

PROSPECTUS

Dated: October 7, 2014

Read section 26 of the Companies Act, 2013

100% Book Building Issue

**MOMAI APPARELS LIMITED**

Our Company was incorporated as "Momai Apparels Private Limited" under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated January 21, 2010 bearing Registration No. 199178, in Mumbai, Maharashtra. Subsequently our Company was converted into a public limited company vide fresh certificate of incorporation dated September 05, 2013 and consequently the name of our Company was changed to "Momai Apparels Limited". The Corporate Identification Number of our Company is U18109MH2010PLC199178. For further details please refer to chapter titled 'Our History and Certain Other Corporate Matters' beginning on page 160 of this Prospectus.

Registered Office: Shop No 305-309, 3rd Floor, Pacific Plaza Plot No 570 TPS IV Off B.S. Road Mahim Division Dadar West, Mumbai 400028

Tel. No.: +91 022 24331551; **Fax No.:** +91 022 24331551; **E-mail:** investors@momaipapparels.com; **Website:** www.momaipapparels.com

Contact Person: Ms Bhoomi Mewada, Company Secretary and Compliance Officer

PROMOTER OF OUR COMPANY: ASHAPURA INTIMATES FASHION LIMITED

THE ISSUE

PUBLIC ISSUE OF 38,46,400 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID FOR CASH AT A PRICE OF RS. 78 PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING A SHARE PREMIUM OF RS. 68 PER EQUITY SHARE) AGGREGATING RS. 3000.192 LAKHS (THE "ISSUE") BY OUR COMPANY, OF WHICH 24,000 EQUITY SHARES OF RS. 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY OUR PROMOTER (THE "PROMOTER'S CONTRIBUTION") AND 1,93,600 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE PROMOTER'S CONTRIBUTION AND THE MARKET MAKER RESERVATION PORTION I. E. ISSUE OF 36,28,800 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.66 PER CENT AND 25.15 PER CENT RESPECTIVELY OF THE POST ISSUE PAID UP CAPITAL OF THE COMPANY

THE FACE VALUE OF EQUITY SHARES IS RS. 10 EACH. THE ISSUE PRICE IS RS. 78 AND IS 7.8 TIMES THE FACE VALUE OF THE EQUITY SHARES.

In case of revision in the Price Band, the Bid/Issue Period shall be extended for a minimum of three Working Days after such revision of the Price Band, 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, shall be widely disseminated by notification to the National Stock Exchange of India Limited ("NSE") and by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the Syndicates.

This being an Issue for Equity Shares representing more than 25% of the post-Issue equity share capital of our Company, Equity Shares will be offered to the public for subscription in accordance with Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended and is being made through a Book Building Process in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended. A copy has been delivered for registration to the Registrar as required under Section 26 of the Companies Act, 2013.

All potential investors may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the Bank Account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" beginning on page 263 of this Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10 and the issue Price is 7.8 times of the face value. The Issue Price (as determined and justified by our Company and the Book Running Lead Manager ("BRLM") as stated under the chapter titled "Basis for Issue Price" beginning on page 94 of the Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed on the SME Platform of NSE. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing on the SME Platform of NSE.

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 our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Prospectus. **Specific attention of the investors is invited to the section "Risk Factors" beginning on page 20 of this Prospectus.**

COMPANY'S ABSOLUTE RESPONSIBILITY

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

SME FUNDAMENTAL GRADING

The Issue has been graded by Credit Analysis and Research Limited ("CARE") and has been assigned the "CARE SME Fundamental Grade 4" [SME Fundamental Grade Four], indicating Very Good fundamentals, through its letter dated September 5, 2014. The SME Fundamental Grading is assigned on a five point scale from 1 to 5 wherein "CARE SME Fundamental Grade 5" indicates Strong fundamentals and "CARE SME Fundamental Grade 1" indicates Weak fundamentals. For further details, please refer to the chapter titled "General Information" beginning on page 57 of the Prospectus.

LISTING

The Equity Shares offered through the Prospectus are proposed to be listed on the SME Platform of the NSE and traded in the SME Normal market. An in-principle approval from NSE for listing the Equity Shares has been received pursuant to letter no. NSE/LIST/249020-6 dated August 27, 2014. For the purpose of this Issue, NSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER

PANTOMATH CAPITAL ADVISORS (P) LIMITED
108, Madhava Premises Co Soc Ltd,
Bandra Kurla Complex, Bandra East, Mumbai 400051
Tel: +91 22 2659 8687
Fax: +91 22 2659 8690
Investor Grievance Email: ipo@pantomathgroup.com
Website: www.pantomathgroup.com
Contact Person: Mr. Mahavir Lunawat
SEBI Registration. No.: INM000012110

REGISTRAR TO THE ISSUE

LINK INTIME INDIA (P) LIMITED
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai – 400 078
Tel: +91 22 6171 5400
Fax: +91 22 2596 0329
Email: mal.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Sachin Achar
SEBI Registration No. INR000004058

ISSUE PROGRAM

BID/ISSUE OPENED ON: SEPTEMBER 25, 2014

BID/ISSUE CLOSED ON: SEPTEMBER 30, 2014

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

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

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

Company Related Terms

Term	Description
AIFL	Ashapura Intimates Fashion Limited
Articles or Articles of Association or AOA	The Articles of Association of our Company, as amended from time to time
Auditor or Statutory Auditor	The auditor of our Company, being M/s Bagaria & Co. LLP
Audit Committee	The Committee of the Board of Directors constituted as the Company's Audit Committee in accordance with Clause 52 of the SME Listing Agreement to be entered into with the NSE.
Bankers to our Company	Punjab National Bank
"Board" or "Board of Directors" or "our Board"	The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof
CIN	Company Identification Number
Company Secretary and Compliance Officer	Ms Bhoomi Mewada
Director(s)	The Director(s) of our Company, unless otherwise specified
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each
Equity Shareholders	Persons holding equity shares of our Company
Group Companies	Includes those companies, firms and ventures promoted by our Promoter, irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act and disclosed in the chapter titled "Our Group Entities" beginning on page 186 of this Prospectus
Memorandum of Association or Memorandum or MOA	The Memorandum of Association of our Company, as amended from time to time
"Momai Apparels Limited", "the Company", or "our Company" or "we", "us", "our", or "MAL" and the "Issuer Company"	Momai Apparels Limited, a public limited company incorporated under the provisions of the Companies Act, 1956
New Manufacturing Facility	Proposed freehold manufacturing facility to be set up in the state of Gujarat or any other suitable location with total capacity of 1.62 Crores pieces per annum
Nomination & Remuneration Committee	The Committee of the Board of Directors constituted as the Company's Nomination & Remuneration Committee in accordance with Clause 52 of the SME Listing Agreement to be entered into with the NSE.
Peer Reviewed Auditor	The Peer Reviewed Auditor of our Company, being M/s Bagaria & Co. LLP
"Promoter" or "our Promoter"	Promoter of our company being Ashapura Intimates Fashion Limited

Term	Description
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(zb) of the SEBI (ICDR) Regulations and a list of which is provided in the chapter titled “Our Promoter and Promoter Group” beginning on page 180 of this Prospectus
Registered Office	The Registered Office of our Company located at Shop No 305-309, 3 rd Floor, Pacific Plaza Plot No 570 TPS IV Off B.S. Road Mahim Division Dadar West, Mumbai 400028
RoC	Registrar of Companies, Mumbai, Maharashtra
Investors Grievance Committee	The Committee of the Board of Directors constituted as the Company’s Investors Grievance Committee in accordance with Clause 52 of the SME Listing Agreement to be entered into with the NSE.

Issue Related Terms

Term	Description
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Bidders
Allotment/ Allot/ Allotted	Issue an allotment of Equity Shares of our Company pursuant to Fresh Issue of the Equity Shares to the successful Bidders
Allottee(s)	Successful Bidders to whom Equity Shares of our Company shall be allotted in the issue
ASBA Account	Account maintained by an ASBA Bidder with a SCSB which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder, as specified in the Bid Cum Application Form
ASBA Bidding Location(s)/ Specified Cities	Locations at which ASBA bids can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Rajkot, Bangalore, Hyderabad, Pune, Baroda and Surat.
ASBA Investor/ASBA bidder	Any bidder who intends to apply through ASBA through blocking of funds in a bank account
ASBA/ Application Supported by Blocked Amount.	An application, whether physical or electronic, used compulsorily by all QIBs and Non Institutional Bidders and optionally by Retail Individual Bidders to make a Bid authorising a SCSB, either directly or through Syndicate ASBA Members to block the Bid Amount in their specified bank account maintained with the SCSB
Banker(s) to the Issue/ Escrow Collection Bank(s).	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Escrow Account will be opened and in this case being ICICI Bank Ltd, IndusInd Bank Ltd, HDFC Bank Limited and Punjab National Bank.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful bidders under the Issue and which is described under chapter titled "Issue Procedure" beginning on page 263 of this Prospectus
Bid Amount	The amount at which the bidder makes a bid for Equity Shares of our Company in terms of this Prospectus
Bid cum Application Form	The application form in terms of which a Bidder (including an ASBA Bidder) makes a Bid in terms of the Prospectus and which will be considered as an application for Allotment
Bid(s)	An indication to make an offer during the Bid/Issue Period by a prospective investor/Bidder ASBA Bidder (including ASBA Bidder) pursuant to submission of a Bid cum Application Form to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid/Issue Closing date	September 30, 2014, the date after which the Syndicate and SCSBs shall not accept any Bids
Bid/Issue Opening Date	September 25, 2014, the date on which the Syndicate and SCSBs shall start accepting Bids
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both the days during which prospective Investors may submit their bids, including any revision thereof.
Bid/Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 78/-per Equity Share of

Term	Description
	face value of Rs. 10 each fully paid
Bid/Issue Proceeds	Proceeds from the fresh Issue that will be available to our Company, being Rs.3000.192 Lakhs
Bidder	Any prospective investor who intends to bid for Equity Shares in this issue in terms of this Prospectus
Bidding Centre(s)	Centre where a Bid is submitted with (i) a SCSB; or (ii) a Member of the Syndicate; of (iii) Broker Centre
Book Building Process / Book Building Method	The book building route as provided under Schedule XI of the SEBI (ICDR) Regulations, 2009 in terms of which this Issue is being made
Book Running Lead Manager / BRLM	Book Running Lead Manager to the Issue in this case being Pantomath Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker
Broker Centre/Non Syndicate members	Locations where Bid cum Application Form can be submitted and which are part of the nationwide broker network of the Stock Exchange and where there is a presence of the brokers' terminals, an updated list of which is available on the website of the Stock Exchange.
CAN / Confirmation of Allocation Note	The notice or advice or intimation of Allocation of Equity Shares sent to the successful Bidders ASBA Bidders who have been Allocated Equity Shares upon the discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof
Cap Price	The higher end of the Price Band above which the Issue Price will not be finalised and above which no Bids (or a revision thereof) will be accepted
CARE	Credit Analysis & Research Limited, an agency appointed by our Company for obtaining SME Fundamental Grading
Controlling Branch	Such branch of the SCSBs which coordinate bids under this Issue by the ASBA bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Cut-off Price	Any price within the Price Band finalised by our Company in consultation with BRLM. A Bid submitted at Cut-off Price is a valid price at all levels within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding Rs 2,00,000. No other category of Bidders is entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the bidders such as their address, PAN, occupation and bank account details
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Branches	Such branches of the SCSBs which shall collect the Bid Cum Application Forms from the ASBA bidders and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the

Term	Description
	SCSBs are transferred from the ASBA Account, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after this Prospectus is filed with the ROC, following which the Board of Directors shall allot Equity Shares to the successful bidders in the Issue.
Designated Stock Exchange	SME Platform of NSE
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated August 21, 2014 issued in accordance with Section 32 of the Companies Act, 2013 and filed with the NSE under SEBI (ICDR) Regulations
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
Eligible QFIs	QFIs from such jurisdictions outside India (i) which are compliant with FATF standards and are signatories to the International Organisation of Securities Commission's ("IOSCOs") Multilateral Memorandum of Understanding; (ii) who have opened demat accounts with SEBI registered qualified depository participants and (iii) where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to the Equity Shares offered thereby.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) for the Issue and in whose favour the bidders (excluding ASBA bidders) will issue cheques or in respect of the bid Amount when submitting any bid(s) pursuant to this Issue
Escrow Agreement	The agreement to be entered into by our Company, the Registrar to the Issue, the BRLM, the Escrow Collection Bank(s), the Refund Bank and the Syndicate Members for collection of the bid Amounts and where applicable, remitting refunds of the amounts collected to the bidders (excluding ASBA bidders) on the terms and conditions thereof
First/ Sole bidder	The bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids (or a revision thereof) will be accepted
Issue Agreement	The agreement dated September 13, 2014 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO	Public Issue of 38,46,400 Equity Shares of face value of Rs. 10 each fully paid of Momai Apparels Limited for cash at a price of Rs. 78/- per Equity Share (including a premium of Rs. 68 /-per Equity Share) aggregating Rs. 3000.192 lakhs.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the SME Platform of NSE Limited
Market Maker	Market Maker appointed by our Company from time to time, in this case being Choice Equity Broking Private Limited, who has agreed to receive or deliver the specified securities in the market

Term	Description
	making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Maker Reservation Portion	The Reserved Portion of 1,93,600 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. 78/- per Equity Share aggregating Rs. 151.008 lakhs for the Market Maker in this Issue
Market Making Agreement	Market Making Agreement dated September 13, 2014 entered into between our Company, BRLM and Market Maker
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue excluding the Promoter Contribution of 24,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. 78/- per Equity Share and Market Maker Reservation Portion of 1,93,600 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. 78/-per Equity Share aggregating Rs. 2830.464 lakhs by our Company
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For further information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled "Objects of the Issue" beginning on page 89 of this Prospectus
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non Institutional Bidders	All bidders that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for an amount more than Rs. 2,00,000
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60 per cent by NRIs, including overseas trusts in which not less than 60 per cent of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under general permission granted to Overseas Corporate Body as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Price Band	Price band of a minimum price (Floor Price) of Rs 78 and the maximum price (Cap Price) of Rs 90 and including revisions thereof, as decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily

Term	Description
	newspaper in Marathi with wide circulation at least five working days prior to the Bid/Issue Opening Date
Pricing Date	The date on which our Company in consultation with the BRLM, finalises the Issue Price
Public Issue Account	Account opened with the Banker to the Issue i.e. ICICI Bank Limited by our Company to receive monies from the Escrow Account and the SCSBs from the bank accounts of the ASBA bidders on the Designated Date
Qualified Foreign Investors /QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI
Qualified Institutional Buyers or QIBs	QIBs, as defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FPI other than Category III FPI registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 2,500 lakhs, pension fund with minimum corpus of Rs. 2,500 lakhs, NIF, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India
Refund Account (s)	The account opened with Escrow Collection Bank(s), from which refunds (excluding to the ASBA Bidders), if any, of the whole or part of the Bid Amount shall be made
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened, in this case being ICICI Bank Ltd.
Refund through electronic transfer of funds	Refund through electronic transfer of funds means refunds through ECS, Direct Credit, RTGS NEFT or the ASBA process, as applicable
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Link Intime India Private Limited having registered office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078
Retail Individual Investor	Individual bidders, or minors applying through their natural guardians, including HUFs (applying through their Karta) and ASBA bidders, who bid for an amount less than or equal to Rs 2,00,000/-
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Form or any previous Revision Form(s)
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making bid/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf or at such

Term	Description
	other website as may be prescribed by SEBI from time to time
SME Platform of NSE	The SME Platform of NSE for listing of Equity Shares offered under Chapter XB of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011
Sub Syndicate Member	A SEBI Registered member of NSE appointed by the BRLM and/or Syndicate Member to act as a Sub-Syndicate Member in the Issue
Syndicate	Includes the BRLM, Syndicate Members and Sub-Syndicate Members
Syndicate Agreement	The agreement dated September 13, 2014 entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue
Syndicate ASBA Bidding Locations	Bidding Centres where an ASBA Bidder can submit their Bid in terms of SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat.
Syndicate Members / Members of the Syndicate	Intermediaries registered with the SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being Choice Equity Broking Private Limited and Hem Securities Limited.
Transaction Registration Slip/ TRS	The slip or document issued by the Syndicate or the SCSB (only on demand), to the Bidder as proof of registration of the Bid
Underwriters	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The agreement dated September 13, 2014 entered into between the Underwriters and our Company
Working Day	All days other than a Sunday or a public holiday on which Commercial Banks in Mumbai are open for business, provided however during the Bidding Period and the Anchor Investor Bidding Period, a working day means all days on which banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday.;

Industry Terms

Term	Description
Bn	Billion
EU	European Union
Kws	Kilowatt
SITP	Scheme for Integrated Textile Parks

Conventional and General Terms/ Abbreviations

Term	Description
A/C	Account
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAD	Current Account Deficit
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act	Companies Act, 1956 as amended from time to time.
Depositories	NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity
DB	Designated Branch
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors Regulations, 1995) and registered with SEBI under applicable laws in India.
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India
FPI(s)	Foreign Portfolio Investor
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gol/ Government	Government of India
HUF	Hindu Undivided Family
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards

Term	Description
IPO	Initial Public Offering
IT Act	The Income Tax Act, 1961 as amended from time to time except as stated otherwise
INR	Indian National Rupee
Key Managerial Personnel / KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “Our Management” beginning on page 163 of this Prospectus
Ltd.	Limited
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
New Companies Act	Companies Act, 2013 as amended form time to time.
NOC	No Objection Certificate
NPV	Net Present Value
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
NSE Emerge	The SME Platform of NSE which was approved by SEBI as an SME Exchange on October 14, 2011 for listing of securities offered under Chapter XB of the SEBI ICDR Regulations.
p.a.	per annum
PAN	Permanent Account Number allotted under The Income Tax Act, 1961
Pvt.	Private
P/E Ratio	Price Earnings Ratio
QIB	Qualified Institutional Buyer
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCSB	Self Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small Medium Enterprise
Stock Exchange (s)	SME Platform of NSE Limited
Sq.	Square
TAN	Tax Deduction Account Number

Term	Description
TRS	Transaction Registration Slip
TIN	Tax Identification Number
u/s	Under Section
U.S. / USA	United States of America
USD or US\$	United States Dollar
U.S. GAAP	Generally accepted accounting principles in the United States of America
Venture Capital Fund(s)/ VCF(s)	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time

Notwithstanding the following: -

- (i) In the section titled *‘Main Provisions of the Articles of Association’* beginning on page 344 of the Prospectus, defined terms shall have the meaning given to such terms in that section;
- (ii) In the section titled *‘Financial Statements’* beginning on page 189 of the Prospectus, defined terms shall have the meaning given to such terms in that section; and
- (iii) In the chapter titled *“Statement of Possible Tax Benefits”* beginning on page 97 of the Prospectus, defined terms shall have the meaning given to such terms in that chapter.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

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

FINANCIAL DATA

Unless stated otherwise, the financial data included in this Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Statutory Auditors, set out in the section titled ‘Financial Statements’ beginning on page 189 this Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

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

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

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled ‘Financial Statements’ beginning on page 189 of this Prospectus.

CURRENCY OF PRESENTATION

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

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

INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this Prospectus have been obtained from internal Company reports and Industry publications inter alia Planning Commission of India, Economic Survey, Industry Chambers and Associations etc. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.



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

FORWARD LOOKING STATEMENTS

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

Important factors that could cause actual results to differ materially from our expectations include, among others:

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

For a further discussion of factors that could cause our actual results to differ, refer to section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 20 and 221 respectively of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date of this Prospectus. Neither we, our Directors, Book Running Lead Manager, Underwriters nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the BRLM and our Company will ensure that investors in India are



informed of material developments until the grant of listing and trading permission by the Stock Exchange.

SECTION II – RISK FACTORS

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

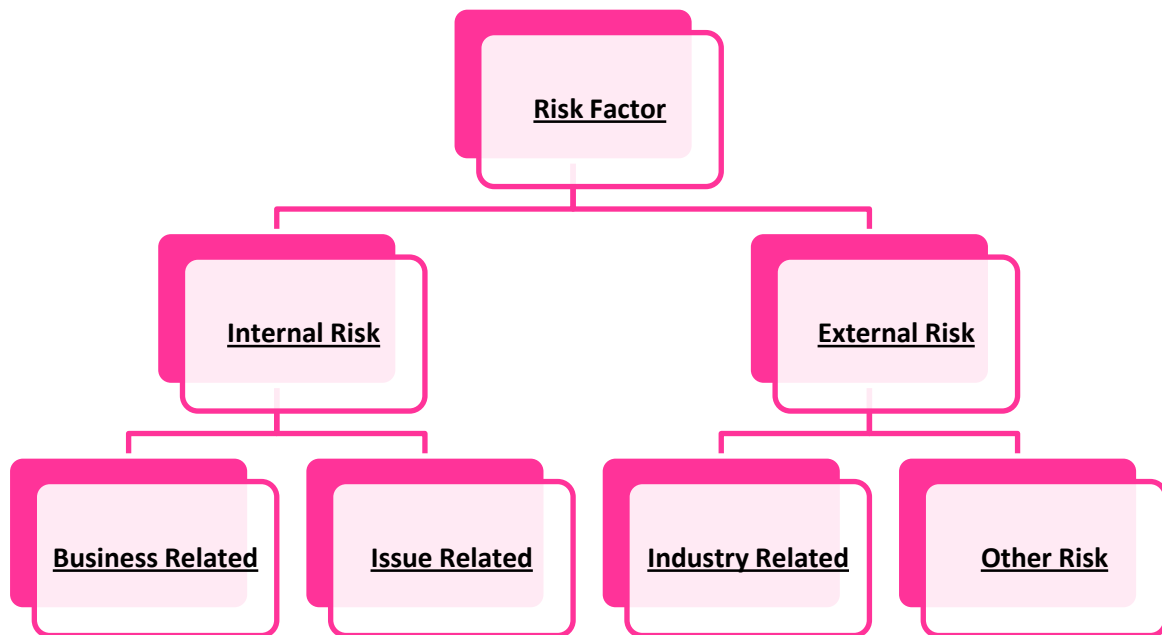
Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 131, “Our Industry” beginning on page 108 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 221 respectively, of this Prospectus as well as other financial information contained herein.

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

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

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 4 of this Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

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



INTERNAL RISK FACTORS

A. Business Risks / Company specific Risk

- We have not applied for certain statutory and regulatory approvals, registrations and licenses. Further, our inability to renew or maintain our statutory and regulatory permits and approvals required to operate our business would adversely affect our operations and profitability.***

Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Our Company is required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals.

Our Company has not yet obtained certain statutory and regulatory approvals, registrations and licenses such as including contract labour related registrations. Such non-compliance may result in proceedings against our Company and the Directors and such actions may directly and immediately affect our operations

For details please refer to chapter titled “Government and Other Statutory Approvals” beginning on page 237 of this Prospectus.

- We have a very limited operating history, which may make it difficult for investors to evaluate our historical performance or future prospects.***

Our Company was incorporated on January 21, 2010. We have a very limited operating history from which you can evaluate our business, future prospects and viability. As a result, our future revenue and profitability are difficult to estimate and could fluctuate significantly and, as a result, the price of our Equity Shares may be volatile.

3. *Substantial portion of our revenue has been dependent upon a single client. The loss of that client would have a material adverse effect on our business operations and profitability.*

For the year ended March 31, 2014, our holding company, AIFL accounted for the majority of gross sales. Currently, majority of orders under execution are from AIFL. The loss of business for them would have a material adverse effect on our financial results. Going forward we expect to be dependent on a small number of customers which could subject us, *inter-alia*, to pricing pressures. Our business and operations may be adversely affected if we are unable to establish or maintain relationships with customers. There are a number of factors, other than our performance, that could cause the loss of a customer and that may not be predictable. Any of those events or any delay or default in payment by our clients for services rendered, may adversely impact our business, financial condition and results of operations and could cause the price of our Equity Shares to decline

While our sales are concentrated, but the advantage is that we have stable order book and hence do not face risk of marketing probabilities, debtor realizations, inventory lock up Further, in order to diversify our customer base we plan to undertake contract manufacturing for international brands at our New Manufacturing Facility. Thus, the composition and revenue generated might change as we will target new customers to grow our business.

4. *Our Company does not own any brands and acts as a contract manufacturer for other companies who own brands and distribution network.*

Our Company does not own any brands. It only acts as a contract manufacturer for customers like AIFL which owns various brands. Without ownership of any brand our company may not be able to charge a premium and will always have to depend on other brand owners for business.

Brands are owned at parent company level to that extent the risk gets mitigated from group's perspective. Further, the company has been charging AIFL with reasonable market prices.

5. *We have not yet identified or entered into any specific written agreements or arrangements for acquisition of land as specified in the chapter titled 'Objects of the Issue' beginning on page no. 89 of this Prospectus. Any delay in finalizing agreements for acquisition of land may delay our expansion plans.*

One of the objects of the Issue is to purchase lands for setting up New Manufacturing Facility. We have estimated the cost of land based on a certificate given by Kulkarni Valuers Private Limited. However, identification of the suitable land may take a longer time than anticipated and such delay(s) may adversely affect our production plans.

6. *Our Company does not have any formal arrangement for appropriation of production costs between us and AIFL*

Our Company undertakes contract manufacturing for brand owners like AIFL. We do not have any formal arrangement for a fixed margin our Company can charge for contract manufacturing undertaken by us. The margins for manufacturing undertaken by us are decided on case to case basis. Though we maintain fair pricing and apportion costs appropriately, lack of firm policy risk the profitability and business operations of the Company

7. **Approvals for setting up New Manufacturing Facility**

The Company will require various statutory permissions and utility connections in relation to the New Manufacturing Facility. These include factory license, labour licenses, power, water connections, approval from town planning authorities, environmental clearances etc. If any of such permissions, licenses or utility connections are not received, or are received on unfavourable terms, it could adversely affect our financial condition and results of operations.

