT OF REFUND

Bidders should note that on the basis of the 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 Issue will obtain from the Depository the Bidder's bank account details including a nine digit Magnetic Ink Character Recognition ("MICR") code. 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 Bidder's sole risk and neither the Company, the Book Runners and the Syndicate Members nor the Escrow Collection Banks shall have any responsibility and undertake any liability for the same.

Mode of making refunds

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 68 centers notified by SEBI, where clearing houses for ECS are managed by the RBI. 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 68 centers notified by SEBI, except where the applicant is otherwise disclosed as eligible to receive refunds through direct credit or RTGS.

2. NEFT—Payment of refund may 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. The IFSC Code will be obtained from the website of the RBI as at 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.

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 the Company.

4. RTGS—Applicants having a bank account at any of the 68 centers notified by SEBI, and whose Bid Amount exceeds Rs.10,00,000, 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 the 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 68 centers notified by SEBI where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed hereinabove. For 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 centers will be payable by the Bidders.

Interest on refund of excess Bid Amount

The Company shall pay interest at the rate of 15% per annum on the excess Bid Amount received if refund orders are not dispatched within 15 working days from the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

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 two working days of date of Allotment of Equity Shares. **Our Company shall dispatch refund orders, if any, of value up to Rs. 1,500, "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk and adequate funds for this purpose shall be made available to the Registrar for this purpose.**

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

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 seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, we further undertake that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 (fifteen) days of the Bid/Issue Closing Date;

- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Bid/Issue 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 or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to 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. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Forms or Revision Forms. However, the collection center of the Syndicate Members 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.

Save and except refunds effected through the electronic mode, i.e., ECS, NEFT, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

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."

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue 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 Issue Price.

- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue 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 [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue 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 Issue Price.

- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue 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 Issue Price.

- The QIB Portion shall be available for Allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue 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 from 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 Issue 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 Issue 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.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the Company 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 BRLMs and the Registrar to the Issue 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:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be allotted to each category as a whole 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.

c) 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.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

- 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; and

- Each successful Bidder shall be allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of 1 (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment 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.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1	**Issue size**	200 million equity shares
2	Allocation to QIB (not more than 50% of the Issue)	100 million equity shares
	Of which:	
	a. Reservation for MF (5%)	5 million equity shares
	b. Balance for all QIBs including MFs	95 million equity shares
3	No. of QIB applicants	10

Sr. No.	Particulars	Issue details
4	No. of shares applied for	500 million equity shares

B. Details Of QIB Bids

S.No	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	**50**
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	11.40	0
A2	20	0	4.56	0
A3	130	0	29.64	0
A4	50	0	11.40	0
A5	50	0	11,40	0
MF1	40	1.2	9.12	10.32
MF2	40	1.2	9.12	10.32
MF3	80	2.4	18.24	20.64
MF4	20	0.6	4.56	5.16
MF5	20	0.6	4.56	5.16
	500	**6**	**114**	**51.64**

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section titled “Issue Structure” beginning on page [●].

2. Out of 100 million Equity Shares allocated to QIBs, 5 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.

3. The balance 95 million Equity Shares (i.e. 100 - 5 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).

4. The figures in the fourth column titled “Allocation of balance 95 million Equity Shares to QIBs proportionately” in the above illustration are arrived as under:

- For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 95/ 495;

- For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 95/495; and

- The numerator and denominator for arriving at allocation of 95 million shares to the 10 QIBs are reduced by 5 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Undertakings

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously;

- 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 funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

- That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time; and

- No further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilisation of Issue proceeds

Our Board of Directors certify that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- Details of all monies utilised out of Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

- Details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

- The Company shall not have recourse to the proceeds of the Issue until the final listing and trading approvals from all the Stock Exchanges have been obtained.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Subscription by NRIs/ FIIs

It is to be distinctly understood that there is no reservation for NRIs and FIIs and all NRI and FIIs applicants will be treated on the same basis as other categories for the purpose of allocation.

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. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of total issued capital of our Company in case such sub account is a foreign corporate or an individual.

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 the Draft Red Herring 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.

The Equity Shares have not been and will not be registered under the US 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).

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.

The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles Of association.