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

Our business is working capital intensive. Major portion of our working capital is utilized towards inventory. Summary of our working capital position is given below:-

Particulars	Rs. In Lakhs		
	March 2014	March 2013	March, 2012
Net Working Capital (Excluding WC Loans)	4214.15	3019.04	62.44
Total Current Assets	6128.89	5087.51	773.14
Inventory	4,112.45	1,687.38	92.60
Inventory as % of Total Current Assets	67%	33%	12%

We have been sanctioned fund based working capital limits of Rs. 2,700 lakhs from the existing bankers. The apparel business is working capital intensive and involves a lot of investment in inventory as well as debtors. We intend to continue growing by reaching out to newer customers and also increasing the sales in the existing customers. All these factors may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled "Objects of the Issue" beginning on page 89 of this Prospectus.

Long working capital cycle and inventory lock-up on the other hand; act as an entry barrier to new entrants at current level of operations and to that extent it adds to the company's competitiveness and sustained operations.

9. **Our Company has not been making the required filings with the Registrar of Companies in a timely manner.**

Our Company is required under the Companies Act and New Companies Act to make filings with the RoC some of which has not been done within the stipulated time period at some instances. Due to these delays in filings, our Company had on several occasions paid the requisite late fees. Also our Company has filed some forms incorrectly. While this could be attributed technical lapses and human errors, our Company has now appointed a whole time company secretary and is in the process of setting up a system to ensure that requisite filings are done appropriately with the requisite timeline.

10. **Our Promoter, Ashapura Intimates Fashion Limited is involved in legal proceeding(s). Any adverse decision in such proceedings may render them liable to liabilities / penalties and may adversely affect our / their business and results of operations.**

Our Ashapura Intimates Fashions Limited is involved in certain legal proceedings and claims in relation to certain civil matters. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Any adverse decision may render us / them liable to liabilities / penalties and may adversely affect our / their business and results of operations.

For further details regarding these legal proceedings, please refer to the chapter titled 'Outstanding Litigations and Material Developments' beginning on page 230 of this Prospectus.

11. Properties on which our existing manufacturing facility is located is not owned by us. In the event, we are unable to renew the lease/rent agreements, or if such agreements are terminated, we may suffer a disruption in our operations.

Our manufacturing unit at Bhiwandi has been taken by us on lease. This lease is renewable on mutually agreed terms. Upon termination of the lease, we are required to return the said business premises to the lessor/licensor, unless renewed. Some of machines used by us for manufacturing have been taken by us on lease. This lease is renewable on mutually agreed terms. Upon termination of the lease, we are required to return the said machines to the Lessor/Licensor, unless renewed.

We have renewed the lease agreement upto 2017 on the existing terms. Further once our New Manufacturing Facility is set up the entire production will be shifted there.

We have taken the property and some machines on lease from our parent company to that extent, the risk in practical terms gets mitigated. Moreover, the company proposes to set up its own plant at land to be acquired by the company.

For details on properties taken on lease/rent by us please refer to the heading titled "Land & Property" in chapter titled "Our Business" beginning on page 131 of this Prospectus.

For details on machines taken on lease by us please refer chapter titled "Our Business" beginning on page 131 of this Prospectus.

12. Our Company has negative operating and investing cash flow in the past years details of which are given below: Sustained negative cash flow could impact our growth and business.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources.

(Rs. In Lakhs)

Particulars	For the year or period ended on				
	March 14	March13	March 12	March 11	March 10
Net Cash Flow from/(used in) Operating Activities	(112.90)	(2,718.84)	3.24	0.14	0.14
Net Cash flow from /(Used in) Investing Activities	(379.91)	(514.38)	0.21	(0.18)	(0.88)
Net Cash Flow from/(used in) Financing Activities	873.25	3245.82	0.07	0.00	5.00

Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. Our Company is a new company and is in initial phases of its life cycle where the operating & investing cash flows are generally negative due to investments in fixed assets and working capital.

13. Our construction costs may exceed our budgeted amounts.

The anticipated costs of construction of our New Manufacturing Facility are based on budgets, estimates and numerous assumptions. The cost of construction has been estimated at approx. Rs. 1,200 Lakhs. The actual costs of construction of may exceed such budgeted amounts due to a variety of factors such as construction delays, adverse changes in raw material costs, interest rates, labor costs, foreign exchange rates, regulatory and environmental factors, weather conditions and our

financing needs etc. Our financial condition, results of operations and liquidity would be materially and adversely affected if our project or construction costs materially exceed such budgeted amounts.

14. *We may not be able to ensure effective implementation of our project and its successful commissioning*

A key part of our strategy is dependent upon the timely completion of the New Manufacturing Facility. However, we cannot assure you that the construction of the New Manufacturing Facility will be completed or once completed in all respects; it will operate as efficiently as planned. The construction and timely completion of New Manufacturing Facility will be subject to but not limited to engineering, construction and other commercial risks, inter alia:

- the availability of financing on acceptable terms;
- reliance on third parties to construct and complete our New Manufacturing Facility;
- engineering design and technological changes;
- mobilizing the required resources, including housing and training a large workforce;
- failure to obtain necessary governmental and other approvals;
- changes in market conditions;
- disputes with and defaults by contractors and subcontractors;
- environmental, health and safety issues, including site accidents;
- infrastructure and transport delays;
- actions of our competitors;
- accidents, natural disasters and weather-related delays;
- time and cost overruns and unanticipated expenses; and
- regulatory changes.

The failure to complete our New Manufacturing Facility on a timely basis due to unforeseen reasons could adversely affect our ability implement our growth strategy. Accordingly, any delay would have an adverse impact on our reputation and could have a material adverse effect on our business, financial condition, results of operation and prospects.

15. *We rely heavily on third-party contractors and their sub-contractors for the timely completion of our New Manufacturing Facility. Any default by our contractors or suppliers could materially and adversely affect our operations.*

We rely upon third-party contractors for the construction of the proposed New Manufacturing Facility. We also intend to use third-party providers for the supply of most of our raw materials. We may be similarly affected by strikes by transportation workers. In addition, transportation costs have been steadily increasing due to hike in fuel cost etc. Our reliance on third-party contractors, subcontractors and other third party providers may subject us to construction delays which are beyond our control. Any such delay may lead to cost overruns.

In order to mitigate the above risks we choose to work with contractors who have adequate resources and reputation of completing similar projects as per schedule.

16. *Within the parameters as mentioned in the chapter titled 'Objects of the Issue' beginning on page 89 of this Prospectus, our Company's management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.*

We intend to use Issue proceeds towards Acquisition of Land for setting up of New Manufacturing Facilities, meet long term working capital requirement, issue expenses and general corporate purpose. We intend to deploy the Net Issue Proceeds in FY 2014-2015 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions,

strategy of our Company, etc. For further details on the use of the Issue Proceeds, please refer chapter titled "Objects of the Issue" beginning on page 89 of this Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company's Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled 'Objects of the Issue' beginning on page 89 of this Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the utilization of the proceeds of this Issue.

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

While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and workmen's compensation, and are subject to exclusions and deductibles. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

For details of insurance availed by us please refer heading titled 'insurance' in the chapter 'Our Business' beginning on page 131 of the Prospectus.

18. *The availability and quality of raw material is an important factor for our business, any fluctuation, delay or increase in cost in same may affect our business and prices.*

The availability of raw materials such as cotton fabrics, polyesters etc. may fluctuate significantly, depending on many factors, including crop yields and weather patterns. Any material shortage or interruption in the supply or decrease in the quality of raw materials due to natural causes or other factors could result in increased production costs that we may not be able to pass on to our customers, which in turn would have a material adverse effect on our margins and results of operations. We procure these raw materials from domestic market at the existing market rates. However, the prices of these materials are subject to rapid fluctuations owing to changes in demand-supply forces which are not within our control. Increase in prices shall lead to an increase in cost of production, thereby increasing the price of our final product. This would have an adverse impact on our business, financial conditions and results of operations. Further, our suppliers of fabrics and other raw materials may allocate their resources to service other clients ahead of us. While we believe that we could find additional vendors to procure these fabrics and other raw materials, any failure of our suppliers to deliver these fabrics and raw materials in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our production processes and our ability to deliver orders on time and at the desired level of quality. As a result, we may lose a customer or incur contractual penalties or liabilities for failure to perform contracts, which could have a material adverse effect on our business, financial condition and results of operations.

19. *We are a labour intensive industry and hence may face labour disruptions and other planned and unplanned outages that would interfere with our operations.*

Our Company's business is labour intensive. Strikes and other labour action may have an adverse impact on our operations. Although we have not experienced any such labour disruption in the past,

we cannot assure that we will not experience any strike, work stoppage or other industrial action in the future. Any such event may interrupt our operations for a significant period of time and result increased wages and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition. For further details, see the chapter “Our Business” on beginning on page 131 of the Prospectus.

20. *Our business is dependent on our manufacturing facilities, all of which are geographically located in one area. Any loss or shutdown of operations at our manufacturing facilities in Bhiwandi may have an adverse effect on our business and results of operations.*

Our only manufacturing facility is located at Bhiwandi. As a result, if there is any local unrest, natural disaster or breakdown of services and utilities in Bhiwandi, it may adversely affect our business. Further our manufacturing activities are subject to operating risks which include *inter-alia* breakdown or failure of power supply, equipment, obsolescence, labour disputes, strikes, lock-outs, continued availability of services of our external contractors, earthquakes and other natural disasters, industrial accidents etc. We have not experienced any of these operating risks in the past. However their occurrence cannot be ruled out. If and when they occur they could have material adverse effect on our business, results of operations or financial condition.

Our equipment function independent of one another thereby operational breakdown of some of our equipment does not affect our overall operations significantly. Further the technology employed by us is pretty simple and does not involve complex processes. Bhiwandi being a textile hub there are adequate service providers and vendors of the technology we employ in the vicinity of our unit thus reducing our dependency on a single source. Further, our lease agreement also cover lease of DG Sets which provides us power backup to meet the contingency of any power failure. Our Company’s relations with its labourers have been cordial and there have been no incidents of labour unrest in the past. Further, our company endeavors address any of the concerns of workers in a timely manner to resolve any labor grievances. Although we have contingency plans to meet most of our operating risks we cannot assure you about the adequacy of such plans will be adequate to meet all of our operating risks.

21. *We have acquired the business of apparel manufacturing from our Directors.*

Our Company has acquired businesses, assets and machinery from M/s Jehaan Clothing (Proprietorship concern of Mr. Hitesh Punjani) and M/s Momai Apparels (Proprietorship concern of Mr. Dinesh Sodha) in the past. The valuations of the same as appearing in our books may not necessarily reflect their intrinsic values.

22. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Under our financing arrangements, we are required to obtain prior, written lender consent for, among other matters, changes in our capital structure, formulating a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios.*

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future

growth plans. For further information, see the chapter titled “Financial Indebtedness” on page 229 of the Prospectus

23. *Our Company has availed unsecured loans in past and may avail in future loans from related parties which were repayable on demand.*

We have availed in past unsecured loans from related parties. For further details in relation to the unsecured loans, please refer the chapter “Financial Statements as Restated” beginning on page 193 of the Prospectus. Unsecured loans may be called at any time by these Parties. In the event these loans are required to be re-paid on a short notice, our Company may have to arrange for additional funds which may impact our financials

Currently there are no outstanding loans from related parties.

24. *Some of our lease agreements may have certain irregularities.*

Some of the agreements entered into by us with respect to our manufacturing facilities and other leasehold/leave and license premises may not be adequately stamped and registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute vis-à-vis the said premises and our non-compliance of local laws relating to stamp duty and registration may adversely impact the continuance of our activity from such premises.

25. *We have taken guarantees from promoter & directors as well as others in relation to debt facilities provided to us.*

We have taken guarantees from promoters & directors as well as others in relation to all our secured debt facilities availed from our Bankers. In an event our Promoter or other withdraws or terminate its/their guarantee/s, the lender for such facilities may ask for alternate guarantee/s, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantee/s satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information please see the chapter titled “Financial Indebtedness” beginning on page 229 of this Prospectus.

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

Our Company has entered into certain transactions with our related parties including our Promoter, our Directors. While we believe that all such transactions have been conducted on the arm’s length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation.

For details on the transactions entered by us, please refer to section “Related Party Transactions” in Section “Financial Statements” beginning on page 189 of this Prospectus.

27. *Our Directors may have interest in our Company, other than reimbursement of expenses incurred or remuneration.*

Our Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives and benefits deriving from their directorship in our Company. Our Promoter is

interested in the transactions entered into between our Company and itself. For further details, please refer to the chapters titled “Our Business” and “Our Promoter & Promoter Group”, beginning on page 131 and 180, respectively and “Related Party Transactions” beginning on page 187 of this Prospectus.

28. *Our Company is dependent on third party transportation providers for the delivery of raw materials/ finished Products and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations*

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

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

In order to mitigate the above risks we choose to work with contractors who have adequate resources and have demonstrated consistent track record for given work.

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

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

30. *Any future equity offerings may lead to dilution of your shareholding in our Company.*

Investors in this Issue may experience dilution of their shareholding to the extent that our Company makes future equity or convertible offerings. Further, any perception or belief that further issues might occur may adversely affect the trading price of our Equity Shares.

31. *Our success depends largely upon the services of our Directors and other Key Managerial Personnel and our ability to retain them. Our inability to attract and retain key managerial personnel may adversely affect the operations of our Company.*

Our Company and our Directors have over the few years built relations with suppliers, clients and other persons who are connected with our business. Further, our Key Managerial Personnel also possesses the requisite domain knowledge necessary for our business. Accordingly, our Company's performance is dependent upon the services of our Promoter and other Key Managerial Personnel. Our future performance will, therefore, depend upon the continued services of these persons. It is possible that we may lose our skilled and trained staff to our competitors and high attrition rates in particular, could result in a loss of domain and process knowledge. Demand for key managerial

personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.

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

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

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

Modernization and technology upgradation is essential to provide better services. Although we strive to keep our technology in line with the latest standards, we may be required to implement new technology or upgrade the existing employed by us. Further, the costs in upgrading our technology could be significant which could substantially affect our finances and operations.

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

We have proposed a dividend of Rs 0.50 per equity share outstanding as on March 31, 2014. The amount of our future dividend payments, if any, will depend upon various factors such as our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance that we shall have distributable funds or that we will declare dividends in the future. Additionally, the terms of any financing we obtain in the future, may contain restrictive covenants which may also affect some of the rights of our shareholders, including the payment of the dividend.

35. *Our logo/trademark is in the process of getting registered*



We have made an application for registration of our Logo/trademark on June 27, 2014 under the Trademarks Act, 1999 and are in the process of getting the same registered. If our Company is unable to obtain registration of trademark, it may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks. This could have a material adverse effect on our business, which in turn could adversely affect our results of operations.

36. *Under-utilisation of our manufacturing facility, which our Company proposes to set up may adversely impact our financial performance*

Our Company intends to expand its production capacities based on our assessment of market demand and profitability. In the event of non-materialisation of our estimates and expected order flow, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby adversely impacting our financial performance.

B. Risk relating to the Issue

37. Our Company has allotted Equity Shares at a price lower than the Issue price during the last 12 months

Our Company has allotted Equity Shares during last 12 months at a price lower than issue price. For further details, please refer to the chapter titled “Capital Structure” on page 68 of this Prospectus.

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

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

39. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder’s ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

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

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

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

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

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

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

The Issue Price of our Equity Shares has been determined by book build method. This price is based on numerous factors (For further information, please refer chapter titled “Basis for Issue

Price” beginning on page 94 of this Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

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

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

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

EXTERNAL RISK FACTORS

A. Industry Risks

43. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

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

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

Our Company is also subject to regulations and textile policies, primarily in India. For further details, see the chapter titled “Key Industry Regulations and Policies” beginning on page 150 of the

Prospectus. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

B. Other Risks

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

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

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

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

47. Financial instability in Indian financial markets could adversely affect Our Company's results of operations and financial condition.

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other economies, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

48. Political, economic and social changes in India could adversely affect economic conditions generally and our business in particular.

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or

other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company's business could cause its results of operations to suffer. Any significant change in India's economic policies could disrupt business and economic conditions in India generally and the Company's business in particular.

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

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

50. *Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.*

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 ("IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 32 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. Our financial condition, results of operations, cash flows or changes in the shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period.

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

Taxes and other levies imposed by the central or state governments in India that affect our industry include:

- custom duties on imports of raw materials and components;
- excise duty on certain raw materials and components;
- central and state sales tax, value added tax and other levies; and
- Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

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

52. *Our Company's Equity Shares are proposed to be listed and traded on NSE EMERGE, which is of recent origin and may take time to mature*

NSE Emerge Platform was launched by NSE on March 13, 2012. Such an SME platform is of recent origin and may take time to get matured in markets. Since its launch till the date of this Prospectus, 5 (five) companies have been listed on NSE Emerge and another 66 (Sixty Six) companies listed on BSE

SME Platform. Investors may still not have strong confidence for initial subscription and / or secondary market trading in SME scrip. Moreover, it is proposed to list the Equity Shares of our Company only on NSE Emerge. Investment in this Issue, thus, could be riskier.

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

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

54. *The occurrence of natural disasters may adversely affect our business, financial condition and results of operations.*

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires and pandemic disease may adversely affect our financial condition or results of operations. The potential impact of a natural disaster on our results of operations and financial position is speculative, and would depend on numerous factor The extent and severity of these natural disasters determines their effect on the Indian economy. Although the long term effect of diseases such as the H5N1 "avian flu" virus, or H1N1, the swine flu virus, cannot currently be predicted, previous occurrences of avian flu and swine flu had an adverse effect on the economies of those countries in which they were most prevalent. An outbreak of a communicable disease in India would adversely affect our business and financial conditions and results of operations. We cannot assure you that such events will not occur in the future or that our business, financial condition and results of operations will not be adversely affected.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months is not subject to capital gains tax in India if securities transaction tax ("STT") is paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax. Any change in tax provisions may significantly impact your return on investments.

PROMINENT NOTES:

- a) The Public Issue of 38,46,400 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 78/- per Equity Share (including a premium of 68/- per Equity Share) aggregating Rs. 3000.192 Lakhs ("the Issue"). Issue of Equity Shares will constitute 26.66 per cent of the fully diluted Post-Issue paid up capital of our Company. For more information, please refer to chapter titled "The Issue" on page 56 of this Prospectus.
- b) The net worth of our Company was Rs. 1711.95 Lakhs, Rs. 405.91 Lakhs, Rs.62.36 and Rs. 3.94 Lakhs as of March 31, 2014, March 31 2013, March 31, 2012, and, March 31, 2011 respectively. The book value of each Equity Share was Rs. 19.29, Rs. 26.53, Rs. 124.71 and Rs.7.87 as of March 31, 2014,

March 31, 2013, March 31, 2012 and March 31, 2011 respectively as per the restated financial statements of our Company. For more information, please refer to section titled “Financial Statements” beginning on page 189 of this Prospectus.

- c) The average cost of acquisition of per Equity Shares by our Promoter, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Ashapura Intimates Fashion Limited	28,66,500	5.55

- d) For details of Related Party Transactions entered into by our Company, please refer to the chapter titled “*Related Party Transactions*” beginning on page 187 of this Prospectus.
- e) Except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoter and Promoter Group*” and “*Our Management*” beginning on pages 68, 180 and 163 respectively, of this Prospectus, neither of our Promoter, nor any of the Directors or Key Management Personnel has any interest in our Company.
- f) Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 68 of this Prospectus, we have not issued any Equity Shares for consideration other than cash.
- g) Investors may contact the BRLM or the Company Secretary and Compliance Officer for any clarification / complaint or information relating to the Issue, which shall be made available by the BRLM and our Company to the investors at large. No selective or additional information will be available for a section of investors in any manner whatsoever. For contact details of the BRLM and the Company Secretary and Compliance Officer, please refer to the chapter titled “*General Information*” beginning on page 57 of this Prospectus.
- h) Investors are advised to refer to chapter titled “*Basis for Issue Price*” on page 94 of this Prospectus.
- i) Trading in Equity Shares for all investors shall be in dematerialized form only.
- j) There are no financing arrangements whereby the Promoter Group, the Directors of our Company, the Independent Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Prospectus.
- k) Except as stated in the chapter titled “*Our Group Entities*” beginning on page 186 and chapter titled “*Related Party Transactions*” beginning on page 187 of this Prospectus, our Group Entities have no business interest or other interest in our Company.
- l) Investors may note that in case of over-subscription in the Issue, allotment to Retail Bidders and other Bidders shall be on a proportionate basis. For more information, please refer to the chapter titled “*Issue Structure*” beginning on page 260 of this Prospectus
- m) Our Company was incorporated as a private company under the name of Momai Apparels Private Limited under the provisions of the Companies Act, 1956 on January 21, 2010 in Mumbai, Maharashtra. Subsequently, our Company was converted from private limited company to a public limited company and its name was changed to Momai Apparels Limited vide fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company dated September 5 2013. For further details please refer to chapter titled ‘Our History and Certain Other Corporate Matters’ beginning on page 160 of this Prospectus.
- n) As per Regulation 16(1) of the SEBI (ICDR) Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50,000 Lakhs. Since the Issue size is only of Rs. 3000.192 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per the



Clause 52 of the SME Listing Agreement to be entered into with NSE upon listing of the Equity Shares and the corporate governance requirements, inter-alia, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 20 and 189 respectively of this Prospectus before deciding to invest in our Equity Shares.

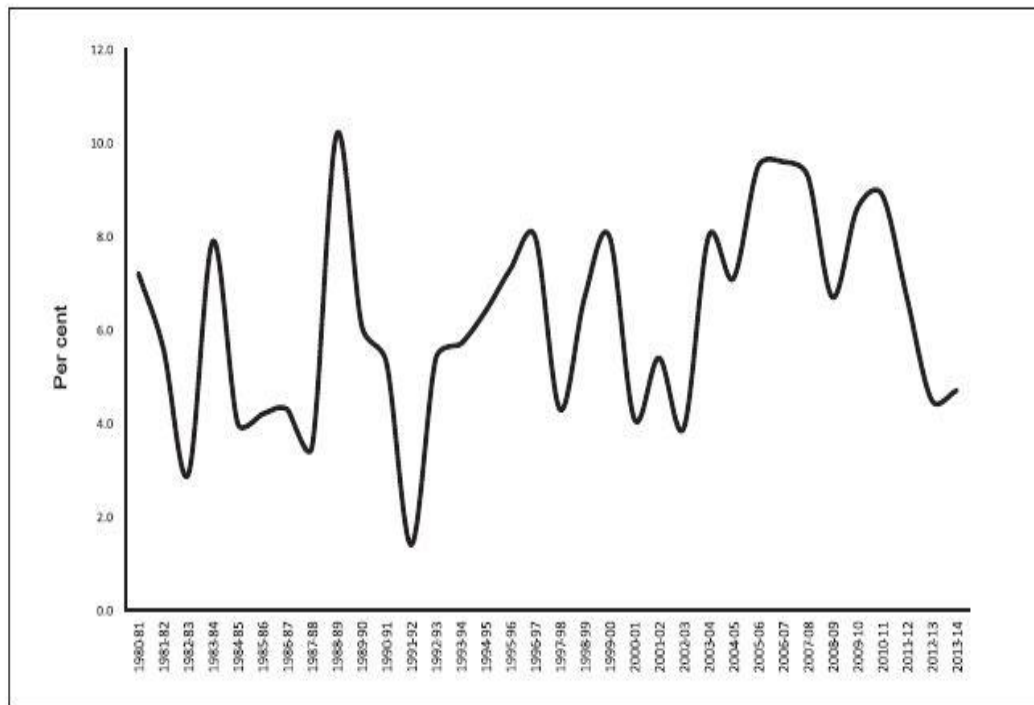
The information in this section is also derived from the report prepared by Kakode & Associates. Kakode& Associates has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. Kakode& Associates has added value with its own exclusive insights and understanding. Possession of this information or data does not violate any regulation whatsoever. However, neither the accuracy nor completeness of information contained in this report is guaranteed. Kakode& Associates is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in this report and especially states that Kakode& Associates has no financial liability whatsoever to the user of this product. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of Kakode& Associates.

OVERVIEW OF INDIAN ECONOMY

In 2014-15, the Indian economy is poised to overcome the sub-5 per cent growth of gross domestic product (GDP) witnessed over the last two years. The growth slowdown in the last two years was broad based, affecting in particular the industry sector. Inflation too declined during this period, but continued to be above the comfort zone, owing primarily to the elevated level of food inflation. Yet, the developments on the macro stabilization front, particularly the dramatic improvement in the external economic situation with the current account deficit (CAD) declining to manageable levels after two years of worryingly high levels was the redeeming feature of 2013-14. The fiscal deficit of the Centre as a proportion of GDP also declined for the second year in a row as per the announced medium term policy stance. Reflecting the above and the expectations of a change for the better, financial markets have surged. Moderation in inflation would help ease the monetary policy stance and revive the confidence of investors, and with the global economy expected to recover moderately, particularly on account of performance in some advanced economies, the economy can look forward to better growth prospects in 2014-15 and beyond.

Source: (Economic survey 2013-14)

Growth in Real GDP (per cent)



Source – Economic Survey 2013-2014

OUTLOOK FOR 2014-15

The descent into the present phase of sub-5 per cent growth has been rather sharp. The interplay of structural constraints alongside delays in project implementation, subdued domestic sentiments, and an uncertain global milieu led to general growth slowdown while rendering macroeconomic stabilization particularly challenging. Inflation also remained at elevated levels. These factors triggered risk-aversion and injected considerable uncertainty in investment activity. The current macroeconomic situation precludes fiscal stimulus to kick-start activity. Similarly, the task of monetary policy calibration for growth revival has been made difficult by persistent inflation and further complicated by uncertainty in international financial conditions and, until recently, by rupee depreciation. Targeted measures by the government and RBI have improved the external economic situation significantly, even as India remains exposed to risk on/off sentiments of investors and to policy shifts in advanced economies. Regaining growth momentum requires restoration of domestic macroeconomic balance and enhancing efficiency. To this end, the emphasis of policy would have to remain on fiscal consolidation and removal of structural constraints. Though some measures have been initiated to this end, reversion to a growth rate of around 7-8 per cent can only occur beyond the ongoing and the next fiscal.

Global economic activity is expected to strengthen in 2014-15 on the back of some recovery in advanced economies. The Euro area is also expected to register a growth rate of above 1 per cent as against contraction witnessed in 2012 and 2013 (IMF, WEO, April 2014). The European Central Bank's monetary policy measures, most significantly introduction of the negative deposit facility interest rate are expected to boost economic activity in Europe. In addition, the performance of the real sector in the US (that is likely affect the pace of taper) is a major factor that would impact the global economic situation in 2014-15. The growth outlook for emerging Asian economies is generally benign with some grappling with inflation, structural bottlenecks, and external imbalances. The slowdown in emerging economies comes at an inopportune juncture.

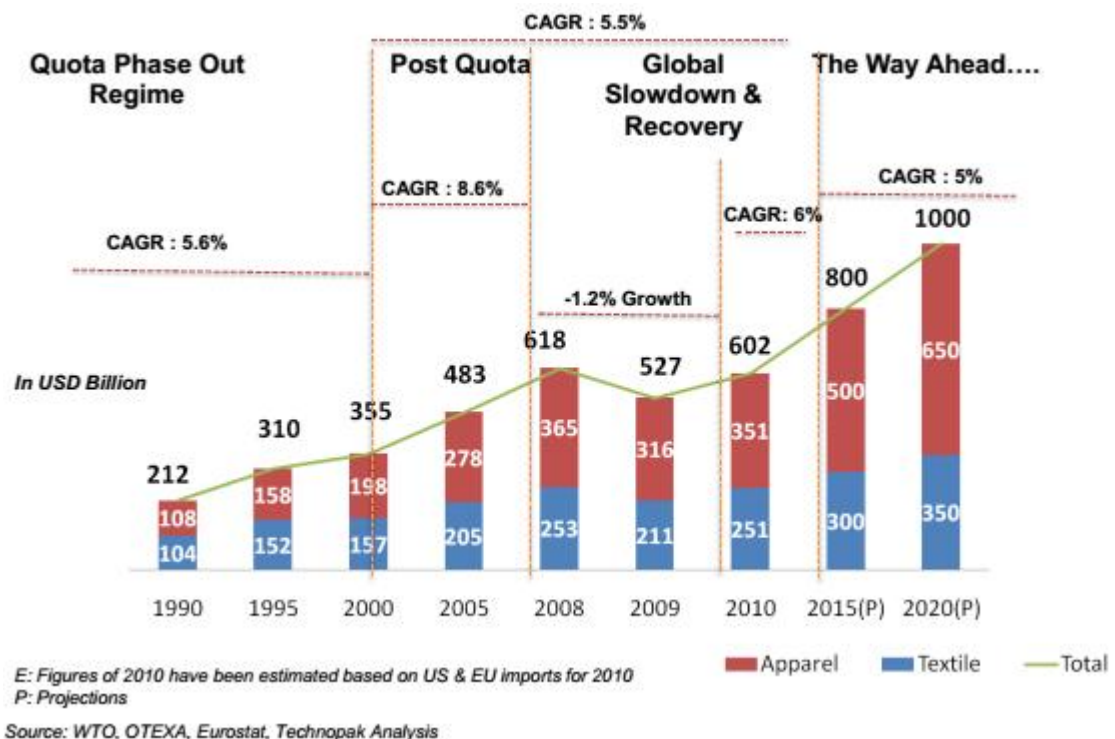
Downward movement along with heightened volatility, witnessed, for example, in fixed investment post 2008-09 in India, often tends to magnify the impact and transmission channels of shocks (e.g. below-normal monsoons and/or upshot in oil prices) and hampers build-up of positive expectations. Under such circumstances, the Indian economy can recover only gradually with the GDP at factor cost at constant prices expected to grow in the range of 5.4 – 5.9 per cent in 2014-15. This assumes the revival of growth in the industrial sector witnessed in April 2014 to continue for the rest of the year, the generally benign outlook on oil prices (notwithstanding the uncertainty on account of recent developments in the Middle East), and the absence of pronounced destabilizing shocks (including below-normal monsoons). Growth in the above range implies a pick-up, aided by an improved external economic situation characterized by a stable current account and steady capital inflows, improved fiscal situation and, on the supply side, robust electricity generation and some recovery in manufacturing and non-government services.

Growth in 2014-15 is expected to remain more on the lower side of the range given above, for the following reasons: (i) steps undertaken to restart the investment cycle (including project clearances and incentives given to industry) are perceived to be playing out only gradually; (ii) the benign growth outlook in some Asian economies, particularly China; (iii) still elevated levels of inflation that limit the scope of the RBI to reduce policy rates; and (iv) expectation of below-normal monsoons. Downside risk also emerges from prolonging of the geo-political tensions. On the upside, such factors as institutional reform to quicken implementation of large projects and a stronger-than-expected recovery in major advanced economies would help the Indian economy clock a higher rate of growth.

Source: Economic Survey 2013-2014

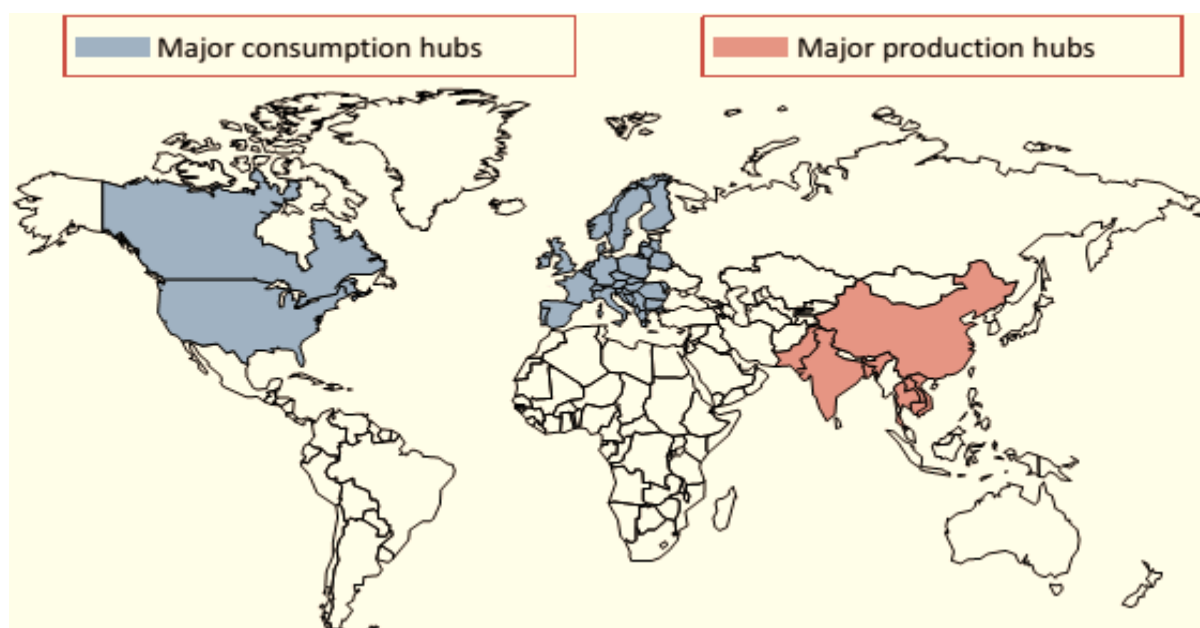
GLOBAL TEXTILE INDUSTRY

The global textile industry has grown significantly over the years and is expected to grow further. Despite the current global economic downturn, the global textile industry continues to grow at a healthy rate and this, coupled with the absence of switching costs for consumers and great product differentiation, means that rivalry within the industry is no more than moderate. The textile industry is of great importance to the global economy in terms of trade, employment, investment and revenue all over the world. This particular industry has short product life cycles, vast product differentiation and is characterized by great pace of demand change coupled with rather long and inflexible supply processes.



Source: Kakode& Associates

However, it is noteworthy that the textile production has gradually shifted from developed / western countries to developing / Asian countries rapidly in the last 10 years. Asian countries like China and India apart from being production hubs have also emerged as strong consuming base in the last 5 years.



Today, the major production hubs for textile and apparel manufacturing are China, India, Bangladesh, Pakistan, Indonesia, etc.

Source: Kakode& Associates

INDIAN TEXTILE INDUSTRY

India's textiles and clothing industry is one of the mainstays of the national economy. It is also one of the largest contributing sectors to India's exports, contributing nearly 11 per cent of the total exports basket. The textiles industry is labour intensive and employs about 45 million people. It has a major presence in the unorganized sector. The report of the Working Group constituted by the Planning Commission on boosting India's manufacturing exports during the Twelfth Five Year Plan (2012-17) puts India's exports of textiles and clothing at US\$ 64.41 billion by the end of March 2017. In global clothing exports, India ranked ninth as per World Trade Organization (WTO) data 2012 (latest), with China, the EU, and Hong Kong occupying the first three slots. In global textile exports, India ranked third, trailing China and the EU. The import content of India's textile exports is very low, limited to certain specialty fibers and accessories.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven sector at one end of the spectrum, and the capital intensive, sophisticated mill sector at the other. The decentralized power looms/ hosiery and knitting sector form the largest section of the textiles sector. The close linkage of the industry to agriculture, the ancient culture, and traditions of the country make the Indian textiles sector unique in comparison with the textiles industry of other countries. This also provides the industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country.

The major sub-sectors that comprise the textiles sector include the organized cotton/man-made fiber textiles mill industry, the man-made fiber/filament yarn industry, the wool and woollen textiles industry, the sericulture and silk textiles industry, handlooms, handicrafts, the jute and jute textiles industry, and textiles exports.

The Indian textile industry is vertically integrated from raw material to finished products, i.e. fiber to retail. The government has been providing liberal assistance to the sector under the Technology Upgradation Fund Scheme (TUFS). Under TUFS, since inception till 31 March 2014 investment of more

than Rs. 2,50,000 crore has been made in the sector and Rs. 18,579.40 crore has been released towards subsidy. The Scheme for Integrated Textile Parks (SITP) is a strategic initiative to help set up integrated parks equipped with world-class infrastructure facilities in industrial clusters/locations with high growth potential. The proposal for continuation of the SITP Scheme in the Twelfth Five Year Plan with an allocation of Rs.1900 crore, which includes an additional grant for apparel-manufacturing units under the SITP, has been approved by the Cabinet Committee on Economic Affairs (CCEA). An allocation of ` 300 crore was made in 2013-14, later revised to Rs. 140 crore, of which Rs. 111 crore was disbursed.

Source: Annual Return 2012-2013, Ministry of Textiles, Government of India and Economic Survey 2013-2014

Key Facts of Indian Textile and Apparel Industry

The highlights of the Indian textile and apparel Industry are:

- Second largest producer of textiles and garments after China.
- Second largest producer of cotton in the world.
- Indian textile industry accounts for about 24 per cent of the world's spindle capacity and 8 per cent of global rotor capacity.
- India has the highest loom capacity (including hand looms) with 63 per cent of the world's market share.
- Second largest employer in India after agriculture – Direct Employment to 35 million people.
- Constitutes about 12 per cent of India's exports.
- India accounts for about 14 per cent of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton; and third largest in cellulosic fibre)
- Indian textile industry contributes about 4 per cent to India's GDP.
- Investment made in Textile sector since launch of TUFS scheme is Rs. 208,000 crore till June 2010.

Source: Kakode & Associates

Industry Strengths and Weakness

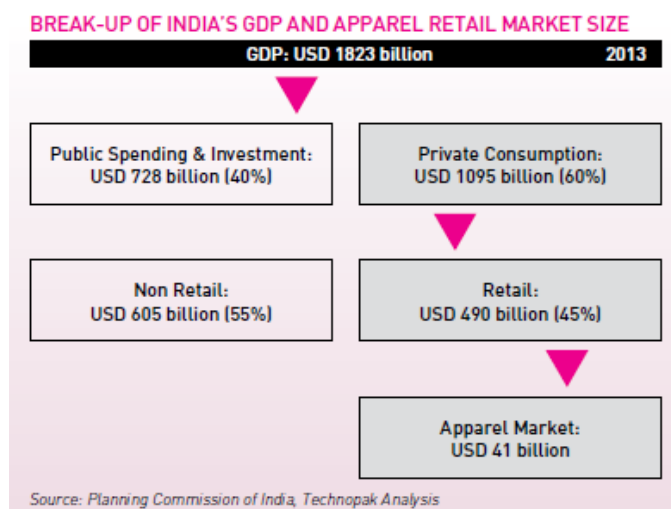
Strengths

- Long textile tradition
- Large pool of skilled and cheap work force
- Entrepreneurial skills
- Efficient multi-fibre raw material manufacturing capacity
- Large domestic market
- Enormous export potential
- Very low import content
- Flexible textile manufacturing systems

Weakness

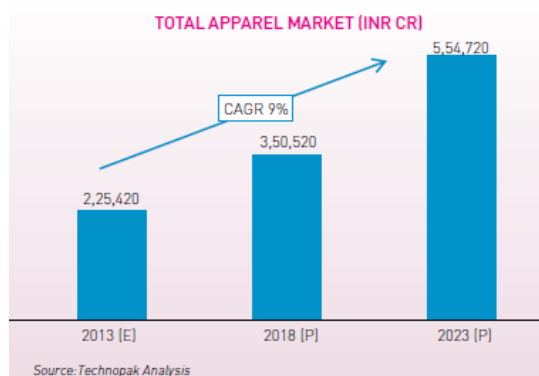
- Use of out-dated manufacturing technology
- Huge unorganized and decentralized sector
- Poor supply chain management
- Power and other infrastructure constraints
- Lack of Effective Labour Policies

INDIAN APPAREL INDUSTRY



(Source: Business of Fashion Report- 2014)

- The promising growth trajectory of apparel market with a CAGR of 9 per cent makes India a lucrative market for both Indian and international players when compared to the developed markets of the US, Europe and Japan that are expected to grow at only 2-3 per cent. This growth is attributed to a number of trends related to economy, demography, technological innovations and changing consumer buying behavior.

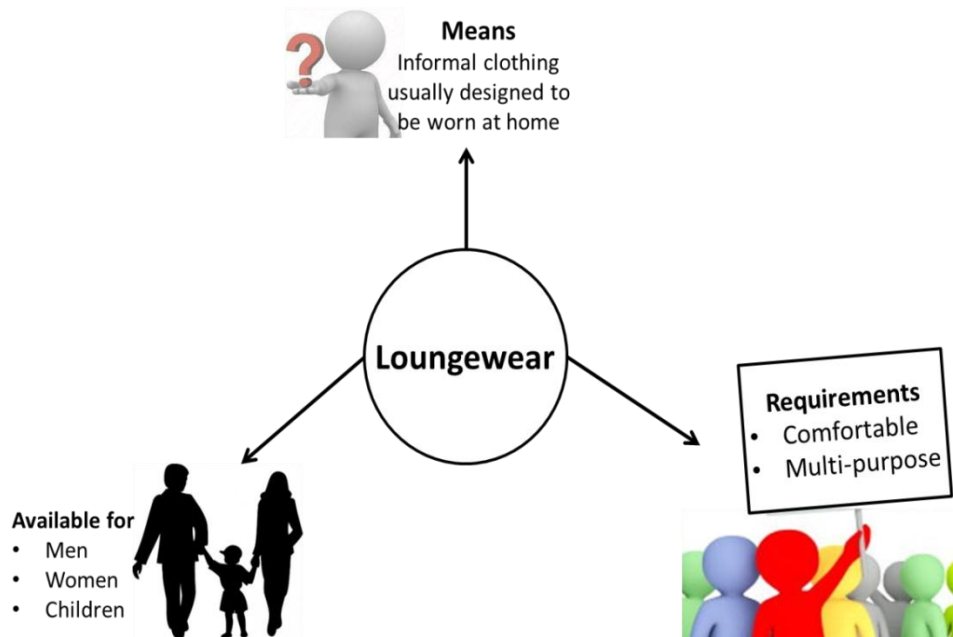


(Source: Business of Fashion Report- 2014)

It is also expected that a number of international brands across all the formats will venture into India to leverage the scope in modern retail. The share of international brands is expected to jump from 18 per cent in 2013 to 25 per cent in 2018.

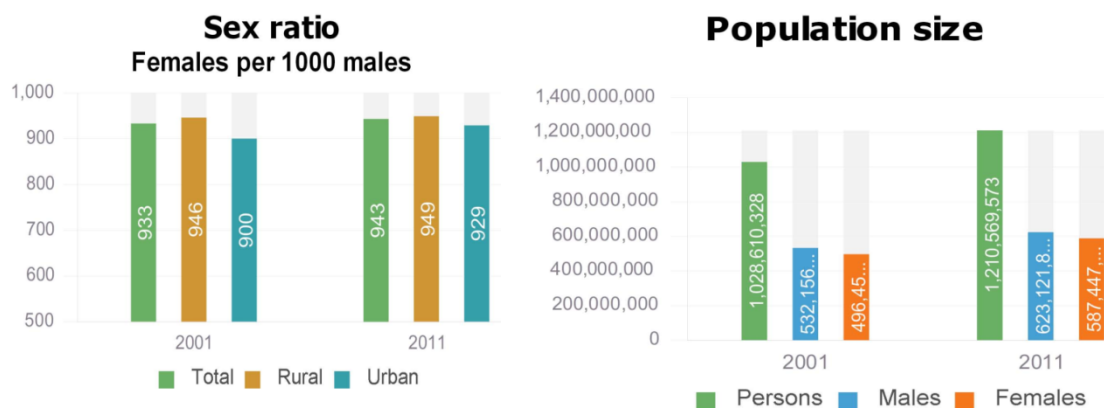
LOUNGEWEAR INDUSTRY

Everyone wishes to stay in style but soon fall prey to the need for comfort and the reality that most of our day is going to be spent outside of public eye. With people looking for a third wardrobe to wear at home after coming home from work and to lounge around in before going to bed, there is a rising demand for loungewear. The idea of loungewear came in with the need to offer outfits that are not only comfortable but also allow one to indulge in a relaxed manner. Today, it has become a lifestyle statement which is practical and comfortable at the same time.



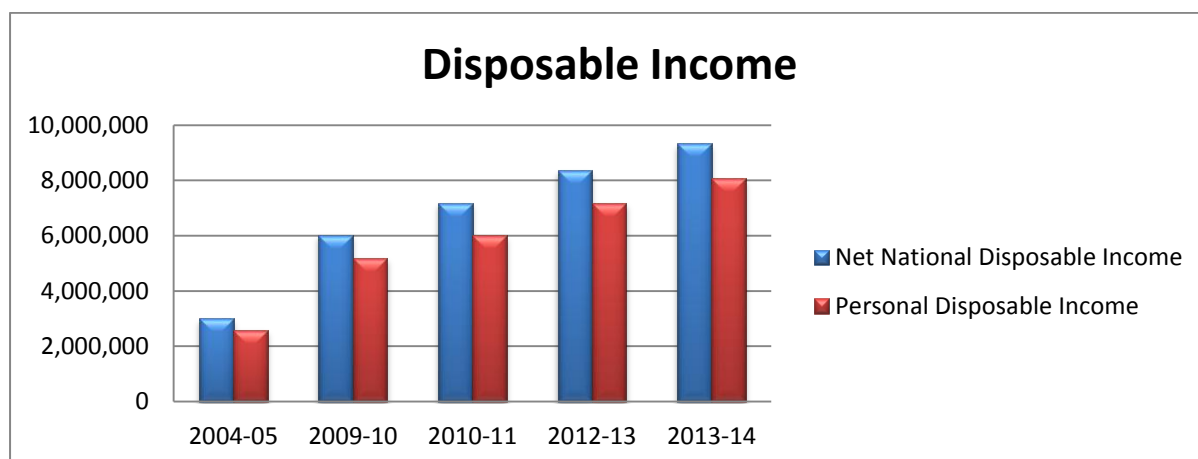
KEY DEMAND DRIVERS

1. **Increasing female population:** India is witnessing an increase in the female population. The sex ratio has increased from 933 females per 1000 males to 943 females per 1000 males. Considering the increasing size of the Indian women population, there is a very large market opportunity for branded and lifestyle product, as the women are more brand conscious and have the eagerness to spend on the lifestyle products



Source: Census Info India 2011

2. **Rising levels of disposable income:** Disposable income is the income remaining after deduction of taxes and social security charges, available to be spent or saved as one wishes. The increase in disposable income will indirectly mean that spending on products that cater to personal needs will increase and thus a part of that increased income shall make a contribution to this industry too. Thus the disposable income is expected to grow by similar rates over the next five years thereby driving growth in the demand for clothing in general and lounge wear in particular.



Source: Ministry of Statistics and Programme Implementation

3. **Fabric innovation and new, more varied styles:** Changes in machinery used have now brought into innovation in fabric and styles. The electronic knitting machines have replaced mechanical knitting machines. All this has resulted into increased productivity. More and more women are becoming fashion conscious and trendy. The continuous thirst for innovation has driven the industry to discover more; do the unimaginable and invest heavily in research and development. As a matter of fact, if successful, the technology receives grand welcome from the entire industry.
4. **Increase in number of working women:** With the increase in class of working women, their desire to spend a part of their hard earned money on themselves is also increasing and thus a large contribution of the disposable income at the hands of women goes into loungewear industry. This buying group is more demanding in their choice of inner-wear looking for quality products that satisfy comfort, fitting, styling needs etc. This has resulted in a qualitative shift of consumers from low and economy segment to premium and super-premium segment. This segment is now considered as the major growth segment.
5. **More time spent at home:** In the normal life of a person, most of his time is spent at home. This could be for various reasons like:
 - With the recession people are cutting down on drinking and eating out and enjoying at home instead
 - The trend of “work from home” for employees gives option to stay at home even on working days
 - After spending hours working at the office people wish to spend more time at home with their families

All this contributes to the rise in demand for comfortable, easy-to-wear clothing that can be worn around the home for long hours.
6. **Versatility/Multipurpose clothing:** While loungewear is generally designed to be worn at home, one of its main appeals is its versatility. The loungewear can be worn:



- at the gym
 - as nightwear
 - dress for an evening out
7. **Seasonality:** Over half of the consumers still only buy new nightwear to replace old items, but the importance of temperature when going to sleep means that there is potential to create more seasonal styles of sleepwear incorporating innovative fabric developments. While almost four in ten people want nightwear that keeps them cool and fresh and more than three in ten want to feel warm and snug when they go to bed, it creates shoppers that buy new sleepwear to suit the weather or season.
8. **Growing fashion trends:** People have become fashion conscious about every little thing in their life. Thus even when it comes to loungewear, people wish to have new and trendy styles in their wardrobe. This creates lots of opportunities in the market for manufacturers/brands to come up with different styles and designs in the loungewear sector.

SUMMARY OF OUR BUSINESS

Our Company incorporated in the year 2010, is a subsidiary of Ashapura Intimates Fashion Limited, one of the leading Companies in loungewear. In the year 2012, pursuant to restructuring of Valentine Group our Company acquired assets and liabilities of M/s Jehaan Clothing (Proprietorship concern of Mr. Hitesh Punjani) and M/s Momai Apparels (Proprietorship concern of Mr. Dinesh Sodha) and all the manufacturing operations of the Group were consolidated in our Company.

Our Company is engaged in the business of manufacturing of non-branded intimate garments such as loungewear, bridal night wear, honeymoon sets, bathrobes, night wear, sportswear, leggings, camisole, slips and women's' innerwear. In value terms substantial garments procured by AIFL are supplied by us. On January 23, 2013 we had entered into an exclusive manufacturing agreement with AIFL wherein we were required to manufacture garments exclusively for AIFL. However w.e.f from February 13, 2014 the exclusivity clause has been withdrawn and we are free to manufacture non-branded garments for other customers as well.

We have approximately 63,562 sq ft (carpet area) manufacturing facilities located at Bhiwandi which is 50 km to the north-east of Mumbai and 15 km to the north-east of Thane city. Apart from being well connected with the national highways to Ahmedabad, Nashik and Ratnagiri, the properties in Bhiwandi are situated beyond Municipal Corporation Limits. Our close proximity to the warehousing facilities of AIFL provides us unmatched edge over other suppliers as far as supply of garments to AIFL is concerned.

Sales of AIFL under "Valentine" brand have grown manifold in past few years and this trend is expected to continue for foreseeable future given the current dynamics of the industry. This trend is positive for manufacturers like our Company and considering our existing relationship with AIFL we expect that the bulk of order for supply of garments will be given to our Company. Further in order to cater to the expected rise in orders from AIFL our Company plans to set up a State of Art High-Tech manufacturing facilities in Gujarat.

OUR PRODUCTS

Loungewear: Loungewear is a category of clothing designed for wear during leisure time, especially around the home. Clothing that is sleep-inspired but not limited to the bedroom. Loungewear includes t-shirts, shorts, stretchy pants, leggings, tunic tops, hoodies, bath robes and many other comfortable items of clothing.