Pursuant To Schedule II of the Companies Act, the main provisions of the Articles Of Association of Gini and Jony Limited are set out below: -

INCREASE REDUCTION AND ALTERATION OF CAPITAL

Increase in Capital

Article 6 provides that the Company may from time to time in general meeting increase its share capital by the issue of new shares of such amounts as it thinks expedient.

Reduction of Capital

Article 10 provides that the Company may from time to time by special resolution, subject to confirmation by the court and subject to the provisions of sections 78, 80 and 100 to 104 of the Act, reduce its share capital and any Capital Redemption Reserve Account or premium account in any manner for the time being authorised by law and in particular without prejudice to the generality of the foregoing power may by:

(a) extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid up;

(b) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or

(c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

Modification of Rights

Article 13 provides that if at any time the share capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 106 and 107 of the Act, and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article were omitted. The provisions of these Articles relating to general meeting shall mutatis mutandis apply to every such separte meetings but so that if at any adjourned meeting of such holders a quorum as defined in Article 102 is not present, those persons who are present shall be the quorum.

UNDERWRITING COMMISSION AND BROKERAGE

Commission may be paid

Article 31(A) provides that The Company may pay a commission to any person in consideration of:-

(i) his subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company, subject to the restrictions specified in sub-section (4A) of Section 76 of the Act; or

(ii) his procuring or agreeing to procure subscriptions, whether absolute or conditional for any shares in, or debentures of the Company, if the following conditions are fulfilled, namely:-

(a) the commission paid or agreed to be paid does not exceed in the case of shares, five percent of the price at which the shares are issued and in the case of debentures, two and half percent of the price at which the debentures are issued;

(b) the amount or rate percent of the commission paid or agreed to be paid, on shares or debentures offered to the public for subscription, is disclosed in the Prospectus, and in the case of shares or debentures not offered to the public for subscription, is disclosed in the Statement in lieu of Prospectus and filed before the payment of the Commission with the Registrar, and where a circular or notice, not being a Prospectus inviting subscription for the shares or debentures is issued is also disclosed in that circular or notice;

(c) the number of shares or debentures which such persons have agreed for a commission to subscribe, absolutely or conditionally is disclosed in the manner aforesaid; and

(d) a copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration.

(B) Save as aforesaid and save as provided in Section 79 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of:

(i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company or;

(ii) his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the Company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company, or the money be paid out of the nominal purchase money or contract price, or otherwise.

(C) Nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.

(D) A vendor to, promoter of, or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received for payment of any commission, the payment of which, if made directly by the Company would have been legal under Section 76 of the Act.

(E) The Commission may be paid or satisfied (subject to the provisions of the Act and these articles) in cash, or in shares, debentures or debenture-stocks of the Company.

CALLS

Directors may make calls

Article 32. provides that the Directors may from time to time and subject to Section 91 of the Act and subject to the terms on which any shares/ debentures may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as they think fit upon the members/debenture holders in respect of all moneys unpaid on the shares/debentures held by them respectively and each member/debenture holders shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine.

When Interest on calls or installment payable

Article 40 provides that if the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof or any such extension thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due, shall pay interest as shall be fixed by the Board from the day appointed for the payment thereof or any such extension thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

Surrender of Shares and Debentures

Article 59 provides that the Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debenture holder desirous of surrendering them on such terms as they think fit.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

Form of Transfer

Article 61 provides that the instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, shall be duly complied with in respect of all transfer of shares and registration thereof.

Directors may decline to register transfer

Article 63(a) provides that subject to the provisions of Section 111 of the Act, the Directors may, at their own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except the Company has a lien on the shares.

Transfer Books when closed

Article 66 provides that the Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

Refusal to Register a Nominee

Article 73 provides that the Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration.

The Board may require evidence of Transmission

Article 74 provides that every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

BORROWING POWER

Power to Borrow

Article 79(d) provides that the Board of Directors shall not, except with the consent of the company in General Meeting and subject to Article 172 of the Article of Association of the Company borrow moneys where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Conditions

Article 80 provides that the Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of bonds, perpetual or redeemable, debenture or debenture stocks or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Bond/ Debentures to be subject to the control of the Director

Article 81 provides that any bonds, debentures, debenture-stocks or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture-stocks or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

SHARE WARRANTS

Power to issue Share warrants

Article 88 provides that the Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115 of the Act and accordingly, the Board may, in its discretion, with respect to any share which is fully paid upon application in writing signed by the persons registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

Privileges and Disabilities of the holders of Share Warrants

Article 90(a) provides that subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company and the bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of members as the holder of the shares included in the warrant and he shall be a member of the Company.