Nightie: A nightgown, nightie or nightdress is a loosely hanging item of nightwear, today almost exclusively worn by women. A nightgown is made from cotton, silk, satin, or nylon and may be decorated with lace appliqué or embroidery at the bust and hem.

Men's Night Wear: Men's Nightwear includes night suits, pyajama sets, bermudas and like sleep wear

Slips: A slip is a woman's undergarment worn beneath a dress or skirt to help it hang smoothly. Slips are often worn to prevent the show through of intimate garments such as panties or a brassiere.








Lingerie: Lingerie is women's undergarments and includes brassiere and panties. Lingerie includes undergarments using flexible, stretchy, sheer, or decorative materials like Lycra, nylon (nylon tricot), polyester, satin, lac, silk and sheer fabric. Certain cotton or synthetic undergarments are also lingerie.

Sportswear: Sportswear is clothing, worn for sport or physical exercise. Sport-specific clothing is worn for most sports and physical exercise, for practical, comfort or safety reasons.

Camisole: A camisole is a sleeveless undergarment for women, normally extending to the waist. The camisole is usually made of satin, nylon, or cotton.

Leggings: Leggings are a type of skin-tight and form fitting trousers that covers the legs. Leggings are typically made from a blend of lycra, nylon, cotton, or polyester blend, but they can also be made from wool, silk and other materials. Leggings are available in a multitude of colors and decorative designs.

Brands Manufactured by us

Products	Brand for which manufactured	Brief Description
Lounge Wear – Premium		Loungewear for men, women, teenagers and toddlers Kids wear
Lounge Wear – Economy		Loungewear for men, women, teenagers and toddlers Kids wear
Nighties & Bath robes		Night wear Maternity feeding night wear Bridal (two pieces) Kids night wear
Sports Wear		Sportswear and gym wear / yoga wear for both men and women
Innerwear		Lingerie
		Slips / Camisoles / Night Slips Cycling shorts
		Leggings

OUR STRENGTHS

Our Company focuses on serving the changing and evolving demographics of our society. Customer focus, Creativity, Quality, Innovation and adherence to fair practices has always been the Company's overall philosophy.

1. Our Experienced Management Team

Our Company is managed by an experienced team exclusively focused on different aspects of our business operations including design, procurement, production, packing and logistics. Our core management team has on an average 14.5 years of experience. This helps us to provide customized solutions to our customers which help us to meet their specific requirements in a timely manner.

2. Our proximity to our customers

Our facilities at Bhiwandi are located in the same complex as that of our major customer AIFL. This provides us an unmatched competitive edge which cannot be replicated by our rivals. This helps us to substantially reduce our logistics costs and meet the demand of our customer at a very short notice.

3. **Locational Advantage**

We have manufacturing facilities located at Bhiwandi which is 50 km to the north-east of Mumbai and 15 km to the north-east of Thane city. Apart from being well connected with the national highways to Ahmedabad, Nashik and Ratnagiri, the properties in Bhiwandi are situated beyond Municipal Corporation Limits.

4. **Relationship with AIFL**

Our Company is subsidiary of AIFL, one of India's leading companies in lounge wear segment. We are a significant supplier to AIFL and in value terms approximately substantial of garments procured by AIFL are supplied by us.

AIFL promoted by the young and dynamic entrepreneur Mr. Harshad Thakkar is one of the leading suppliers of fast growing loungewear segment. The Company is listed on SME Platform of BSE and as of August 20, 2014 it had a market capitalisation of Rs. 292.01 Crores. We believe that this strong relationship with AIFL is a significant advantage, and that we will continue to benefit from it as AIFL continues to maintain its high growth trajectory in coming years.

5. **State of Art Infrastructure:**

Our Company has invested significant resources in the development of state of art infrastructure for manufacturing of apparels. We have taken on lease over 232 machines which employ latest techniques in manufacturing of intimate garments.

6. **Production Quality:**

Our manufacturing process is ISO 9001: 2008 certified. Our Company focuses on maintaining quality in all aspects of its manufacturing process. We have zero tolerance for any manufacturing defect which has helped us in retaining our existing customers and will help us in developing new customers.

7. **Product Mix**

We manufacture wide range of products and have gained expertise in same. Our expertise in manufacturing wide range of products partially insulates us from the changing trends.

BUSINESS STRATEGY

Our Company targets to satisfy the changing and evolving demographics of our society. We shall pursue the following strategy to grow our business.

1. **Expanding manufacturing capacities**

The current manufacturing capacity of the Company needs to be ramped up to meet the growing requirements of AIFL. On account of our limited capacity, AIFL is required to meet part of its requirements from external sources, by getting it done on job work basis. Such outsourcing creates lot of bottlenecks for AIFL i.e. timely delivery, quality issue among different job-workers etc. Taking into account the accelerated pace of growth of AIFL and in order to meet the increased demand, the management has decided to undertake capacity enhancement plan, by setting up a unit in Gujarat with a capacity almost more than approx. 5 times its existing installed capacity at Bhiwandi. This will also facilitate our Company to explore newer markets besides supplier to AIFL and other existing customers. The Proposed manufacturing capacity at the New Manufacturing Facility, post expansion will be as follows:-

(Qty in Pieces)

Particulars	Existing Capacity	Additions at Bhiwandi During Fy 14-15	Proposed Capacity at New Manufacturing Facility	Total
Loungewear	350,000	150,000	2,550,000	3,050,000
Nighties	400,000	50,000	1,012,500	1,462,500
Slips, Leggings & Sports Wear	2,500,000	50,000	768,7500	10,237,500
Kids Undergarments	Nil	Nil	5,000,000	5,000,000
Total	3,250,000	250,000	16,250,000	19,750,000

Initially 85 per cent of this capacity will cater to domestic market, while 15 per cent is proposed to be utilized for supplies to International Brands. Post the expansion entire manufacturing will be shifted to the New Manufacturing Facility

Estimate Cost of New Manufacturing Facility

Particulars	Amount (Rs. In Lakhs)
Land Acquisitions	700
Construction Cost	1,200
Plant & Machinery	700
Total	2,600

Of the above, Rs. 700 lakhs are proposed to be financed out of IPO proceeds. Balance Rs. 1900 lakhs are proposed to be financed from bank loans and internal accruals. The Company has received in principle offer from the ICICI Bank dated August 14, 2014 for term loan of Rs. 1500 Lakhs.

2. Acquire new customers

Due to our manufacturing infrastructure and rich experience of the management lot of demand from international brands to undertake contractual manufacturing for their products at good profit margin. Acquisition of new customers will help the company to diversify its customer base and reduce dependence on single customer.

SUMMARY FINANCIAL STATEMENTS
Summary Statement of Assets and Liabilities

(Rs.in Lakhs)

Sr. No.	Particulars	AS AT MARCH 31,				
		2010	2011	2012	2013	2014
I.	<u>EQUITY AND LIABILITIES</u>					
(1)	Shareholder's Funds					
(a)	Share Capital	5.00	5.00	5.00	153.00	887.43
(b)	Reserves and Surplus	-	-	58.21	253.59	832.17
(2)	Non-Current Liabilities					
(a)	Long-term borrowings	-	-	0.08	1,421.56	656.08
(b)	Deferred tax liabilities (Net)	-	-	-	-	12.10
(c)	Other Long term liabilities	-	-	-	-	-
(3)	Current Liabilities					
(a)	Short term borrowings	-	-	-	1,699.22	2,674.28
(b)	Trade payables	-	-	679.49	1,770.86	1,549.26
(c)	Other Current Liabilities	0.14	0.28	1.22	123.35	169.78
(d)	Short-term provisions	-	-	30.00	174.26	195.70
	Total	5.14	5.28	774.00	5,595.84	6,976.80
II.	Assets					
(1)	Non-current assets					
(a)	Fixed assets					
(i)	Tangible assets	-	-	-	507.66	840.25
(ii)	Intangible assets	-	-	-	-	-
(b)	Long term loans and advances	-	-	-	-	-
(c)	Other non-current assets	0.88	1.06	0.85	0.67	7.66
(2)	Current assets					
(a)	Inventories	-	-	92.60	1,687.38	4,112.45
(b)	Trade receivables	-	-	522.81	3,197.05	1,605.66
(c)	Cash and cash equivalents	4.26	4.22	7.74	20.34	400.78
(d)	Short-term loans and advances	-	-	150.00	177.20	6.99
(e)	Other current assets	-	-	-	5.54	3.01
	Total	5.14	5.28	774.00	5,595.84	6,976.80

SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs.in Lakhs)

Sr. No.	Particulars	FOR THE YEAR ENDED MARCH 31,				
		From January 21, 2010 to March 31, 2010	2011	2012	2013	2014
I	Revenue from operations	-	-	3,152.99	9,954.83	11,728.58
II	Other operating Revenue	-	-	-	1.00	16.78
	Total Revenue (I +II)	-	-	3,152.99	9,955.83	11,745.36
III)	Expenses:					
a)	Cost of materials consumed	-	-	3,147.67	9,770.25	13,486.91
b)	Changes in inventories of FG/WIP	-	-	(92.60)	(582.96)	(3,436.89)
c)	Manufacturing Expenses	-	-	-	238.51	619.30
d)	Employee benefit expense	-	-	3.79	72.54	111.51
e)	Financial costs	-	-	0.01	121.70	361.87
f)	Depreciation and amortization expense	-	-	0.21	7.15	40.42
g)	Other expenses	-	-	5.70	29.37	71.47
	Total Expenses (a + b + c + d + e + f+g)	-	-	3,064.78	9,656.56	11,254.59
IV)	Profit before exceptional and extraordinary items and tax	-	-	88.21	299.27	490.77
V	Exceptional Items	-	-	-	-	-
VI	Profit before extraordinary items and tax (IV - V)	-	-	88.21	299.27	490.77
VII	Extraordinary Items	-	-	-	-	-
VIII.	Profit before tax (VI - VII)	-	-	88.21	299.27	490.77
IX.	Tax expense:					
	Current tax	-	-	30.00	103.93	151.83
	Deferred tax	-	-	-	(0.04)	12.14
X	Profit(Loss) from the period from continuing operations	-	-	58.21	195.38	326.80
XI	Profit/(Loss) from	-	-	-	-	-

Sr. No.	Particulars	FOR THE YEAR ENDED MARCH 31,				
		From January 21, 2010 to March 31, 2010	2011	2012	2013	2014
	discontinuing operations					
XII	Tax Expense of Discontinuing operations	-	-	-	-	-
XIII	Profit/(Loss) from Discontinuing operations (XI - XII)	-	-	-	-	-
XIV	Profit/(Loss) for the period (X + XIII)	-	-	58.21	195.38	326.80
XV	Earning per equity share:					
	(1) Basic	-	-	64.67	32.91	5.96
	(2) Diluted	-	-	64.67	32.91	5.96

SUMMARY STATEMENT OF CASH FLOW

(Rs.in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31				
	From January 21, 2010 to March 31, 2010	2011	2012	2013	2014
Cash Flow from Operating Activities					
Profit After Tax and Extraordinary items (as per Profit and Loss Account)	-	-	58.21	195.36	326.80
Adjustment for:					
Depreciation	-	-	-	6.93	40.32
Interest Income	-	-	-	-	-
Interest & Finance Charges	-	-	0.01	121.70	361.87
Operating Profit before Working Capital Changes	-	-	58.21	323.99	728.99
Adjustment for:	-	-			
a) (Increase)/Decrease in Inventories	-	-	(92.60)	(1,594.79)	(2,425.07)
b) (Increase)/Decrease in Trade Receivable	-	-	(522.81)	(2,674.24)	1,591.38
c) (Increase)/Decrease in advances	-	-	(150.00)	(32.74)	172.74
d) Increase/(Decrease) in Trade Payables	-	-	679.49	1,235.64	(200.15)
e) Increase/(Decrease) in Others Payables	0.14	0.14	30.94	23.29	19.21
f) Cash Generated From Operations	0.14	0.14	3.24	(2,718.84)	(112.90)
g) Income Tax Paid	-	-	-	-	-
Cash Inflow Before Prior Period Adjustments	0.14	0.14	3.24	(2,718.84)	(112.90)
Less : Prior Period Adjustment/ Amalgamation Adjustment	-	-	-	-	-
Net Cash from Operating Activities (A)	0.14	0.14	3.24	(2,718.84)	(112.90)
Cash Flow from Investing Activities					
a) Acquisition of Fixed Assets		-	-	(514.59)	(372.92)
b) Interest Income		-	-	-	-
c) Preliminary and preoperative expenses	(0.88)	(0.18)	0.21	0.21	(6.99)
Net Cash from Investing Activities (B)	(0.88)	(0.18)	0.21	(514.38)	(379.91)
Cash Flow from Financing Activities					
a) Proceeds from issue of Equity Shares	5.00	-	-	148.00	734.43
b) Proceeds from Share Premium	-	-	-	-	553.15
c) Capitalisation of Reserves (Bonus Shares)	-	-	-	-	(249.80)
d) Deferred Tax Asset/ Liability	-	-	-	(0.04)	12.10
e) Loans Taken / (Repaid)	-	-	0.08	3,219.55	236.80
f) Interest & Finance Charges	-	-	(0.01)	(121.70)	(361.87)
g) Proposed Dividend & Taxes	-	-	-	-	(51.57)
Net Cash from Financial Activities (C)	5.00	-	0.07	3,245.82	873.25
Net Increase in Cash and Cash Equivalents (A+B+C)	4.26	(0.04)	3.53	12.60	380.44
Cash and Cash Equivalents - Opening Balance	-	4.26	4.22	7.74	20.34
Cash and Cash Equivalents - Closing Balance	4.26	4.22	7.74	20.34	400.78

THE ISSUE

Particulars	Number of Equity Shares
Equity Shares Offered	38,46,400 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 78/-per Equity Share aggregating Rs. 3000.192Lakhs
Of which	
Promoter Contribution	24,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 78/-per Equity Share aggregating Rs. 18.720 Lakhs
Issue Reserved for Market Makers	1,93,600 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 78/- per Equity Share aggregating Rs. 151.008 Lakhs
Net Issue to the Public	36,28,800 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs 78/-per Equity Share aggregating Rs. 2,830.464 Lakhs
	of which
	18,14,400 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 78/- per Equity Share will be available for allocation to investors up to Rs 2,00,000 Lakhs
	18,14,400 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs78/- per Equity Share will be available for allocation to investors above Rs. 2,00,000 Lakhs
Equity Shares outstanding prior to the Issue	1,05,83,135 Equity Shares
Equity Shares outstanding after the Issue	1,44,29,535 Equity Shares
Objects of the Issue	Refer to the chapter titled “Objects of the Issue” beginning on page 89

Allocation to all categories shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. Under-subscription, if any, in any category would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the and NSE and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price.

For further details please refer to chapter titled “Issue Structure “beginning on page 260 of this Prospectus.



GENERAL INFORMATION

Our Company was incorporated as a private company under the name of Momai Apparels Private Limited under the provisions of the Companies Act, 1956 on January 21, 2010 in Mumbai, Maharashtra. Subsequently, our Company was converted from private limited company to a public limited company and its name was changed to Momai Apparels Limited vide fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company dated September 5 2013. For further details please refer to chapter titled 'Our History and Certain Other Corporate Matters' beginning on page 160 of this Prospectus.

REGISTERED OFFICE OF OUR COMPANY

Momai Apparels Limited

Shop No.305-309, 3rd Floor, Pacific Plaza,
Plot no.570, TPS IV, Off BS Road, Mahim Division
Dadar - W, Mumbai - 400 028

Tel: 022- 24331551

Email: investors@momaiapparels.com

Website: www.momaiapparels.com

Registration Number: 199178

Corporate Identification Number: U18109MH2010PLC199178

REGISTRAR OF COMPANIES

Registrar of Companies Mumbai, Maharashtra

100, Everest, Marine Drive
Mumbai- 400002

Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE:

SME Platform of NSE

Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.

For details in relation to the changes to the name of our Company, please refer to the chapter titled, "Our History and Certain Other Corporate Matters" beginning on page 160 of this Prospectus.

BOARD OF DIRECTORS OF OUR COMPANY

Sr.No.	Name	Age	DIN	Address	Designation
1	Harshad Hirji Thakkar	37 Years	01869173	B/19, G V Scheme Road, Gynashwar Darshan, Mulund East, Mumbai, 400081, Maharashtra, India	Chairman and Managing Director
2	Dinesh Chanubha Sodha	36 Years	02836240	Flat No19, Dhyaneshwar Darshan Tower, Floor-7,B-Wing, G.V.Scheme, Road No-3,Mulund(East), Mumbai, 400081, Maharashtra, India	Executive Director
3	Hitesh Subhash Punjani	31 Years	03268480	Sangam Sadan, 1st Floor, R N 10,Kisan Nagar, Thane,	Executive Director

Sr.No.	Name	Age	DIN	Address	Designation
				400604, Maharashtra, India	
4	Shrikant Maheshwari	31 Years	02618472	701, Homestead, Lokhandwala Complex, Andheri (West), Mumbai, 400053, Maharashtra, India	Independent Director
5	Alok Nag	31 Years	06851455	B-3, Flat No-104, Mandlik Nagar, S.V. Road, Malad(W), Mumbai- 400064	Independent Director
6	Mr. Tarak Bipinchandra Gor	35 Years	01550237	601, Rajashree Vihar, Chittranjan Nagar, D colony, Rajawadi, Ghatkopar (East), Mumbai – 400077, Maharashtra, India.	Independent Director

For further details of our Directors, please refer to the chapter titled “Our Management” beginning on page 163 of this Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms Bhoomi Mewada

Momai Apparels Limited

Shop No.305-309, 3rd Floor, Pacific Plaza,

Plot no.570, TPS IV, Off BS Road, Mahim Division

Dadar - W, Mumbai - 400 028

Tel: 022- 24331551

Fax: 022-24331551

Email: investors@momaiapparels.com

Investors may contact the Compliance Officer and/or the Registrar to the Issue and/or the BRLM to the Issue in case of any Pre-Issue or Post- Issue related matter such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account, refund orders, etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the concerned SCSB, giving full details such as name, address of the bidders, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Bid Form was submitted by the ASBA bidders.

For all Issue related queries and for redressal of complaints, bidders may also write to the Book Running Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

STATUTORY AND PEER REVIEWED AUDITOR

Bagaria & Co., LLP

101 Tripta Sadan, Shantawadi,

J.P. Road, Andheri - (West),

Mumbai - 400 058

Tel: 022 26209952

E-mail: darshan.agarwal@bagariaco.com

Contact Person: Darshan Agarwal

Firm Registration No: 113447W/W-100019

Membership No: 135405



Bagaria & Co., LLP holds a peer reviewed certificate dated January 4, 2011 issued by the Institute of Chartered Accountants of India.

BOOK RUNNING LEAD MANAGER

Pantomath Capital Advisors Private Limited

108, Madhava Premises Co-Op Soc Ltd.
Bandra Kurla Complex, Bandra East
Mumbai 400 051

Tel: +91 22 26598687

Fax: +91 22 26598690

Contact Person: Mr. Mahavir Lunawat

Email: ipo@pantomathgroup.com

SEBI Registration No: INM000012110

LEGAL ADVISOR TO THE ISSUE

Kanga & Co. Advocates & Solicitors

Ready money Mansion,
43, Veer Nariman Road, Fort,
Mumbai - 400 001, Maharashtra, India

Tel: +91-22-6623 0000

Tel: +91-22-2204 2288

Fax No.: +91-22- 6633 9656 / 57

Contact Person: Mr. Chetan Thakkar

Email: chetan.thakkar@kangacompany.com

Web: www.kangacompany.com

Techno Economic Viability Consultant

Kakode & Associates

102, Samarth Estate,
Lt. Prakash Kotnis Road,
Near Hinduja Hospital
Mahim (W), Mumbai-400016

Tel: +91 22 24472040

Fax: +91 22 24472040

Email: Kakode.associates@gmail.com

Contact Person- Amit Kakode

REGISTRAR TO THE ISSUE

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg
Bhandup (West), Mumbai – 400 078

Tel: +91 22 6171 5400

Fax: +91 22 2596 0329

Email: mal.ipo@linkintime.co.in

Contact Person: Mr. Sachin Achar

Website: www.linkintime.co.in

SEBI Registration No.: INR000004058

BANKER TO THE COMPANY

Punjab National Bank

BO Seepz, Andheri (East)

Mumbai 400 096

Tel: +91 22 28291619/28292559

Fax: +91 022 28290942

Email: bo1253@pnb.co.in

Contact Person: Mr. Milind Khankhoje

BANKER TO THE ISSUE / ESCROW COLLECTION BANK

ICICI Bank Limited

Capital Market Division,

1st Floor , 122, Mistry Bhavan

Dinshaw Vachha Road

Mumbai - 400020

Tel: -(91) 022 22859905

Fax: (91) 022 22611138

Email: anil.gadoo@icicibank.com

Contact Person: Mr. Rishav Bagrecha

SEBI Registration No.: INBI000000004

IndusInd Bank Limited

IndusInd Bank, PNA House, 4th Floor, Plot No 57 &

57/1, Road No17, Near SRL, MIDC, Andheri East,

Mumbai -400093

Tel: -022 61069248

Fax : -022 66238021

Email: suresh.esaki@indusind.com

Contact Person: Mr. Suresh Esaki

SEBI Registration No. INBI000000002

Punjab National Bank

Pragati Tower, Plot No. C-9,

G Block, Bandra Kurla Complex, Bandra(E)

Mumbai 400 051

Tel: -(91) 022 26530196/26530197

Fax: (91) 022 26530197

Email: bo4776@pnb.co.in

Contact Person: Mr. T K Ghai

SEBI Registration No.: INBI 000000084

HDFC Bank Limited

Kalpataru Estate, Bldg No. 1

Jogeshwari Vikroli Link Road

Andheri East, Mumbai – 400 093

Tel: -(91) 022 30752928

Fax: (91) 022 25799801

Email: uday.dixit@hdfcbank.com

Contact Person: Mr. Uday Dixit

SEBI Registration No.: INBI000000063

REFUND BANKER

ICICI Bank Limited

Capital Market Division,

1st Floor , 122, Mistry Bhavan

Dinshaw Vachha Road

Mumbai - 400020

Tel: -(91) 022 22859905

Fax: (91) 022 22611138

Email: anil.gadoo@icicibank.com

Contact Person: Mr. Rishav Bagrecha

SEBI Registration No.: INBI000000004



Syndicate Member

Hem Securities Limited

14/15, Khatau Building,
1st Floor, 40, Bank Street,
Fort, Mumbai - 400 001, Maharashtra

Tel: (91) 022 2267 1543 / 44,

Fax: (91) 022 2262 5991

E-mail: sanjay@hemonline.com

Contact Person: Mr. Sanjay Dalmia

Choice Equity Broking Private Limited

Shree Shakambhari Corporate Park
156 – 158, Chakravarti Ashok Society,
J. B. Nagar, Andheri (E), Mumbai – 400099

Tel: +91 22 67078910

Fax: +91 22 67079898

E-mail: mahavir.toshniwal@choiceindia.com

Investor Grievance Email: ig@choiceindia.com

Contact Person: Mr. Mahavir Toshniwal

SEBI Registration No.: INB21377335

SELF CERTIFIED SYNDICATE BANKS

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on Designated Branches of SCSBs collecting the ASBA Bid Form, please refer to the above-mentioned SEBI link.

CREDIT RATING

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

IPO GRADING

In terms of SEBI (ICDR) Regulations it is not mandatory for our Company to obtain IPO grading in connection with this Issue. However, we have voluntarily approached CARE for obtaining SME Fundamental Grading, a SEBI registered credit rating agency and CARE pursuant to its letter dated September 5, 2014 has assigned the “SME Fundamental Grade 4”, indicating very good fundamentals. Attention is drawn to the disclaimer appearing under the paragraph titled “Disclaimer clause of CARE” in the chapter titled “Other Regulatory and Statutory Disclosures” on page 242 of this Prospectus.

This grading expires within 3 (three) months from the date of the provisional communication dated August 28, 2014. The said report is annexed to this Prospectus as Annexure.

Grading Rationale

The rationale / description furnished by the SME Fundamental Grading Agency will be updated at the time of filing the Prospectus with NSE and will be made available for inspection at our Registered Office from 10 a.m. to 5 p.m. on working Days between and including the Issue Opening Date and Issue Closing Date.

APPRAISAL AND MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50,000 Lakhs. Since the Issue size is only of Rs. 3000.192 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per the Clause 52 of the SME Listing Agreement to be entered into with NSE upon listing of the Equity Shares and the corporate governance requirements, *inter-alia*, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

INTER-SE ALLOCATION OF RESPONSIBILITIES

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

EXPERT OPINION

Except the report of the Statutory Auditor on statement of tax benefits and CARE, the SME Fundamental Grading Agency, engaged by our Company for the purpose of obtaining SME Fundamental Grading included in this Prospectus, our Company has not obtained any other expert opinion.

DEBENTURE TRUSTEE

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

UNDERWRITER

Our Company and BRLM to the Issue hereby confirm that the Issue is 100 per cent Underwritten. The underwriting agreement is dated September 13, 2014 pursuant to the terms of the underwriting agreement; the obligations of the underwriter are subject to certain conditions specified therein. The underwriter have indicated its intention to underwrite the following number of specified securities being offered through this Issue

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees In Lakhs)	% of the Total Issue Size Underwritten
Pantomath Capital Advisors Private Limited 108, Madhava Premises Co-Op Soc Ltd. Bandra Kurla Complex, Bandra East, Mumbai 400051 Tel: (022) 26598687 Fax: (022) 26598690 Contact Person: Mr. Mahavir Lunawat Email: ipo@pantomathgroup.com SEBI Registration No: INM000012110	38,46,400	3000.192	100%
Total	38,46,400	3000.192	100%

In the opinion of the Board of Directors of the company, considering the resources of the above mentioned underwriter and the potential investment lined up by it for the issue, underwriter is in a position to discharge its underwriting obligation.

MARKET MAKING ARRANGEMENT

MARKET MAKER

Choice Equity Broking Private Limited

Shree Shakambhari Corporate Park
156 – 158, Chakravarti Ashok Society,
J. B. Nagar, Andheri (E), Mumbai – 400099

Tel: +91 22 67078910

Fax: +91 22 67079898

E-mail: mahavir.toshniwal@choiceindia.com

Investor Grievance Email: ig@choiceindia.com

Contact Person: Mr. Mahavir Toshniwal

SEBI Registration No.: INB21377335

Market Maker Registration No. (NSE Clearing Number): 13773

Our Company and the Book Running Lead Manager have entered into a tripartite agreement dated September 13, 2014 with the following Market Maker(s), duly registered with NSE to fulfill the obligations of Market Making:

1. Choice Equity Broking Private Limited

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

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75 per cent of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of 78/-the minimum lot size is 1600 Equity shares thus minimum depth of the quote shall be Rs 1,24,800 until the same would be revised by NSE.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25 per cent of Issue Size (Including the 1,93,600 Equity Shares out to be allotted under this Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 1,93,600 Equity Shares would not be taken in to consideration of computing the threshold of 25 per cent of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24 per cent of Issue Size, the Market Maker will resume providing 2-way quotes.

4. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Choice Equity Broking Private Limited is acting as the sole Market Maker.
7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
8. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

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

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

13. SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 25,000 Lakhs, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5 per cent of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5 per cent of the issue price.

Additionally, the trading shall take place in TFT (Trade for Trade) segment for first 10 days from commencement of trading. The following spread will be applicable on the NSE SME Platform:

Sr. No.	Market Price Slab (in Rs.)	Proposed spread (in % to sale price)
1	Up to 50	9%
2	50 to 75	8%
3	75 to 100	6%
4	Above 100	5%

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

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

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

BOOK BUILDING PROCESS

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Prospectus within the Price Band (which would be announced at least five working days before the opening of the Bid/Issue). The Issue Price is finalised after the Bid/Issue Closing Date.

The principal parties involved in the Book Building Process are:

1. Our Company;
2. The BRLM;
3. Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with NSE and eligible to act as Underwriters. The Syndicate Member(s) are appointed by the BRLM;
4. Registrar to the Issue;
5. Escrow Collection Banks; and
6. SCSBs.

This Issue is being made through the 100 per cent Book Building Process wherein 50per cent of the Issue shall be available for allocation to Retail Individual Bidders and the balance shall be offered to QIBs and Non-Institutional Investors. However if the aggregate demand from the Retail Individual Bidders is less than 50 per cent , then the balance Equity Shares in that portion will be added to the QIB/NII portion and vice-versa subject to valid bids being received from them at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where Allotment to each Retail Individual Bidder shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. Under-subscription, if any, in any category would be allowed to be met with spill over from any of the category or combination of categories at the discretion of our Company, the Book Running Lead Manager and the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid Bids being received at or above the Issue Price. For details, kindly refer to the Chapter titled “Issue Procedure” beginning on page 263 of this Prospectus. In accordance with the SEBI Regulations, QIBs and NIBs are neither allowed to withdraw their Bid(s) nor lower the size of their Bid(s) at any stage. For further details, kindly refer to the Chapter titled “Terms of the Issue” beginning on page 255 of this Prospectus. Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed the BRLM to manage the Issue and procure subscriptions to the Issue. The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (kindly refer to the sub-heading titled “Who can bid?” in the Chapter titled “Issue Procedure” beginning on page 263 of this Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure that you have mentioned PAN in you Bid cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction;
4. Ensure that the Bid cum Application Form or ASBA Bid cum Application Form is duly completed as per instructions given in the Prospectus and in the Bid cum Application Form or ASBA Bid cum Application Form; and
5. Bids by QIBs will have to be submitted to the BRLM only.
6. QIB Bidders (except Anchor Investors) and Non-Institutional Bidders shall compulsorily participate in the Issue through the ASBA process. 7. Bids by ASBA Bidders may be submitted in the physical mode to the Syndicate at the Syndicate ASBA Bidding Locations and either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. ASBA Bidders should ensure that their respective ASBA Accounts have adequate credit balance at the time of submission to the SCSB to ensure that the Bid-cum-Application Form is not rejected.

Bid/Issue Programme

BID/ ISSUE OPENED ON	SEPTEMBER 25, 2014
BID/ ISSUE CLOSED ON	SEPTEMBER 30, 2014

Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Bidding Period at the Bidding Centres mentioned in the Bid cum Application Form, or in the case of ASBA Bidders, at the Designated Bank Branches except that on the Issue Closing Date when Bids will be accepted only between 10.00 a.m. to 3.00 p.m. (Indian Standard Time) or such other extended time as may be permitted by NSE. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



QIBs may note that only upward revision is permitted with respect to the quantity and/or price of the Equity Shares, in any option, for which a Bid has been submitted.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding/ Issue Period, provided that the Cap Price shall be less than or equal to 120 per cent of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20 per cent on the either side i.e. the floor price can move up or down to the extent of 20 per cent of the floor price disclosed.

In case of revision in the Price Band, the Bidding Period shall be extended for at least 3 additional Working Days after such revision, subject to the total 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 NSE, by issuing a press release and also by indicating the change on the websites of the BRLM and the terminals of the other members of the Syndicate.

Indicative dates of Bid closing, finalization of Basis of Allotment, credit of Equity Shares to successful Bidder's demat account, initiation of refunds and commencement of trading of Equity Shares:

Activity	Indicative dates
Bid Closing Date	September 30, 2014
Finalisation of Basis of Allotment	October 10, 2014
Credit of Equity Shares	October 11, 2014
Initiation of refunds	October 11, 2014
Commencement of trading of Equity Shares	October 16, 2014

CAPITAL STRUCTURE

The share capital of our Company as of the date of this Prospectus before and after the Issue is set forth below:

(Rs. In Lakhs except share data)

Sr. No	Particulars	Aggregate Value	
		Face Value	Issue Price
A	AUTHORISED SHARE CAPITAL		
	1,60,00,000 Equity Shares of face value of Rs. 10/- each	1,600.000	
B	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
	1,05,83,135 fully paid up Equity Shares of face value of Rs. 10/- each*	1,058.314	
C	PRESENT ISSUE IN TERMS OF PROSPECTUS		
	38,46,400 Equity Shares of face value of Rs. 10/- each	384.640	3,000.192
	Which comprises		
	24,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 68/- per Equity Share reserved as Promoter's Contribution	2.400	18.720
	1,93,600 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 68 per Equity Share reserved as Market Maker Portion	19.360	151.008
	Net Issue to Public of 36,28,800 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 68/- per Equity Share to the Public	362.880	2,830.464
	Of which		
	18,14,400 Equity Shares of face value of Rs.10/- each at a premium of Rs. 68/- per Equity Share will be available for allocation to Investors up to Rs. 2,00,000 Lakhs	181.440	1,415.232
	18,14,400 Equity Shares of face value of Rs.10/- each at a premium of Rs. 68/-per Equity Share will be available for allocation to Investors above Rs 2,00,000 Lakhs	181.440	1,415.232
D	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE		
	1,44,29,535 Equity Shares of face value of Rs. 10 each	1,442.954	-
E	SECURITIES PREMIUM ACCOUNT		
	Before the Issue		1,715.136
	After the Issue		4,330.688

*Our Company has allotted 17, 08,800 Equity Shares pursuant to a Pre-IPO Placement through a board resolution dated September 12, 2014. For details of allotment, please refer heading titled "Notes to Capital Structure" in this Chapter.

As on the date of the Prospectus, there are no partly paid-up Equity Shares of our Company and there is no share application money pending for allotment

The Issue in terms of prospectus has been authorized pursuant to a resolution of our Board dated July 18, 2014 and by Special Resolution passed under Section 62(1) (c) of the Companies Act at an Extra Ordinary General Meeting of our shareholders held on July 28, 2014.

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

NOTES TO CAPITAL STRUCTURE:

History of change in authorized Equity Share capital of Our Company

- a) The Initial authorized Share Capital of Rs. 25,00,000 (Rupees Twenty five lakhs Only) was increased to Rs. 7,50,00,000 (Rupees Seven Crore Fifty Lakhs Only) consisting of 75,00,000 Equity Shares of face value of Rs. 10/- each pursuant to a resolution of the shareholders dated December 20,2012.
- b) Further Capital of Rs. 7,50,00,000 (Rupees Seven Crore Fifty Lakhs Only) was increased to Rs. 15,00,00,000 (Rupees Fifteen Crore Only) consisting of 1,50,00,000 Equity Shares of face value of Rs 10/ each pursuant to a resolution of the shareholders dated February 27,2014.
- c) Further Capital of Rs. 15,00,00,000 (Rupees Fifteen Crore Only) was increased to Rs. 16,00,00,000 (Rupees Sixteen Crore Only) consisting of 1,60,00,000 Equity Shares of face value of Rs 10/- each pursuant to a resolution of the shareholders dated July 28, 2014.

1. Equity Share Capital History:

Date of Allotment	No. of Shares Allotted	Face Value	Issue Price	Nature of Allotment	Nature of Consideration	Cumulative No of Shares	Cumulative Paid up Capital
January 21, 2010	50,000	10	10	Subscription to MoA ⁽¹⁾	Cash	50,000	5,00,000
January 21, 2013	6,50,000	10	10	Further Allotment in lieu of takeover of the business of M/s Momai Apparels ⁽²⁾	Consideration other than Cash	7,00,000	70,00,000
January 21, 2013	8,30,000	10	10	Preferential Allotment in lieu of takeover of M/s Jehaan Clothing ⁽³⁾	Consideration other than Cash	15,30,000	1,53,00,000
May 27, 2013	15,92,500	10	10	Preferential Allotment made pursuant to Share	Cash	31,22,500	3,12,25,000

Date of Allotment	No. of Shares Allotted	Face Value	Issue Price	Nature of Allotment	Nature of Consideration	Cumulative No of Shares	Cumulative Paid up Capital
				Subscription Agreement dated January 23, 2013 entered into between the Company and AIFL ⁽⁴⁾			
February 28, 2014	24,98,000	10	Nil	Bonus Issue ⁽⁵⁾	Nil	56,20,500	5,62,05,000
February 28, 2014	55,550	10	27	Preferential Allotment ⁽⁶⁾	Cash	56,76,050	5,67,60,500
March 04, 2014	1,11,110	10	27	Preferential Allotment ⁽⁷⁾	Cash	57,87,160	5,78,71,600
March 08, 2014	55,545	10	27	Preferential Allotment ⁽⁸⁾	Cash	58,42,705	5,84,27,050
March 10, 2014	25,925	10	27	Preferential Allotment ⁽⁹⁾	Cash	58,68,630	5,86,86,300
March 11, 2014	8,88,880	10	27	Preferential Allotment ⁽¹⁰⁾	Cash	67,57,510	6,75,75,100
March 12, 2014	4,37,030	10	27	Preferential Allotment ⁽¹¹⁾	Cash	71,94,540	7,19,45,400
March 13, 2014	2,77,775	10	27	Preferential Allotment ⁽¹²⁾	Cash	74,72,315	7,47,23,150
March 28, 2014	7,31,665	10	27	Preferential Allotment ⁽¹³⁾	Cash	82,03,980	8,20,39,800
March 29, 2014	6,70,355	10	27	Preferential Allotment ⁽¹⁴⁾	Cash	88,74,335	8,87,43,350
September 12, 2014	17,08,800	10	78	Preferential Allotment ⁽¹⁵⁾	Cash	1,05,83,135	10,58,31,350

(1) Initial Subscribers to Memorandum of Association subscribed 50,000 Equity Shares of face value of Rs. 10/-each at par as per the details given below:

Sr. No	Name of Person	No of Shares Allotted
1	Dinesh Chanubha Sodha	25,000
2	Harshad Thakkar*	25,000
	Total	50,000

*Subsequently

- One share of Harshad Thakkar was transferred to Vinay D Parmar dated March 4, 2013.
- One share of Harshad Thakkar was transferred to Navin K Daiya dated July 9, 2013
- One share of Harshad Thakkar was transferred to Venji C Sodha dated July 9, 2013
- One share of Harshad Thakkar was transferred to Dharmendra D Parmar dated July 9, 2013

(2) Issue of Equity Shares for consideration other than cash

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Allottee
January 21 2013	6,50,000	10	10	Other than Cash	Further Allotment in lieu of takeover of the business of M/s Momai Apparels	Dinesh Chanubha Sodha
Total	6,50,000					

With the above issuance the Company has purchased the business of M/s Momai Apparels.

(3) Issue of Equity Shares for consideration other than cash

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Allottee
January 21 2013	8,30,000	10	10	Other than Cash	Preferential Allotment in lieu of takeover of the business of M/s Jehaan Clothing	Hitesh Punjani
Total	8,30,000					

With the above issuance the Company has purchased the business of M/s Jehaan Clothing

(4) Allotment as on May 27, 2013

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottee
May 27, 2013	15,92,500	10	10	Preferential Allotment made pursuant to Share Subscription Agreement dated January 23, 2013 entered into between the Company and AIFL	Nil	Ashapura Intimates Fashion Limited

(5) Bonus shares Allotment as on February 28, 2014

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottees
February 28, 2014	19,996	10	Nil	Bonus Shares	Nil	Harshad Thakkar
February 28, 2014	5,40,000	10	Nil	Bonus Shares	Nil	Dinesh C Sodha
February 28, 2014	6,64,000	10	Nil	Bonus Shares	Nil	Hitesh Punjani

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottees
February 28, 2014	12,74,000	10	Nil	Bonus Shares	Nil	Ashapura Intimates Fashion Limited
February 28, 2014	1	10	Nil	Bonus Shares	Nil	Vinay D Parmar
February 28, 2014	1	10	Nil	Bonus Shares	Nil	Navin K Daiya
February 28, 2014	1	10	Nil	Bonus Shares	Nil	Venji C Sodha
February 28, 2014	1	10	Nil	Bonus Shares	Nil	Dharmendra D Parmar
Total	24,98,000					

(6) Allotment as on February 28, 2014

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottees
February 28, 2014	27,775	10	27	Preferential Allotment	Cash	Dimple Thakkar
February 28, 2014	27,775	10	27	Preferential Allotment	Cash	Manish Thakkar
Total	55,550					

(7) Allotment as on March 4, 2014

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottees
March 4, 2014	55,555	10	27	Preferential Allotment	Cash	Dimple Thakkar
March 4, 2014	55,555	10	27	Preferential Allotment	Cash	Manish Thakkar
Total	1,11,110					

(8) Allotment as on March 8, 2014

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottees
March 8, 2014	18,515	10	27	Preferential Allotment	Cash	Alka Nilesh Thakkar
March 8, 2014	18,515	10	27	Preferential Allotment	Cash	Nilesh Thakkar

March 8, 2014	18,515	10	27	Preferential Allotment	Cash	Nitin Panchal
Total	55,545					

(9) Allotment as on March 10, 2014

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottee
March 10, 2014	25,925	10	27	Preferential Allotment	Cash	Nilesh Thakkar

(10) Allotment as on March 11, 2014

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottees
March 11, 2014	3,33,330	10	27	Preferential Allotment	Cash	K Kalidas Fashion Pvt Ltd
March 11, 2014	2,77,775	10	27	Preferential Allotment	Cash	Rasiklal Thakkar
March 11, 2014	2,77,775	10	27	Preferential Allotment	Cash	Ranjanaben Thakkar
Total	8,88,880					

(11) Allotment as on March 12, 2014

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottee
March 12, 2014	11,110	10	27	Preferential Allotment	Cash	Alka Nilesh Thakkar
March 12, 2014	1,48,145	10	27	Preferential Allotment	Cash	Riya Kotak
March 12, 2014	2,77,775	10	27	Preferential Allotment	Cash	Ranjanaben Thakkar
Total	4,37,030					

(12) Allotment as on March 13, 2014

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottee
March 13, 2014	2,77,775	10	27	Preferential Allotment	Cash	Rasiklal Thakkar

(13) Allotment as on March 28, 2014

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottee
March 28, 2014	5,66,670	10	27	Preferential Allotment	Cash	K Kalidas Fashion Pvt Ltd
March 28, 2014	55,555	10	27	Preferential Allotment	Cash	Manish Thakkar
March 28, 2014	37,035	10	27	Preferential Allotment	Cash	Nilesh Thakkar
March 28, 2014	72,405	10	27	Preferential Allotment	Cash	Purbi C Sodha
Total	7,31,665					

(14) Allotment as on March 29, 2014

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottee
March 29, 2014	2,40,735	10	27	Preferential Allotment	Cash	Dimple Thakkar
March 29, 2014	1,85,185	10	27	Preferential Allotment	Cash	Harshad Thakkar
March 29, 2014	1,88,885	10	27	Preferential Allotment	Cash	Manish Thakkar
March 29, 2014	18,515	10	27	Preferential Allotment	Cash	Nitin Panchal
March 29, 2014	37,035	10	27	Preferential Allotment	Cash	Alka Thakkar
Total	6,70,355					

(15) Allotment as on September 12, 2014

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottees
September 12, 2014	100,800	10	78	Preferential Allotment	Cash	Atul Mulji Katira
September 12, 2014	100,800	10	78	Preferential Allotment	Cash	Bhavesht Mulji Katira
September 12, 2014	16,000	10	78	Preferential Allotment	Cash	Khodiyar Properties Private Limited
September 12, 2014	16,000	10	78	Preferential Allotment	Cash	Kishor Dhanji Patel

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottees
September 12, 2014	16,000	10	78	Preferential Allotment	Cash	Naresh Dhanji Patel
September 12, 2014	16,000	10	78	Preferential Allotment	Cash	Hirji Laxman Patel
September 12, 2014	16,000	10	78	Preferential Allotment	Cash	Dhanji Dharamshi Patel
September 12, 2014	19,200	10	78	Preferential Allotment	Cash	Reena J. Thakkar
September 12, 2014	9,600	10	78	Preferential Allotment	Cash	Raj Shailesh Thakkar
September 12, 2014	9,600	10	78	Preferential Allotment	Cash	Savitriben L. Thakkar
September 12, 2014	8,000	10	78	Preferential Allotment	Cash	Pooja Arun Thakkar
September 12, 2014	8,000	10	78	Preferential Allotment	Cash	Jayshree Arun Thakkar
September 12, 2014	12,800	10	78	Preferential Allotment	Cash	Arun L. Thakkar
September 12, 2014	12,800	10	78	Preferential Allotment	Cash	Susheel Kumar Bhag Singh
September 12, 2014	4,800	10	78	Preferential Allotment	Cash	Atul J Thakkar
September 12, 2014	6,400	10	78	Preferential Allotment	Cash	Rathi Renukaben Kalpeshkumar
September 12, 2014	6,400	10	78	Preferential Allotment	Cash	Dhanvantiben Sureshkumar Rathi
September 12, 2014	4,800	10	78	Preferential Allotment	Cash	Haresh P. Dhirwani
September 12, 2014	8,000	10	78	Preferential Allotment	Cash	Manoj Jamnadas Kothari
September 12, 2014	8,000	10	78	Preferential Allotment	Cash	Chhaya Deepak Kothari
September 12, 2014	8,000	10	78	Preferential Allotment	Cash	Manisha Manoj Kothari
September 12, 2014	8,000	10	78	Preferential Allotment	Cash	Deepak Jamanadas Kothari
September 12, 2014	96,000	10	78	Preferential Allotment	Cash	Bhaves R. Madiyar
September	3,200	10	78	Preferential	Cash	Prabhavati Narayanji Sejpai

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottees
12, 2014				Allotment		
September 12, 2014	3,200	10	78	Preferential Allotment	Cash	Hitesh Karsandas Thakkar HUF
September 12, 2014	3,200	10	78	Preferential Allotment	Cash	Rajeev Karsandas Thakkar HUF
September 12, 2014	3,200	10	78	Preferential Allotment	Cash	Karsandas Kanji Thakkar
September 12, 2014	8,000	10	78	Preferential Allotment	Cash	Gajra Vithaldas Harji HUF
September 12, 2014	8,000	10	78	Preferential Allotment	Cash	Samir Shankarlal Gajra
September 12, 2014	8,000	10	78	Preferential Allotment	Cash	Hansaben Himatlal Nandu
September 12, 2014	8,000	10	78	Preferential Allotment	Cash	Nilesh S Gajra HUF
September 12, 2014	3,200	10	78	Preferential Allotment	Cash	Gajra Vithaldas Harji
September 12, 2014	8,000	10	78	Preferential Allotment	Cash	Beena Rajesh Gajra
September 12, 2014	8,000	10	78	Preferential Allotment	Cash	Meghna Pritesh Nandu
September 12, 2014	3,200	10	78	Preferential Allotment	Cash	Manoj Dayalji Thakkar
September 12, 2014	6,400	10	78	Preferential Allotment	Cash	Neeta Haresh Pasad
September 12, 2014	3,200	10	78	Preferential Allotment	Cash	Urmila Bipin Savla
September 12, 2014	3,200	10	78	Preferential Allotment	Cash	Nutan R. Aboti
September 12, 2014	40,000	10	78	Preferential Allotment	Cash	Hitesh Kumar Shah
September 12, 2014	12,800	10	78	Preferential Allotment	Cash	Kalpesh M Patel
September 12, 2014	3,200	10	78	Preferential Allotment	Cash	Kamladevi V Sankhlecha
September 12, 2014	3,200	10	78	Preferential Allotment	Cash	Vijayraj S Sankhlecha
September 12, 2014	3,200	10	78	Preferential Allotment	Cash	Kishor V Sankhlecha

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottees
September 12, 2014	3,200	10	78	Preferential Allotment	Cash	Jayeshkumar V Sankhlecha
September 12, 2014	3,200	10	78	Preferential Allotment	Cash	AmitKumar N Chauhan
September 12, 2014	4,800	10	78	Preferential Allotment	Cash	Disha Abhay Dadbhawala & Abhay Yashvant Dadbhawala
September 12, 2014	4,800	10	78	Preferential Allotment	Cash	Mrs. Dhiraj Yashwant Dadbhawala & Mr. Abhay Yashvant Dadbhawala
September 12, 2014	4,800	10	78	Preferential Allotment	Cash	Doli Abhay Dadbhawala & Abhay Yashvant Dadbhawala
September 12, 2014	4,800	10	78	Preferential Allotment	Cash	Mr. Abhay Yashwant Dadbhawala & Mrs. Dhiraj Yashvant Dadbhawala
September 12, 2014	4,800	10	78	Preferential Allotment	Cash	Darshak Abhay Dadbhawala & Abhay Yashvant Dadbhawala
September 12, 2014	16,000	10	78	Preferential Allotment	Cash	Sudarshan Mahaveerchand Jain
September 12, 2014	16,000	10	78	Preferential Allotment	Cash	Sripal M. Mehta
September 12, 2014	4,800	10	78	Preferential Allotment	Cash	Meenakshi Kumari Jain
September 12, 2014	25,600	10	78	Preferential Allotment	Cash	Kewal Chand Jain
September 12, 2014	3,200	10	78	Preferential Allotment	Cash	Khushboo Kumari Jain
September 12, 2014	6,400	10	78	Preferential Allotment	Cash	Padma Jain
September 12, 2014	8,000	10	78	Preferential Allotment	Cash	Durgaram Solanki
September 12, 2014	4,800	10	78	Preferential Allotment	Cash	Sweta Agrawal
September 12, 2014	16,000	10	78	Preferential Allotment	Cash	Daxa J. Ganatra
September 12, 2014	20,800	10	78	Preferential Allotment	Cash	Twinkle Ganatra

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottees
September 12, 2014	30,400	10	78	Preferential Allotment	Cash	Saroj Ganatra
September 12, 2014	12,800	10	78	Preferential Allotment	Cash	Namrata Ganatra
September 12, 2014	38,400	10	78	Preferential Allotment	Cash	Mahesh Ganatra
September 12, 2014	4,64,000	10	78	Preferential Allotment	Cash	Jayesh Ganatra
September 12, 2014	5,000	10	78	Preferential Allotment	Cash	Sailesh Kumar Daga
September 12, 2014	12,800	10	78	Preferential Allotment	Cash	Pushpaben Methalal Jain
September 12, 2014	2,000	10	78	Preferential Allotment	Cash	GopalKrishna M Naik
September 12, 2014	3,200	10	78	Preferential Allotment	Cash	Sreekumar Sukumar Naik
September 12, 2014	20,000	10	78	Preferential Allotment	Cash	Tulika Prem Devidayal & Prem Amirchand Devidayal
September 12, 2014	3,200	10	78	Preferential Allotment	Cash	Brijesh Dhiman & Sarla Devi Dhiman
September 12, 2014	22,400	10	78	Preferential Allotment	Cash	Yash Gupta
September 12, 2014	4,800	10	78	Preferential Allotment	Cash	Kunal Gupta
September 12, 2014	4,800	10	78	Preferential Allotment	Cash	Ankit Gupta
September 12, 2014	11,200	10	78	Preferential Allotment	Cash	Yogender Kumar Gupta
September 12, 2014	6,400	10	78	Preferential Allotment	Cash	Sunil Hargovindbhai Kshatri
September 12, 2014	6,400	10	78	Preferential Allotment	Cash	Ragunath Govindachari
September 12, 2014	9,600	10	78	Preferential Allotment	Cash	Reetika Hada
September 12, 2014	9,600	10	78	Preferential Allotment	Cash	Shalini Singh
September 12, 2014	9,600	10	78	Preferential Allotment	Cash	Bharat Khimji Sheth HUF
September 12, 2014	12,800	10	78	Preferential Allotment	Cash	Bharat Khimji Sheth

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Name of Allottees
12, 2014				Allotment		
September 12, 2014	16,000	10	78	Preferential Allotment	Cash	Jayantilal Khimji Sheth HUF
September 12, 2014	25,600	10	78	Preferential Allotment	Cash	Divya Jayantilal Sheth
September 12, 2014	1,71,400	10	78	Preferential Allotment	Cash	Pooja Rasiklal Thakkar
Total	17,08,800					

2. Details of shareholding of our Promoter

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %	Lock-in Period	No of Shares Pledged	% of Shares Pledged
May 27, 2013	15,92,500	10	10	Preferential Allotment made pursuant to Share Subscription Agreement dated January 23, 2013 entered into between the Company and AIFL	15.05%	11.04%	3 Years	Nil	0.00
February 28, 2014	12,74,000	10	Nil	Bonus Issue	12.04%	8.83%	3 Years	Nil	0.00
Total	28,66,500				27.09%	19.87%			

*Cost of acquisition excludes Stamp Duty

3. Details of shareholding of Directors of AIFL in our Company

Sr. No	Name of Director	No of shares Held
1	Harshad Thakkar	2,30,177
2	Hitesh Punjani	14,94,000
3	Dinesh C Sodha	12,15,000

4. Shares purchased/sold by the Promoter and Promoter Group, directors and their immediate relatives during last 6 months.