GENERAL MEETINGS

Annual General Meeting

Article 94 provides that" subject to the provisions contained in Section 166 and 210 of the Act, as far as applicable, the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting, and shall specify, the meeting as such in the Notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. Provided that if the Registrar for any special reason, extends the time within which any annual general meeting shall be held, then such annual general meeting may be held within such extended period.

Calling of Extra Ordinary General Meeting on requisition

Article 98(a) provides that the Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (d) of this Article, forthwith proceed duly to call an Extra ordinary general meeting of the Company.

Clause (d) lays that "the number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at that date carried the right of voting in regard to that matter.

Quorum

Article 102(a) provides that five members personally present shall be the quorum for a meeting of the

Company.

(b) (i) If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon the requisition of members, shall stand dissolved.

(ii) In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place, as the Board may determine.

(c) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.

Declaration of the Chairman to be conclusive

Article 110 provides that a declaration by the Chairman in pursuance of Section 177 of the Act that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number of proportion of the votes cast in favour of or against such resolution.

Chairman's casting Vote

Article 116 provides that in the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Nominee Director

Article 131 provides that notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), The Industrial Credit and Investment Corporation of India Ltd. (ICICI), Industrial Finance Corporation of India (IFCI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Financing Company or Body is hereinafter in this Article referred to as "the corporation") continue to hold debentures in the Company as a result of underwriting or by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or by direct subscription or so long as any liability of the company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director or Directors wholetime or non-wholetime (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee director/s shall not be required to hold any share qualification in the Company. Also at the option of the corporation such Nominee Director/ s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company. The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid of or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fee in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided further that if such Nominee Director/s is an officer of the Reserve Bank of India the sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.

Provided also that in the event of the Nominee Director/s being appointed as wholetime Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a wholetime Director, in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Lenders.

PROCEEDINGS OF DIRECTORS

Article 158 provides that the Directors may meet together as a Board for the despatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that meetings of the Board, which had been called in compliance with the terms herein mentioned could not be held for want of quorum

DIVIDENDS

Division of Profits

Article 179 provides that the profits of the Company subject to any special rights relating thereto created or authorised to be created by these presents shall be divisible among the members in proportion to the amount of Capital paid up or credited as paid up on the shares held by them respectively.

Declaration of Dividends

Article 187 provides that the declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

CAPITALISATION

Capitalisation of Reserves

(a) Article 197(a) provides that any general meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalised. Any such amount (excepting the amount standing to the credit of the Share Premium Account and/ or the Capital Redemption Reserve Account) may be capitalised:-

(i) by the issue and distribution as fully paid shares, debentures, debenture-stock, bonds or obligations of the Company; or

(ii) by crediting the shares of the Company which may have been issued and are not fully paid, with the whole or any part of the sum remaining unpaid thereon. Provided that any amounts standing to the credit of the Share Premium Account may be applied on;

(1) paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;

(2) in writing off the preliminary expenses of the Company;

(3) in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or

(4) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. Provided further that any amount standing to the credit of the Capital Redemption Reserve Account shall be applied only in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares.

(b) Such issue and distribution under Sub-clause (a) (i) above and such payment to the credit of unpaid share capital under sub-clause (a) (ii) above shall be made to among and in favour of the members of any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (a) (I) or payment under sub-clause (a) (ii) above shall be made on the footing that such members become entitled thereto as capital.

(c) The Directors shall give effect to any such resolution and apply portion of the profits, General Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture stock, bonds or other obligations of the Company so distributed under sub-clause (a) (i) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under sub-clause (a) (ii) above provided that no such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.

(d) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates or coupons and fix the value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, fractional certificates or coupons, debentures, debenture-stock, bonds, or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or coupons or otherwise as they may think fit.

(e) Subject to the provisions of the Act and these Articles, in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of fully paid shares, and the partly paid shares the sums so applied in the payment of such further shares and in theextinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.

(f) When deemed requisite a proper contract shall be filed with the Registrar of Companies in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

INDEMNITY

Directors and Others may indemnify

(a) Article 224(a) provides that subject to the provisions of Section 201 of the Act, every Director, Managing Director, Wholetime Director, Manager, Secretary and other Officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, Manager, Secretary and Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, Manager, Secretary, Officer or servant or in any way in the discharge of his duties including expenses and the amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims.