Nil

5. There are no financing arrangements whereby the Promoter, Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the Issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing this Prospectus with the Stock Exchange.

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

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

Our Promoter has granted consent to include such number of Equity Shares held by them as may constitute 20 per cent of the post-issue Equity Share Capital of our Company as Promoters Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution from the date of filing of this Prospectus until the commencement of the lock-in period specified above

Date of allotment	Date when made fully paid up	No of Shares Allotted	Face Value	Issue Price	Nature of Allotment	% of Pre Issue Capital	% of Post Issue Capital	Source of Promoter's Contribution
Ashapura Intimates Fashion Limited								
May 27, 2013	May 27, 2013	15,92,500	10	10	Preferential Allotment made pursuant to Share Subscription Agreement dated January 23, 2013 entered into between the Company and AIFL	15.05%	11.04%	IPO Proceeds
February 28, 2014	February 28, 2014	12,74,000	10	Nil	Bonus issue	12.04%	8.83%	N.A
Total		28,66,500				27.09%	19.87%	
Promoter Contribution in IPO								
NA	NA	24,000	10	78		NA	0.17%	Internal Accruals



The Promoter Contribution of 24,000 Equity Shares at Rs. 78/- per Equity Share in the Issue will be satisfied one day prior to the date of opening of the Issue and the amount brought in shall be kept in the escrow account opened with the Banker to the Issue and shall be released to our Company along with the release of the Issue Proceeds.

Further our Promoter has given written consent to lock-in 24,000 Equity Shares to be subscribed by it as part of Promoter contribution for a period of three years from the date of allotment in the Issue.

We further confirm that the aforesaid minimum Promoter Contribution of 20 per cent which is subject to lock-in for three years does not consist of:

- Equity Shares acquired since incorporation for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoter during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.
- The Equity Shares held by the Promoter and offered for minimum Promoters' Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.
- Equity shares issued to our Promoter on conversion of partnership firm into limited company.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

As per the applicable provisions of SEBI (ICDR) Regulations the Promoters Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the Equity Shares is one of the terms of the sanction of the loan. The Promoters Contribution may be pledged only if in addition to the above stated, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Issue.

In terms of the applicable provisions of SEBI (ICDR) Regulations the Equity Shares held by our Promoter may be transferred to and among the Promoter Group or to new Promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

We further confirm that our Promoter's Contribution of 20 per cent of the post Issue Equity does not include any contribution from Alternative Investment Fund.

7. Details of share capital locked in for one year

In addition to minimum 20 per cent of the Post-Issue shareholding of our Company held by the Promoter (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, the entire pre-issue share capital of our Company shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoter and locked-in for a period of one year from the date of Allotment, in accordance with regulation 37 of SEBI (ICDR) Regulations, in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code.

A. The table below represents the shareholding pattern of our Company in accordance with clause 37 of the SME Listing Agreement, as on the date of this Prospectus:

Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/Hindu Undivided Family	1	230,177	230,177	2.17	2.17	0	0
(b)	Central Government/State Government(s)	0	-	-	0.00	0.00	0	0
(c)	Bodies Corporate	1	2,866,500	2,866,500	27.09	27.09	0	0
(d)	Financial Institutions/Banks	0	-	-	0.00	0.00	0	0
(e)	Any other (Specify)	0	-	-	0.00	0.00	0	0
	SUB TOTAL (A)(1)	2	3,096,677	3,096,677	29.26	29.26	0	0
(2)	Foreign	0	-	-	0.00	0.00	0	0
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	-	-	0.00	0.00	0	0
(b)	Bodies Corporate	0	-	-	0.00	0.00	0	0
(c)	Institutions/FPI	0	-	-	0.00	0.00	0	0
(d)	Any other (Specify)	0	-	-	0.00	0.00	0	0
	SUB TOTAL (A)(2)	0	-	-	0.00	0.00	0	0
	Total Shareholding of Promoter and	2	3,096,677	3,096,677	29.26	29.26	0	0

Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
	Promoter Group (A)=(A)(1)+(A)(2)							
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/UTI	0	-	-	0.00	0.00	0	0
(b)	Financial Institutions/Banks	0	-	-	0.00	0.00	0	0
(c)	Central Government/State Government(s)	0	-	-	0.00	0.00	0	0
(d)	Venture Capital Fund	0	-	-	0.00	0.00	0	0
(e)	Insurance Companies	0	-	-	0.00	0.00	0	0
(f)	Foreign Portfolio Investors	0	-	-	0.00	0.00	0	0
(g)	Foreign Venture Capital Investors	0	-	-	0.00	0.00	0	0
(h)	Nominated Investors (as defined in Chapter XB of SEBI (ICDR) Regulations)	0	-	-	0.00	0.00	0	0
(i)	Market Makers	0	-	-	0.00	0.00	0	0
(j)	Any other (Specify)	0	-	-	0.00	0.00	0	0
	SUB TOTAL (B) (1)	0	-	-	0.00	0.00	0	0
(2)	Non-Institutions							
(a)	Bodies Corporate	2	916,000	16,000	8.66	8.66	0	0
(b)	Individuals -							

Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
	i) Individual shareholders holding nominal share Capital up to Rs.1 lakh	57	301,408	277,400	2.85	2.85	0	0
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	40	6,269,050	1,378,600	59.24	59.09	0	0
(c)	Any other (Specify)Individual (Non-Resident individuals)	0	-	-	0.00	0.00		
	SUB TOTAL (B) (2)	0	-	-	0.00	0.00	0	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)	99	7,486,458	1,656,000	70.74	70.74	0	0
	TOTAL (A)+(B)	101	10,583,135	4,768,677	100.00	100.00	0	0
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
	GRAND TOTAL (A)+(B)+(C)	101	10,583,135	4,768,677	100.00	100.00	0	0

Our Company will file the shareholding pattern of our Company, in the form prescribed under clause 37 of the Listing Agreement, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of NSE before commencement of trading of such Equity Shares.



B. Shareholding of our Promoter and Promoter Group

The table below presents the current shareholding pattern of our Promoter and Promoter Group (individuals and companies).

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
	Promoter				
1.	Ashapura Intimates Fashion Ltd	28,66,500	27.09%	28,66,500	19.87%
	Promoter Group				
2.	Harshad Thakkar	2,30,177	2.17%	2,30,177	1.60%
	Total	30,96,677	29.26%	30,96,677	21.46%

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition (In Rs.)
Ashapura Intimates Fashion Limited	28,66,500	5.55

9. Equity Shares held by top ten shareholders

Our top ten shareholders and the number of Equity Shares held by them as on date of this Prospectus are as under:

Sr. No.	Name of shareholder*	No. of Shares	% age of pre-Issue capital
1	Ashapura Intimates Fashion Limited	28,66,500	27.09%
2	Hitesh Punjani	14,94,000	14.12%
3	Dinesh C Sodha	12,15,000	11.48%
4	K Kalidas Fashion Pvt Ltd	9,00,000	8.50%
5	Ranjanaben Thakkar	5,55,550	5.25%
6	Rasiklal Thakkar	5,55,550	5.25%
7	Jayesh Ganatra	4,64,000	4.38%
8	Manish Thakkar	3,27,770	3.10%
9	Dimple Thakkar	3,24,065	3.06%
10	Harshad H Thakkar	2,30,177	2.17%

*Our Company has 101 shareholders as on date of this Prospectus

Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of this Prospectus are as under:

Sr. No.	Name of shareholder*	No. of Shares	% age of pre-Issue capital
1	Ashapura Intimates Fashion Limited	28,66,500	27.09%
2	Hitesh Punjani	14,94,000	14.12%
3	Dinesh C Sodha	12,15,000	11.48%
4	K Kalidas Fashion Pvt Ltd	9,00,000	8.50%
5	Ranjanaben Thakkar	5,55,550	5.25%
6	Rasiklal Thakkar	5,55,550	5.25%
7	Jayesh Ganatra	4,64,000	4.38%
8	Manish Thakkar	3,27,770	3.10%
9	Dimple Thakkar	3,24,065	3.06%
10	Harshad H Thakkar	2,30,177	2.17%

*Our Company had 101 shareholders ten days prior to the date of this Prospectus

Our top ten shareholders and the number of Equity Shares held by them two years prior to date of this Prospectus are as under:

Sr. No.	Name of shareholder*	No. of Shares	% age of then existing capital
1	Harshad H Thakkar	25,000	50.00%
2	Dinesh C Sodha	25,000	50.00%
	Total	50,000	100.00%

*Our Company had 2 shareholders two years prior to the date of this Prospectus

10. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoter/Directors/Book Running Lead Manager for purchase of Equity Shares offered through this Prospectus.
11. The Equity Shares, which are subject to lock-in, shall carry the inscription "non-transferable" and the non transferability details shall be informed to the depository. The details of lock-in shall also be provided to the Stock Exchange before the listing of the Equity Shares.
12. As on the date of this Prospectus, none of the shares held by our Promoter/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
13. Except as otherwise disclosed in the chapter titled "Objects of the Issue" beginning on page 89 of this Prospectus, we have not raised any bridge loans against the proceeds of the Issue.
14. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in heading on "Basis of Allotment" beginning on page 288 of this Prospectus.
15. The Equity Shares Issued pursuant to this Issue shall be made fully paid-up or may be forfeited for non-payment of calls within twelve months from the date of allotment of shares.



16. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43(4) of SEBI (ICDR) Regulations, as amended from time to time.
17. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and SME Platform of NSE.
18. The Issue is being made through Book Built method.
19. As on date of filing of this Prospectus with Stock Exchange, the entire issued share capital of our Company is fully paid-up.
20. On the date of filing this Prospectus with Stock Exchange, there are no outstanding financial instruments or any other rights that would entitle the existing Promoter or shareholders or any other person any option to receive Equity Shares after the Issue.
21. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
22. BRLM to the Issue viz. Pantomath Capital Advisors Private Limited and its associates do not hold any Equity Shares of our Company.
23. Our Company has not revalued its assets since incorporation.
24. Our Company has not made any Public Issue of any kind or class of securities since its incorporation.
25. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law.
26. Our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
27. Except as disclosed in the Prospectus there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.
28. Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
29. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when,

options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.

30. An investor cannot make a bid for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
31. No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956.
32. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoter to the persons who receive allotments, if any, in this Issue.
33. Our Company has 101 members as on the date of filing of this Prospectus.
34. As of the date of the Prospectus, there are no outstanding financial instruments or warrants or any other right that would entitle the existing Promoters or Shareholders, or any other person any option to receive Equity Shares after the issue



OBJECTS OF THE ISSUE

Our Company proposes to utilize the funds which are being raised towards funding the following objects and achieve the benefits of listing on the SME Platform of NSE.

The objects of the Issue are

1. Acquisition of land for setting up New Manufacturing Facility
2. To meet long term working capital requirements;
3. Meet Issue expenses and
4. General corporate purpose:-

We believe that listing will enhance our Company's corporate image and create a public market for our Equity Shares in India. The main objects clause of our Memorandum enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum Association. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

FUND REQUIREMENTS

Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and/or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

The details of the Net Proceeds of the Issue are summarised in the table below:

Particulars	Amount (in Rs. Lakhs)
Pre-IPO Placement	1,332.87
Net Proceeds to be raised through this Issue (excluding Pre-IPO Placement)	3,000.19
Total	4,333.06

We intend to utilize the proceeds of the Issue including Pre-IPO placement, in the manner set forth below:

S. No.	Particulars	Amount (in Rs. Lakhs)
1.	Acquisition of Land (for setting up New Manufacturing Facility)	700.00
2.	Long term working capital requirement	2,400.00
3.	Meet Issue Expenses	270.00
4.	General Corporate Purposes	963.06
	Total	4,333.06

****As on July 21, 2014, the Company has incurred Rs. 7.86 Lakhs towards Issue Expenses.***

The requirements of the objects detailed above are intended to be funded entirely from the Proceeds of the Issue. Accordingly, we confirm that to make firm arrangements of finance through verifiable means towards at least 75 per cent of the stated means of finance, excluding the amount to be raised from the proposed Issue is not applicable on us.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below.

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt and/or further equity issuance.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt.

Details of Utilization of Issue Proceeds

Acquisition of land (for new manufacturing facility)

Our Company is engaged in the business of manufacturing of non-branded intimate garments such as loungewear, bridal night wear, honeymoon sets, bathrobes, night wear, sportswear and women's innerwear. We have approximately 63,562sqft (carpet area) manufacturing facilities located at Bhiwandi which is 50 km to the north-east of Mumbai and 15 km to the north-east of Thane city. The Company has a total annual capacity of 32.50 Lakhs pieces (depending on the styling and design of the apparel manufactured). We plan to set up a new manufacturing facility to increase our total annual capacity by five times or 162.50 Lakhs pieces by FY 16.

The main purpose of acquisition of land is setting up new manufacturing facility to expand our production activities. We are in the process of identifying specific location(s). In this regard, we are negotiating with various vendors. However, since further land acquisitions are to be made out of the Issue proceeds, we have not yet entered into any specific agreements for the proposed acquisition of land as transactions for land acquisition have to be typically completed as soon as possible due to vendors availing multiple sale options and frequent price changes. We expect to finalize the transactions contemplated herein only once we have access to the Issue proceeds.

The cost of land is estimated based on certificate issued by Kulkarni Valuers Private Limited, dated August 14, 2014.

The cost of land is an estimate and actual price at which the land is purchased may be different. Any additional cost will be met from internal accruals. Whereas any savings will be utilized towards other costs to be incurred for New Manufacturing Facility.

Working Capital

Our business is working capital intensive. We finance our working capital requirements from various banks / financial institutions and from our internal accruals. As on March 31, 2014, the Company's

working capital funding from banks is of Rs. 2674.28 Lakhs. Total working capital requirements as of March 31, 2015 is estimated to be Rs 5197.77 lakhs. As of the date of this Prospectus, our Company has obtained working capital facilities for an amount up to Rs. 2700 lakhs from Punjab National Bank. Since the working capital requirement is staggered over the financial year 14-15, we propose to deploy the amount as working capital margin for the purpose of bank funding.

The following is the detailed calculation of projected working capital required for the financial year 2014-15

(Rs. In Lakhs)

Particulars	2011-12	2012-13	2013-14	2014-15 (Projected)
Current Assets				
Inventories	92.60	1,687.38	4,112.45	2,995.70
Trade Receivables	522.81	3,197.05	1,605.64	3,566.31
Cash and Bank Balance	7.74	20.34	400.78	326.03
Other Current Assets	-	211.43	17.66	203.93
Total (A)	623.14	5,116.20	6,136.53	7,091.97
Current Liabilities				
Trade Payables	680.71	1,770.86	1,549.26	1,337.38
Other Current Liabilities	0.00	181.11	119.09	385.58
Short Term Provisions	30.00	133.93	120.34	171.24
Total (B)	710.71	2,085.89	1,788.69	1,894.20
Net Working Capital (A)-(B)	(87.56)	3,030.31	4,347.84	5,197.77
Sources Of Working Capital				
Short term borrowings	0.00	1,699.22	2,674.28	2,750.00
Other sources*	0.08	1,331.09	1,673.56	47.77
IPO Proceeds				2,400.00

*Comprises finances through internal accruals and long term borrowings, which have been deployed largely in the past 2 years. Our Company intends to deploy these resources for various other corporate purposes including but not limited towards setting up, commissioning of new manufacturing facility, refurbishing the warehousing facility etc. The working capital gap is thus proposed to be funded through IPO proceeds.

Basis of Estimation

The incremental long term working capital requirements are based on historical Company data and estimation of the future requirements in FY 2014-15 considering the growth in activities of our Company and in line with norms accepted by our banker(s). Our Company inventory cycle is 4.61 months and has assumed inventory cycle of 2.73 months which represents work in progress.

Our debtor's cycle is of about 1.80 months. We have assumed that our debtor's cycle will be 3.25 months for FY 2014-15 respectively. Similarly we have estimated advance to suppliers, other current assets and current liabilities in line with working capital employed in FY 2013-14.

Issue Related Expenses

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 270 Lakhs.

Expenses	Expenses (Rs. Lakhs)* in	Expenses (% of total Issue expenses)	Expenses (% of Issue size)
Fees for Book Running Lead Manager, Legal Advisors and other intermediaries such as registrar, etc.	75.00	27.78%	2.50%
Regulatory fees and legal expenses	5.00	1.85%	0.17%
Marketing expenses, Selling commission and other expenses	190.00	70.37%	6.33%
Total estimated Issue expenses	270.00	100.00%	9.00%

General Corporate Purpose

Our Company intends to deploy the balance Issue proceeds aggregating Rs. 963.06 Lakhs towards the general corporate purposes, including but not restricted to strategic initiatives, entering into strategic alliances, funding routine working, pre-operative expenses, financing normal capital expenditure, repayment of loans, partnerships, joint ventures etc. and meeting exigencies and contingencies for the project, which our Company in the ordinary course of business may not foresee, or any other purposes as approved by our Board of Directors.

Our management, in response to the dynamic nature of the apparel industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Issue Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

DEPLOYMENT OF FUNDS

As estimated by our management, the entire proceeds from the Issue shall be utilized as follows:

(Rs. in Lakhs)

Particulars	Total Funds required	Amount incurred till July 21, 2014	Deployment during FY 2014-15
Acquisition of Land for setting up New Manufacturing Facility	700.00	Nil	700.00
Working Capital margins	2400.00	Nil	2400.00
Meet Issue Expenses	270.00	7.86	262.14
General Corporate Purposes	963.06	Nil	963.06
Total	4,333.06	7.86	4,325.20

Bagaria & Co. LLP, Chartered Accountants have *vide* certificate dated August 20, 2014, confirmed that as on July 21st 2014 following funds were deployed for the proposed Objects of the Issue:



(Rs. in Lakhs)

Particulars	Estimated Amount
Internal Accruals	7.86
Total	7.86

APPRAISAL BY APPRAISING AGENCY

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

INTERIM USE OF FUNDS

Pending utilization for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, for the necessary duration or for reducing overdrafts. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds.

MONITORING UTILIZATION OF FUNDS

As the Net Proceeds of the Issue will be less than Rs. 50,000 Lakhs, under the SEBI (ICDR) Regulations, it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Net Proceeds through its Audit Committee. Pursuant to Clause 52 of the SME Listing Agreement, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

Other than as disclosed above no part of the Issue Proceeds will be paid by our Company as consideration to our Promoter, our Directors, Key Management Personnel or companies promoted by the Promoter, except as may be required in the usual course of business.

BASIS FOR ISSUE PRICE

The Issue Price of 78/- per Equity Share has been determined by our Company, in consultation with the Book Running Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is Rs. 10 and Issue Price is 78/- per Equity Share and is 7.8 times the face value.

QUALITATIVE FACTORS

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

- Product Mix
- Our Experienced Management Team
- Proximity & major customers
- Locational Advantages
- Relationship with AIFL
- State of Art Infrastructure
- Product Quality

For further details, refer to heading '*Our Competitive Strengths*' under chapter titled '*Our Business*' beginning on page 131 of this Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2012, 2013 and 2014 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

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

Year ended	EPS(Rs.)	Weight
March 31, 2014	5.96	3
March 31, 2013	32.91	2
March 31, 2012	64.67	1
Weighted Average	24.73	

Note:

The EPS has been computed by dividing net profit as restated, attributable to Equity Shareholders by restated weighted average number of Equity Shares outstanding during the year. Restated weighted average number of Equity Shares has been computed as per AS 20. The face value of each Equity Share is Rs. 10/-. Bonus shares issue done on February 28, 2014, has been counted for the weighted average number of Equity Shares in calculation of EPS.

2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 78 per Equity Share of Rs. 10/- each.

Particulars	P/E Ratio
P/E ratio based on Basic EPS for FY 2013-14	13.09
P/E ratio based on Weighted Average EPS	3.15
*Industry P/E	
Highest	57.25
Lowest	28.85

Particulars	P/E Ratio
Average	39.77

*Industry comprises Page Industries Limited, Lovable Lingerie's Limited, Rupa & Company Limited and AIFL.

3. Average Return on Net worth (RoNW)

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

Year ended	RoNW (%)	Weight
March 31, 2014	19.09	3
March 31, 2013	48.13	2
March 31, 2012	93.35	1
Weighted Average	41.15	

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

4. Minimum Return on Total Net Worth post Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2013.

Based on basic and diluted earnings per share:

At the Issue Price: 14.22% based on the restated financial statements

At the Floor Price: 14.22% based on the restated financial statements

At the Cap Price: 13.27% based on the restated financial statements

5. Net Asset Value (NAV)

Particulars	Amt. (Rs.)
Net asset value per equity share as of March 31, 2014	19.29
Net asset value per equity share after the Issue at Floor Price	41.89
Net asset value per equity share after the Issue at Cap Price	44.91
Net asset value per equity share after the Issue	41.89
Issue Price	78.00

NAV per equity share has been calculated as net worth divided by number of equity shares.

6. Comparison with other listed companies

Companies	CMP	EPS	PE Ratio	RON W	NAV (Per Share)	Face Value	Sales (In Crores)
Momai Apparels**	78	5.96	13.09	19.09	19.29	10.00	117.29
Page Industries Limited	7,892.70	137.87	57.25	53.21	259.10	10.00	1187.60
Lovable Lingerie Limited	427.70	12.59	33.97	11.12	345.49	10.00	159.52
Rupa & Co. Limited	225.00	7.80	28.85	22.96	33.99	1.00	894.10
Ashapura Intimates Fashion Limited	148.25	3.80	39.01	12.61	22.02	10.00	166.50

*Source: www.bseindia.com

** Based on the Issue Price determined on conclusion of book building process and the basic/diluted EPS of our Company.

Notes:

- The figures for Momai Apparels Limited are based on the standalone restated results for the year ended March 31, 2014.
- The figures for the peer group are based on standalone audited results for the respective year ended as indicated in the table.
- Current Market Price(CMP) is the closing prices of respective scripts as on September 12, 2014

The Issue Price of Rs. 78/- per Equity Share has been determined by the Company in consultation with the BRLM and is justified based on the above accounting ratios.

For further details refer to “Risk Factors” on page 20 and the financials of the Company including profitability and return ratios, as set out in the “Financial Statements” beginning on page 189 of this Prospectus for a more informed view.



STATEMENT OF POSSIBLE TAX BENEFITS

To,

The Board of Directors,

Momai Apparels Limited,

Mumbai

Sub: Statement of Possible Direct Tax Benefits in connection with proposed issue of Equity Share (the "Issue") of **MOMAI APPARELS LIMITED** (the "Company" / the "Issuer" / "MAL")

We report that the enclosed statement states the possible direct tax (viz Indian Income Tax Act, 1961 and Wealth Tax Act, 1957) benefits available to the Company and to its shareholders under the current direct tax laws referred to above, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions. The possible direct tax benefits discussed in the enclosed annexure are not exhaustive.

This statement is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

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

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

The contents of the enclosed statement are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This statement is intended solely for information and for inclusion in the Offer Document in connection with the proposed Issue of the Company and is not to be used, circulated or referred to for any other purpose without our prior written consent.

Our views are based on the existing provisions of law referred to earlier and its interpretation, which are Subject to change from time to time. No assurance is given that the revenue authorities/courts will concur with the views expressed in this Tax Benefit Statement. We do not assume responsibility to update the views consequent to such changes.

The views are exclusively for use of Momai Apparels Limited and shall not, without our prior written consent, be disclosed to any other person, except to the extent disclosure is otherwise permitted by the terms of our engagement.

*Disclosure of all or any part of this Tax Benefit Statement to any other person is on the basis that, to the fullest extent permitted by law, and **M/s Bagaria & Co LLP Chartered Accountants** shall not assume any duty or liability of any kind to the recipient, and any reliance placed on it is, at the recipient's own risk.*

For Bagaria & Co. LLP
Chartered Accountants
Firm Reg No. 113447W/W-100019

Darshan Agrawal Partner
Membership No.-135405
Mumbai
Date: August 10, 2014



STATEMENT OF TAX BENEFITS

The information provided below sets out the possible tax benefits available to the Company and the Equity Shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares, under the current tax laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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

SPECIAL TAX BENEFITS TO THE COMPANY

There are no special tax benefits that are available to the company.

GENERAL TAX BENEFITS TO THE COMPANY (Under the Income-Tax Act)

1. Dividend Income :-

In accordance with section 10(34), dividend income (referred to in section 115-O) will be exempt from tax.

2. Depreciation :-

In accordance with section 32(1), the company can claim depreciation on specified tangible (being Buildings, Plant & Machinery, Computer and Vehicles) and intangible assets (being Knowhow, Copyrights, Patents, Trademarks, Licenses, Franchises or any other business or commercial rights of similar nature acquired on or after 1st April, 1998) owned by it and used for the purpose of its business. In case of any new plant and machinery (other than ships and aircraft) that will be acquired and installed by the company engaged in the business of manufacture or production of any article or thing, the company will be entitled to a further sum equal to twenty per cent of the actual cost of such machinery or plant subject to conditions specified in section 32 of the Act.

3. Business Loss/ Capital Gain Loss :-

- a) In case of loss under the head "Profit and Gains from Business or Profession", it can be set-off with any other income head and the excess loss after such set-off can be carried forward for set-off with the business income of the next eight Assessment Years.
- b) As per provisions of section 74 of the Act, the company is entitled to carry forward losses arising from the transfer of capital assets for a period of 8 consecutive assessment years commencing from the assessment year when the losses were first computed and set off such losses from income chargeable under the head "Capital Gains". However, losses arising from long term capital assets may be set off only against long term capital gains arising to the company in future.

4. Income From Long Term Capital Gains :-

If the company invests in the equity shares of another company, as per the provisions of Section 10(38), any income arising from the transfer of a long term capital asset being an equity share in an Indian company is not includible in the total income if the transaction is chargeable to securities transaction tax.

5. Income From Mutual Funds/Units:-

Income received in respect of the units of mutual fund specified under clause 10(23D) or income received in respect of units from administrator of the specified undertakings or income received in respect of units from the specified company is exempt from tax in the hand of the company, under section 10(35) of the I. T. Act.

6. Capital Gains :-

- a) As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).
- b) As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15 per cent (plus applicable surcharge plus education cess plus secondary and higher education cess).
- c) As per section 54 EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (In cases not covered under section 10 (38) of the Act) arising on the transfer of the long term capital asset will be exempt from Capital Gains Tax if the capital gains are invested in a long term specified assets within a period of 6 months after the date of such transfer. If only part of the capital gain is so re-invested, exemption shall be allowed proportionately provided that the investment made in the long term specified asset during any financial year does not exceed fifty lakhs rupees. In such cases the cost of such long term specified asset will not qualify for deduction under section 80 C of the Act. However if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money. A, long-term specified asset' means any bond, redeemable after three years and issued on or after the 1st day of April 2006:
 - i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

- ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

7. Preliminary Expenses :-

In accordance with section 35D, the company is eligible for deduction in respect of specified preliminary expenditure incurred by the company in connection with extension of its undertaking or in connection with setting up a new unit as specified in the section, for an amount equal to 1/5th of such expenses for each of the five successive previous years beginning with the previous year in which the extension of the undertaking is completed or the new unit commences production or operation, subject to conditions and limits specified in that section.

- 8. In accordance with section 35DDA, the company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement for an amount equal to 1/5th of the amount so paid for that previous year, and the balance in four equal installments for each of the succeeding previous years subject to conditions specified in that section.

9. Scientific Research Expenses :-

In accordance with section 35, the company is eligible for –

- a) Deduction in respect of any expenditure (not being in the nature of capital expenditure) on scientific research related to the business subject to conditions specified in that section.
 - b) As per section 35(2AB) of the Act, the Company will be entitled to claim deduction of 200 per cent of the expenditure incurred on in-house research and development facility subject to authorization of certain conditions specified therein.
- 10. In accordance with section 80-IA, the company can claim, subject to fulfillments of certain conditions, deduction of an amount equal to hundred percent of the profits and gains derived from the business of, development of Infrastructure facilities including construction of roads, bridges, rail systems, highways, irrigation projects, ports etc, for ten consecutive assessment years out of twenty years beginning from the year in which the company develops such facility.

11. Credit available under MAT (Minimum Alternate Tax)

The amount of tax paid under section 115JB by the company for any assessment year beginning on or after April 01, 2006 will be available as credit for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provisions of section 115JAA of the Act.

- 12. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

13. Section 115O

- a) Tax on distributed profits of domestic companies.
- b) Any amount declared, distributed or paid by company by way of dividend shall be charged to additional income tax at the rate of 15 per cent (Grossed up method as per finance act 2014) plus applicable surcharge and education cess.

14. Tax Rates for Companies

- a) The Corporate tax rates as applicable to the companies is 30 per cent, surcharge and education cess shall be further added at the applicable rates for year.

SPECIAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY:

There are no special tax rebates available to the shareholders of the company.

GENERAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY under the Income-Tax Act

A. Resident Shareholders:-

1. Dividend Income :-

In accordance with section 10(34) of the act, dividend income declared, distributed or paid by the company (referred to in section 115-O) on or after April 01, 2003 will be exempt from tax in the hands of shareholders.

2. Capital Gains :-

- a) Shares of the Company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long term capital asset.
- b) Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.
- c) Where in respect of any assessment year, the net result of the computation under the head "Capital gains" is a loss to the assessee, the whole loss shall, subject to the other provisions of this Chapter, be carried forward to the following assessment year, and—
 - i) in so far as such loss relates to a short-term capital asset, it shall be set off against income, if any, under the head "Capital gains" assessable for that assessment year in respect of any other capital asset;
 - ii) in so far as such loss relates to a long-term capital asset, it shall be set off against income, if any, under the head "Capital gains" assessable for that assessment year in respect of any other capital asset not being a short-term capital asset;
 - iii) if the loss cannot be wholly so set off, the amount of loss not so set off shall be carried forward to the following assessment year and so on.

No loss shall be carried forward under this section for more than eight assessment years immediately succeeding the assessment year for which the loss was first computed.

- d) As per section 112 of the Act, if the shares of the company are listed on a recognized stock exchange, taxable long-term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20 per cent (plus applicable surcharge plus education cess plus secondary and higher education cess) after considering indexation benefits or at 10 per cent (plus applicable surcharge plus education cess plus secondary and higher education cess) without indexation benefits, whichever is less.

- e) Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.
- f) As per section 54 EC of the act and subject to the conditions and to the extent specified therein, long term capital gains (In cases not covered under section 10 (38) of the Act) arising on the transfer of the long term capital asset will be exempt from Capital Gains Tax if the capital gains are invested in a long term specified assets within a period of 6 months after the date of such transfer. If only part of the capital gain is so re-invested, exemption shall be allowed proportionately provided that the investment made in the long term specified asset during any financial year does not exceed fifty lakhs rupees. In such cases the cost of such long term specified asset will not qualify for deduction under section 80 C of the act. However if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money. A, long-term specified asset' means any bond, redeemable after three years and issued on or after the 1st day of April 2006:
 - i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
 - ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of his section.
- g) In accordance with section 54ED, capital gain arising on the transfer of a long-term capital asset being listed securities on which securities transaction tax is not payable, shall be exempt from tax provided the whole of the capital gain is invested within a period of six months in equity shares forming part of an eligible issue of capital. If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested. If the specified equity shares are sold or otherwise transferred within a period of one year from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified equity shares are transferred. The cost of the specified equity shares will not be eligible for deduction under section 80C.
- h) In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years subject to such terms and conditions as specified under the section.

3. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

B. Non-Residents Indians/ Non Resident Shareholders (Other than FII's and Foreign Venture Capital Investors)

1. Dividend Income :-

Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.

Capital Gains :-

- a) In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax and would not be liable to tax in the hands of the shareholder.
- b) In accordance with section 112, the tax on capital gains on transfer of shares, where the transaction is not chargeable to Securities Transaction Tax, held as long term capital assets will be at the rate of 10 per cent (plus applicable surcharge and education cess). A non-resident will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long term capital gain on sale of shares.
- c) In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be at the rate of 20 per cent (plus applicable surcharge and additional surcharge called as "Education Cess").
- d) In accordance with section 48, capital gains arising out of transfer of capital asset being shares in the company, and such transaction is not chargeable to securities transaction tax, shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing / arising from every reinvestment thereafter and sale of shares or debentures of an Indian company including the Company.
- e) Under section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 per cent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

- f) As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a 'long-term specified asset' within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money. A 'long term specified asset' means any bond, redeemable after three years and issued on or after the 1st day of April 2006:
 - i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
 - ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.
 - g) Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
2. Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. 'Special Provisions Relating to Certain Incomes of Non- Residents' which are as follows:
- a) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concession ally taxed at the flat rate of 10 per cent (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).
 - b) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets (as mentioned in the section) within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

- c) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
 - d) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for 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 assessment years until such assets are converted into money.
 - e) As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.
3. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

C. Foreign institutional investors (FIIs)

- 1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.
- 2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.
- 3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the rates as specified in the section.
- 4. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
- 5. Under section 74 of the IT Act, unabsorbed loss, if any, under the head “Capital Gains” can be carried forward and set off in the specified manner against the capital gains for subsequent years (up to 8 years) subject to the condition specified therein.

D. Mutual Funds

In accordance with section 10(23D), any income of:

- a) Mutual fund registered under the Securities and Exchange Board of India Act 1992 or regulations made there under;

- b) such other Mutual Fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf, will be exempt from income-tax.

E. Under the Wealth Tax and Gift Tax Acts

1. **"Asset"** as defined under-section 2(ea) of the Wealth-tax Act, 1957 does not include shares in companies and hence, these are not liable to wealth-tax.
2. Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Any gift of shares of the Company is not liable to gift-tax. However, in the hands of the Donee the same will be treated as income unless the gift is from a relative as defined under Explanation to Section 56(vi) of Income-tax Act, 1961.

NOTES:-

- a) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c) The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2015-16. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.
- d) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for Professional advice. 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 investment in the shares of the Company.

SECTION IV – ABOUT THE COMPANY

OUR INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 20 and 189 respectively of this Prospectus before deciding to invest in our Equity Shares.

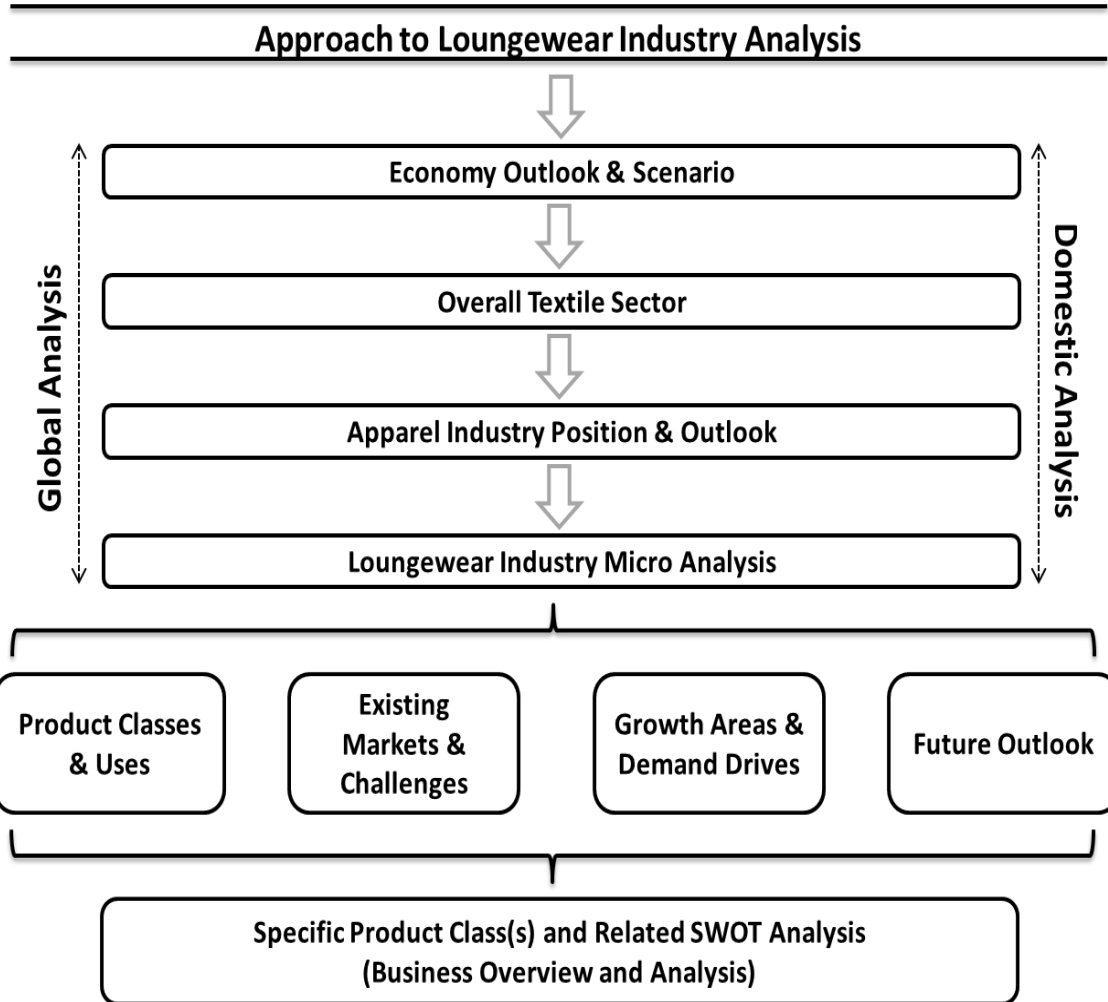
The information in this section is also derived from the report prepared by Kakode& Associates. Kakode& Associates has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. Kakode& Associates has added value with its own exclusive insights and understanding. Possession of this information or data does not violate any regulation whatsoever. However, neither the accuracy nor completeness of information contained in this report is guaranteed. Kakode& Associates is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in this report and especially states that Kakode& Associates has no financial liability whatsoever to the user of this product. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of Kakode& Associates.

APPROACH TO LOUNGEWEAR INDUSTRY ANALYSIS

Analysis of loungewear industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Loungewear industry forms part of textile sector at a macro level. Hence, broad picture of textile sector should be at preface while analyzing the loungewear industry. If the entire textile sector is likely to be impacted by a specific set of factors, so would, most likely, be the loungewear industry as well.

Textile sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall textile sector is ‘apparel industry’, which in turn encompasses various components one of them being ‘loungewear’.

Thus, loungewear industry segment should be analyzed in the light of ‘apparel industry’. An appropriate view on loungewear industry, thus, calls for the overall economy outlook, performance and expectations of manufacturing sector especially textile sector, position of apparel industry and micro analysis.



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

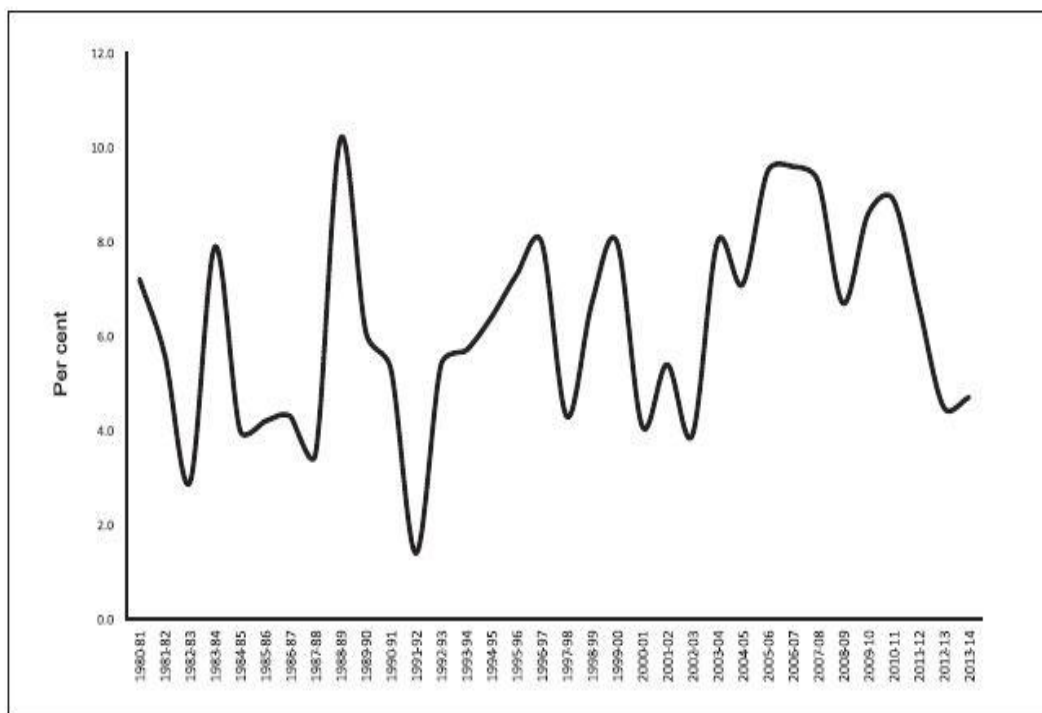
OVERVIEW OF INDIAN ECONOMY

In 2014-15, the Indian economy is poised to overcome the sub-5 per cent growth of gross domestic product (GDP) witnessed over the last two years. The growth slowdown in the last two years was broad based, affecting in particular the industry sector. Inflation too declined during this period, but continued to be above the comfort zone, owing primarily to the elevated level of food inflation. Yet, the developments on the macro stabilization front, particularly the dramatic improvement in the external economic situation with the current account deficit (CAD) declining to manageable levels after two years of worryingly high levels was the redeeming feature of 2013-14. The fiscal deficit of the Centre as a proportion of GDP also declined for the second year in a row as per the announced medium term policy stance. Reflecting the above and the expectations of a change for the better, financial markets have surged. Moderation in inflation would help ease the monetary policy stance and revive the confidence of investors, and with the global economy expected to recover moderately, particularly on account of

performance in some advanced economies, the economy can look forward to better growth prospects in 2014-15 and beyond.

Source (Economic survey 2013-14)

Growth in Real GDP (per cent)



Source – Economic Survey 2013-2014

OUTLOOK FOR 2014-15

The descent into the present phase of sub-5 per cent growth has been rather sharp. The interplay of structural constraints alongside delays in project implementation, subdued domestic sentiments, and an uncertain global milieu led to general growth slowdown while rendering macroeconomic stabilization particularly challenging. Inflation also remained at elevated levels. These factors triggered risk-aversion and injected considerable uncertainty in investment activity. The current macroeconomic situation precludes fiscal stimulus to kick-start activity. Similarly, the task of monetary policy calibration for growth revival has been made difficult by persistent inflation and further complicated by uncertainty in international financial conditions and, until recently, by rupee depreciation. Targeted measures by the government and RBI have improved the external economic situation significantly, even as India remains exposed to risk on/off sentiments of investors and to policy shifts in advanced economies. Regaining growth momentum requires restoration of domestic macroeconomic balance and enhancing efficiency. To this end, the emphasis of policy would have to remain on fiscal consolidation and removal of structural constraints. Though some measures have been initiated to this end, reversion to a growth rate of around 7-8 per cent can only occur beyond the ongoing and the next fiscal.

Global economic activity is expected to strengthen in 2014-15 on the back of some recovery in advanced economies. The Euro area is also expected to register a growth rate of above 1 per cent as against

contraction witnessed in 2012 and 2013 (IMF, WEO, April 2014). The European Central Bank's monetary policy measures, most significantly introduction of the negative deposit facility interest rate are expected to boost economic activity in Europe. In addition, the performance of the real sector in the US (that is likely affect the pace of taper) is a major factor that would impact the global economic situation in 2014-15. The growth outlook for emerging Asian economies is generally benign with some grappling with inflation, structural bottlenecks, and external imbalances. The slowdown in emerging economies comes at an inopportune juncture.

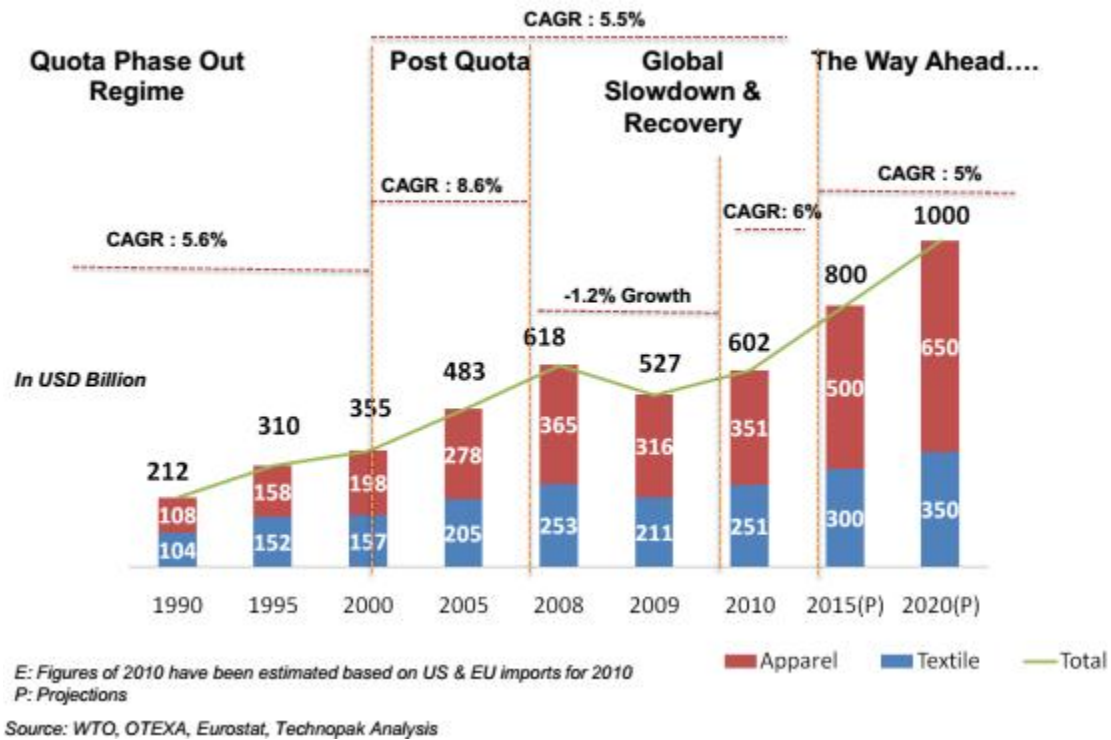
Downward movement along with heightened volatility, witnessed, for example, in fixed investment post 2008-09 in India, often tends to magnify the impact and transmission channels of shocks (e.g. below-normal monsoons and/or upshot in oil prices) and hampers build-up of positive expectations. Under such circumstances, the Indian economy can recover only gradually with the GDP at factor cost at constant prices expected to grow in the range of 5.4 – 5.9 per cent in 2014-15. This assumes the revival of growth in the industrial sector witnessed in April 2014 to continue for the rest of the year, the generally benign outlook on oil prices (notwithstanding the uncertainty on account of recent developments in the Middle East), and the absence of pronounced destabilizing shocks (including below-normal monsoons). Growth in the above range implies a pick-up, aided by an improved external economic situation characterized by a stable current account and steady capital inflows, improved fiscal situation and, on the supply side, robust electricity generation and some recovery in manufacturing and non-government services.

Growth in 2014-15 is expected to remain more on the lower side of the range given above, for the following reasons: (i) steps undertaken to restart the investment cycle (including project clearances and incentives given to industry) are perceived to be playing out only gradually; (ii) the benign growth outlook in some Asian economies, particularly China; (iii) still elevated levels of inflation that limit the scope of the RBI to reduce policy rates; and (iv) expectation of below-normal monsoons. Downside risk also emerges from prolonging of the geo-political tensions. On the upside, such factors as institutional reform to quicken implementation of large projects and a stronger-than-expected recovery in major advanced economies would help the Indian economy clock a higher rate of growth.

Source :Economic Survey 2013-2014

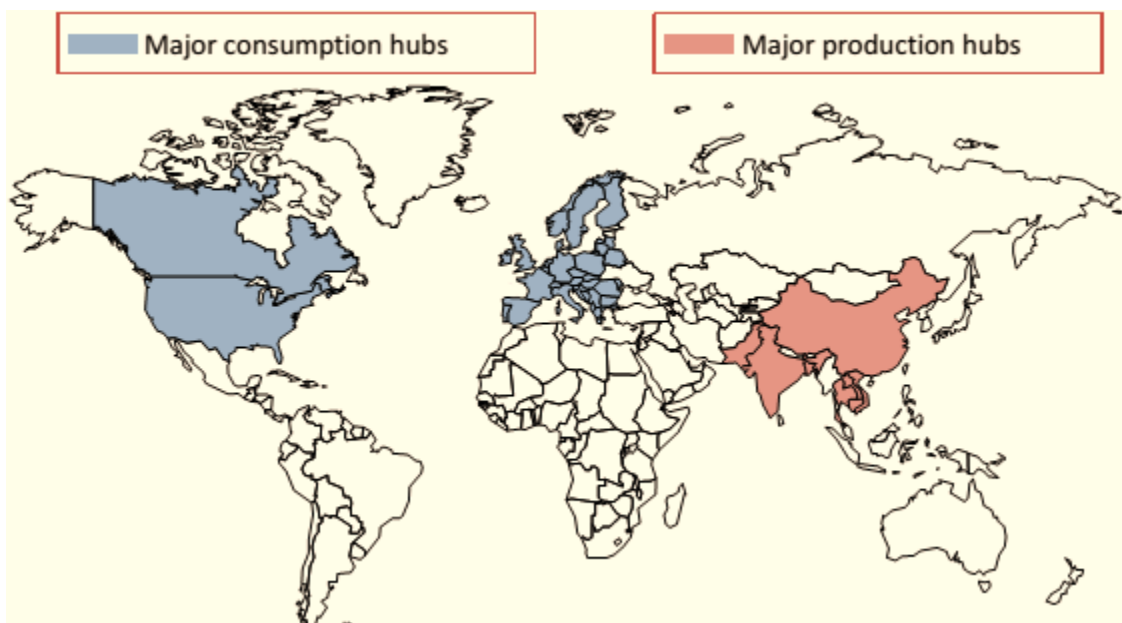
GLOBAL TEXTILE INDUSTRY

The global textile industry has grown significantly over the years and is expected to grow further. Despite the current global economic downturn, the global textile industry continues to grow at a healthy rate and this, coupled with the absence of switching costs for consumers and great product differentiation, means that rivalry within the industry is no more than moderate. The textile industry is of great importance to the global economy in terms of trade, employment, investment and revenue all over the world. This particular industry has short product life cycles, vast product differentiation and is characterized by great pace of demand change coupled with rather long and inflexible supply processes.