(b) Subject as aforesaid, every Director, Managing Director, Manager, Secretary or other Officer and employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.

WINDING UP

Distribution of Assets

Article 220(a) provides that "subject to the provisions of the Act, if the Company shall be wound up and the assets available for distribution among the members as such shall be less than sufficient to repay the whole of the paid up capital such assets shall be distributed so that, as nearly, as may be, the losses shall be borne by the members in proportion to the Capital paid up, or which ought to have been paid up, at the commencement of winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the Capital at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively but this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which would be attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies, Maharashtra for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of the Company at A-601, Citi Point, Next to Kohinoor Continental, Andheri-Kurla Road, Andheri-East, Mumbai 400059 from 10.00 am to 4.00 pm on working days from the date of the Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Memorandum of Understanding dated April 25, 2008 amongst us and the BRLM.
2. Memorandum of Understanding dated February 1 2008 executed by our Company with the Registrar to the Issue.
3. Escrow Agreement dated [●] amongst us, the BRLM, Escrow Collection Banks, and the Registrar to the Issue.
4. Syndicate Agreement dated [●] amongst us, the BRLM and Syndicate Members.
5. Underwriting Agreement dated [●] amongst us, and the BRLM and Syndicate Members.

Material Documents

1. Certified true copies of the Company's Memorandum and Articles of Association, as amended from time to time.
2. Copy of the certificate of incorporation, as amended from time to time.
3. Shareholders' resolutions dated January 24, 2008 in relation to this Issue and other related matters.
4. Resolutions of the Board dated January, 16, 2008 authorizing the Issue.
5. Report dated April 25, 2008 issued by Statutory Auditors of the Company, Bhageria Naredi & Associates, Chartered Accountants., regarding restated financials of the Company for the last five years and for the nine months period ended December 31, 2007 Copies of annual reports, of the Company and its subsidiaries for the past five financial years and the audited accounts for nine months period ended December 31, 2007.
6. Report of the Auditors dated April 25, 2008 issued by Statutory Auditors of the Company, Bhageria Naredi & Associates, Chartered Accountants regarding Restated Consolidated accounts for nine months period December 31, 2007
7. Consents of BRLM, Auditors, Bankers to the Company, Escrow Bank, IPO Grading agency, Syndicate Member, , Registrar to the Issue, Directors, Domestic Legal Counsel, Compliance Officer and Directors as referred to, in their respective capacities.
8. Applications dated [●] and [●] for in-principle listing approval from the BSE and the NSE, respectively.
9. Due Diligence Certificate dated May 07, 2008 to SEBI from BRLM.
10. In-principle listing approval dated [●] and [●] from the BSE and the NSE respectively.
11. Agreement between NSDL, our Company and the Registrar to the Issue dated July 22, 2005.
12. Agreement between CDSL, our Company and Registrar to the Issue dated [●].
13. Statement of Tax benefit dated April 25, 2008 benefit from Auditors.
14. Share Subscription Agreement dated April 25, 2005 between our Company and Reliance Energy Investment Limited.
15. Share Subscription Agreement dated February 17, 2006 between our Company and Arisaig India Fund Limited.
16. Slump Sale agreement dated March 31, 2006 betwefen Gini & Jony Limited and GJ Future Fashion Limited
17. Share Purchase Agreement dated March 25, 2008 between Gini & Jony Limited and Mr. Sunil Chari, Mr. Nikhar Lohia and Mr. Vijay Lohia and G&J Garment Processors Private Limited.
18. Brand license sum supply agreement with GJFFL dated March 31, 2006.
19. Deed of Assignment dated November 20, 1996 with M/s Harison.

DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government or by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made there under or guidelines issued, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS

Mr. Prakash Lakhani, Chairman & Managing Director

Mr. Jaikishan Lakhani

Mr. Anil Lakhani

Mr. Ajay Agrawal

Mr. Rajesh Mehra

Mr. Pradeep Kumar Sarkar

Mr. Amitabh Taneja

Mr. Rahul Mehta

Mr. Ramanathan Sriram

Mr. Rajesh M Chaturvedi

Signed by Chief Financial Officer

Mr. Harish Mehta

Date: [●], 2008

Place: Mumbai

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