Source: Kakode& Associates

However, it is noteworthy that the textile production has gradually shifted from developed / western countries to developing / Asian countries rapidly in the last 10 years. Asian countries like China and India apart from being production hubs have also emerged as strong consuming base in the last 5 years.



Source: Kakode& Associates

Today, the major production hubs for textile and apparel manufacturing are China, India, Bangladesh, Pakistan, Indonesia, etc.

Top Exporters & Importers of Textiles and Clothing

Top Exporters	1990		1995		2000		2005		2010	
	Value	%	Value	%	Value	%	Value	%	Value	%
China	28.3	13.3%	49.3	15.9%	78	22.0%	132.8	27.5%	216	35.9%
EU - 27	91.6	43.2%	110.7	35.7%	101	28.3%	148.3	30.7%	166	27.6%
India	4.7	2.2%	8.5	2.7%	10.2	2.9%	16.1	3.3%	24	4.0%
Turkey	4.8	2.3%	8.7	2.8%	10.2	2.9%	18.9	3.9%	22	3.7%
USA	7.6	3.6%	14	4.5%	19.6	5.5%	17.4	3.6%	17	2.8%
Others	75	35.4%	118.9	38.4%	137	38.5%	149.5	31.0%	157	26.1%
Total	212	100.0%	310	100.0%	355	100.0%	483	100.0%	602	100.0%

Top Importers	1990		1995		2000		2005		2010	
	Value	%	Value	%	Value	%	Value	%	Value	%
EU - 27	107	50.6%	131	42.4%	129	36.3%	195	40.3%	237	39.4%
USA	33.7	15.9%	51.8	16.7%	82.1	23.1%	103	21.2%	105	17.4%
Japan	12.8	6.0%	24.7	8.0%	24.7	7.0%	28.4	5.9%	34	5.6%
China	5.3	2.5%	11.9	3.8%	16	4.5%	17.7	3.7%	20	3.3%
Canada	4.7	2.2%	5.9	1.9%	7.8	2.2%	10.3	2.1%	12	2.0%
Russia	-	-	1.4	0.5%	3.9	1.1%	10.5	2.2%	11	1.8%
Others	48.2	22.7%	82.9	26.7%	91.6	25.8%	119	24.6%	183	30.4%
Total	212	100.0%	310	100.0%	355	100.0%	483	100.0%	602	100.0%

Source: WTO & Kakode& Associates

INDIAN TEXTILE INDUSTRY

India's textiles and clothing industry is one of the mainstays of the national economy. It is also one of the largest contributing sectors to India's exports, contributing nearly 11 per cent of the total exports basket. The textiles industry is labour intensive and employs about 45 million people. It has a major presence in the unorganized sector. The report of the Working Group constituted by the Planning Commission on boosting India's manufacturing exports during the Twelfth Five Year Plan (2012-17) puts India's exports of textiles and clothing at US\$ 64.41 billion by the end of March 2017. In global clothing exports, India ranked ninth as per World Trade Organization (WTO) data 2012 (latest), with China, the EU, and Hong Kong occupying the first three slots. In global textile exports, India ranked third, trailing China and the EU. The import content of India's textile exports is very low, limited to certain specialty fibers and accessories.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven sector at one end of the spectrum, and the capital intensive, sophisticated mill sector at the other. The decentralized power looms/ hosiery and knitting sector form the largest section of the textiles sector. The close linkage of the industry to agriculture, the ancient culture, and traditions of the country make the Indian textiles sector unique in comparison with the textiles industry of other countries. This also provides the

industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country.

The major sub-sectors that comprise the textiles sector include the organized cotton/man-made fiber textiles mill industry, the man-made fiber/filament yarn industry, the wool and woollen textiles industry, the sericulture and silk textiles industry, handlooms, handicrafts, the jute and jute textiles industry, and textiles exports.

The Indian textile industry is vertically integrated from raw material to finished products, i.e. fiber to retail. The government has been providing liberal assistance to the sector under the Technology Upgradation Fund Scheme (TUFS). Under TUFS, since inception till 31 March 2014 investment of more than Rs. 2,50,000 crore has been made in the sector and Rs. 18,579.40 crore has been released towards subsidy. The Scheme for Integrated Textile Parks (SITP) is a strategic initiative to help set up integrated parks equipped with world-class infrastructure facilities in industrial clusters/locations with high growth potential. The proposal for continuation of the SITP Scheme in the Twelfth Five Year Plan with an allocation of Rs.1900 crore, which includes an additional grant for apparel-manufacturing units under the SITP, has been approved by the Cabinet Committee on Economic Affairs (CCEA). An allocation of ` 300 crore was made in 2013-14, later revised to Rs. 140 crore, of which Rs. 111 crore was disbursed.

Source: Annual Return 2012-2013, Ministry of Textiles, Government of India and Economic Survey 2013-2014

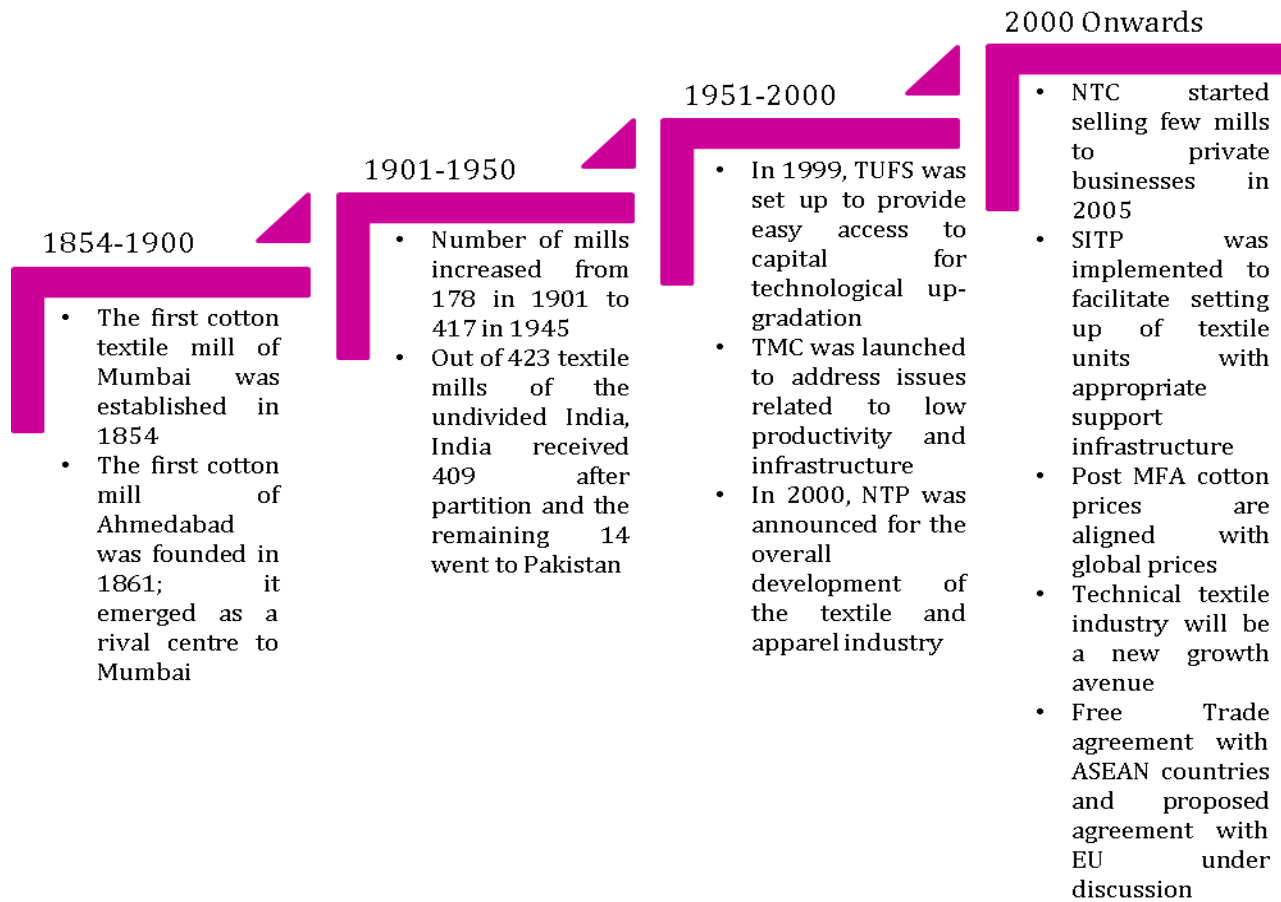
Key Facts of Indian Textile and Apparel Industry

The highlights of the Indian textile and apparel Industry are:

- Second largest producer of textiles and garments after China.
- Second largest producer of cotton in the world.
- Indian textile industry accounts for about 24 per cent of the world's spindle capacity and 8 per cent of global rotor capacity.
- India has the highest loom capacity (including hand looms) with 63 per cent of the world's market share.
- Second largest employer in India after agriculture – Direct Employment to 35 million people.
- Constitutes about 12 per cent of India's exports.
- India accounts for about 14 per cent of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton; and third largest in cellulosic fibre)
- Indian textile industry contributes about 4 per cent to India's GDP.
- Investment made in Textile sector since launch of TUFS scheme is Rs. 208,000 crore till June 2010.

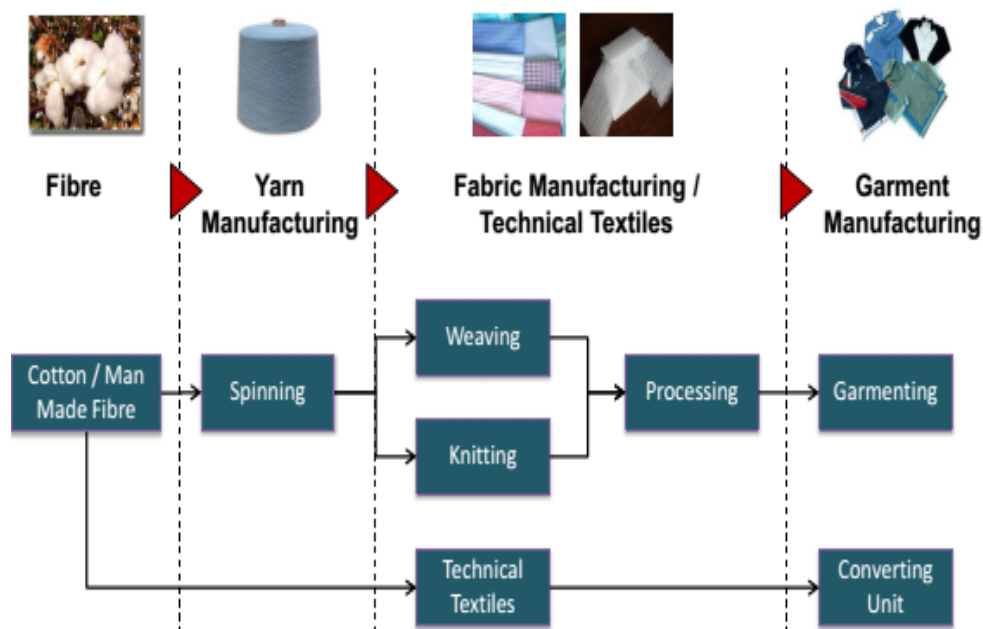
Source: Kakode& Associates

Evolution of Indian Textile Industry



Source: Kakode& Associates

India is amongst the few countries in the World which has presence across the textile value chain



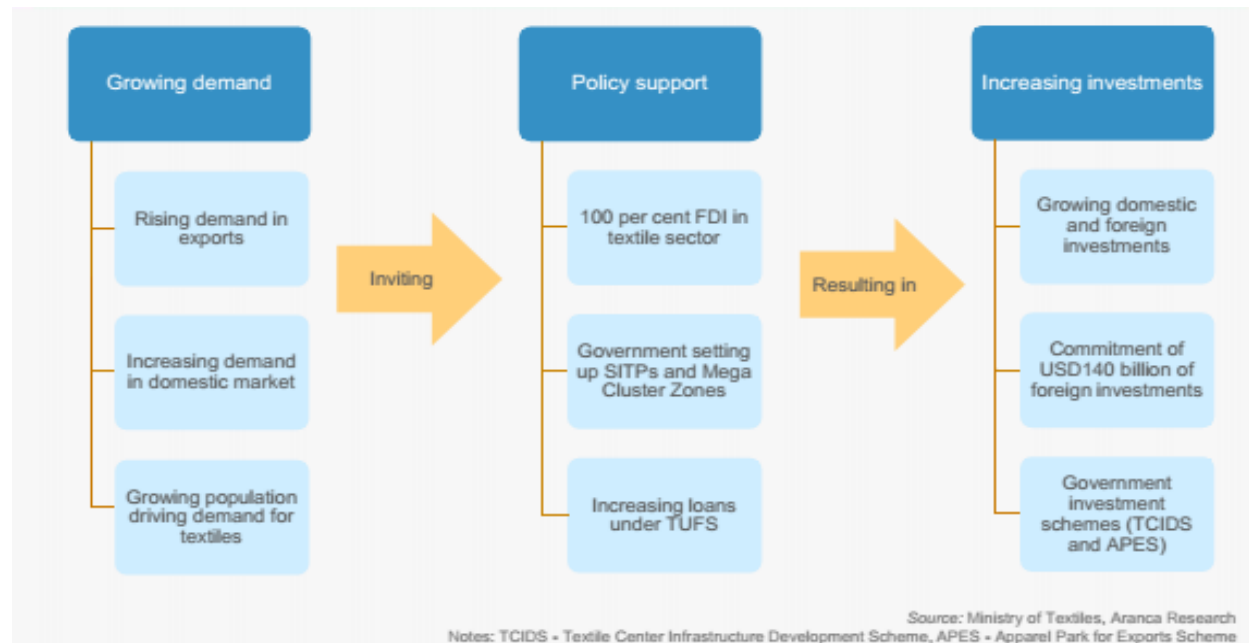
Source: Kakode& Associates

Notable Trends in Indian Textile Sector

Increasing investment in TUFS	<ul style="list-style-type: none"> The Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Upgradation Fund Scheme (TUFS) and cluster development activities TUFS is now extended to the 12th Five Year Plan, with an investment target of USD31.5 billion
Multi-Fibre Arrangement (MFA)	<ul style="list-style-type: none"> With the expiry of MFA in January 2005, cotton prices in India are now fully integrated with international rates
Public-Private Partnership (PPP)	<ul style="list-style-type: none"> The Ministry of Textiles commenced an initiative to establish institutes under the public-private partnership (PPP) model to encourage private sector participation in the development of the industry
Technical textiles	<ul style="list-style-type: none"> Technical textiles, which has been growing at around twice the rate of textiles for clothing applications over the past few years, is now expected to post a CAGR of 20 per cent over FY11-17

Source: Kakode& Associates

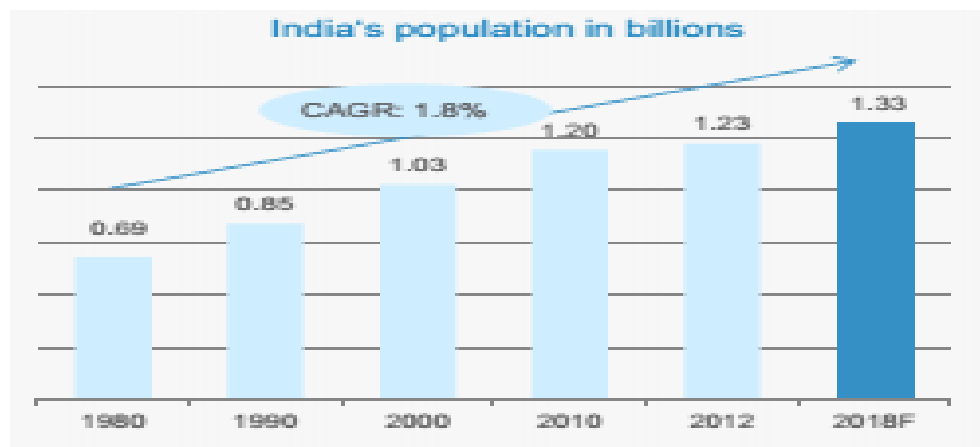
Strong fundamental and policy support aiding strong growth in the sector



Source: Kakode& Associates

Changing Demographics to contribute significantly to the Sector

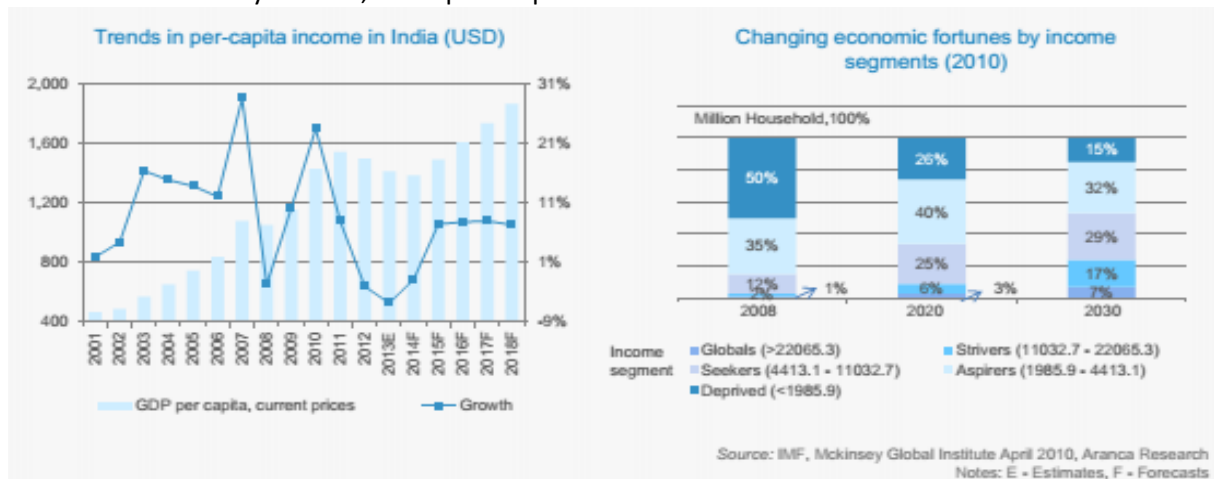
By 2010, India's population had almost doubled compared to figures 30 years before. The IMF expects India's population to touch 1.33 billion by end-2018. India's growing population has been a key driver of textile consumption growth in the country. It has been complemented by a young population which is growing and at the same time is exposed to changing tastes and fashion. Complementing this factor is rising female workforce participation in the country.



Source: Kakode& Associates

Rising Income and Growing Middle Class to be a Key Demand Driver

The rising incomes has been a key determinant of domestic demand for the sector; with incomes rising in the rural economy as well, the upward push on demand from the income side is set to continue.



Source: Kakode& Associates

Strong Global Demand is further boosting the sector

The capacity built over years has led to low cost of production per unit in India's textile industry; this has lent a strong competitive advantage to the country's textile exporters relative to key global peers.

The sector has also witnessed increasing outsourcing over the years as Indian players moved up the value chain from being mere converters to vendor partners of global retail giants.

The strong performance of textile exports is reflected in the value of exports from the sector over the years; In FY12, textile exports jumped by 19.4 per cent to USD33.3 billion in the coming decades, Africa and Latin America could very well turn out to be key markets for Indian textiles.

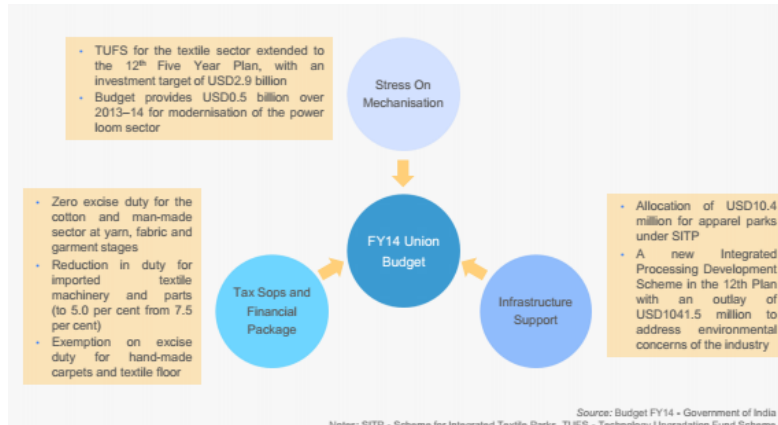


Source: Ministry of Textiles, Aranca Research

Source: Kakode& Associates

Government policies have largely been favourable to the textiles industry

The policies aim to ensure that the industry is internationally competitive in terms of manufacturing and exports. Besides providing various schemes, there are various other statutes, including fiscal policies (governing customs, excise, sales tax, etc.), rules, initiatives, incentives, etc. through which government extends support to the industry.



Source: Kakode& Associates

Various government schemes for textiles

- Technology Fund Upgradation Scheme (**TUFS**).
- SITP
- Group Workshed Scheme (**GWS**).
- Group Insurance Scheme for development of Power loom sector.
- Integrated Scheme for Power loom Cluster Development.
- Marketing Development Programme for Power loom Sector etc.
- Continued Support to Textile Sector by the Government in the FY14 Budget

Source: Kakode& Associates

Technology Upgradation Fund Scheme (TUFS)	<ul style="list-style-type: none"> TUFS infused an investment of more than USD43 billion until June 2010; another USD2.9 billion has been allocated for the 12th Five Year Plan Investment was made to promote modernisation and upgradation of the textile industry by providing credit at reduced rates
National Textile Policy - 2000	<ul style="list-style-type: none"> The policy was introduced for the overall development of textile industry Key areas of focus include technological upgrades, enhancement of productivity, product diversification and financing arrangements
Foreign Direct Investment	<ul style="list-style-type: none"> FDI of up to 100 per cent is allowed in the textile sector through the automatic route
Scheme for Integrated Textiles Parks (SITP)	<ul style="list-style-type: none"> SITP was set up in 2005 to provide necessary infrastructure to new textile units; under SITP, 40 projects (worth USD900 million) have been sanctioned The planned outlay for the textiles and apparel sector under the 11th Five Year Plan (20012-17) was USD2.9 billion
Technical Textile Industry	<ul style="list-style-type: none"> Government of India has planned an increase in the fund outlay for technical textiles industry to more than USD117 million during the current XII Five Year Plan (2012-17)

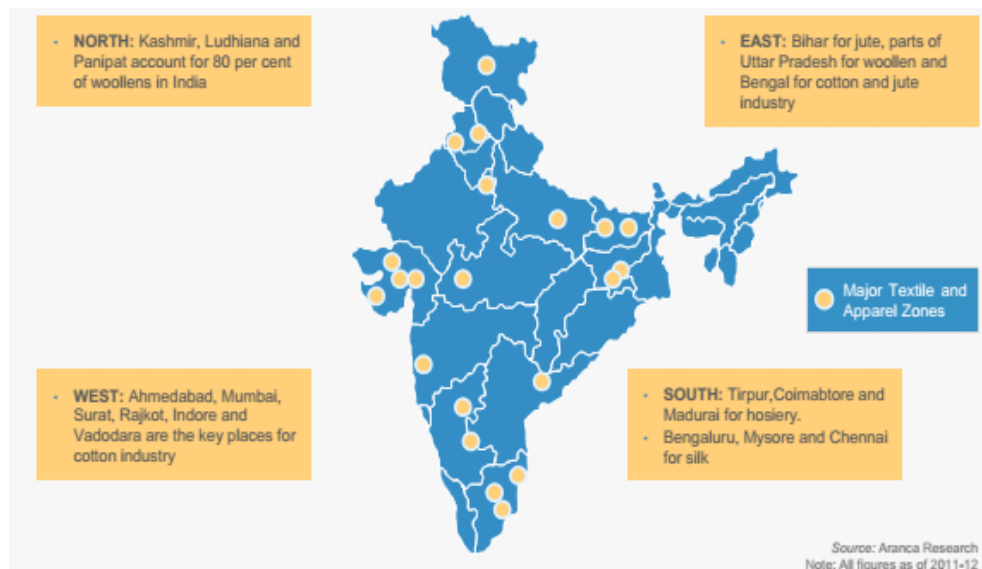
Source: Kakode& Associates

TEXTILE SEZs IN INDIA

Name of SEZ and status	State	Area (Hectares)	Sector	Details
Mahindra City SEZ (Functional)	Tamil Nadu	607.1	Apparel and Fashion Accessories	Mahindra City is India's first integrated business city, divided into business and lifestyle zones. It is a cluster of three sector specific SEZs in Tamil Nadu, for apparels and fashion accessories; IT and hardware; and auto ancillary. The business zone provides plug-n-play working spaces. This zone comprises a SEZ (primarily for exporters) and domestic tariff area (DTA) for companies targeting domestic market
Surat Apparel Park (Functional)	Gujarat	56.0	Textiles	Key industrial units include Safari Exports, Venus Garments, Benchmark Clothings, P. K. International, Tormal Prints, J.R. Fashion and Ganga Export
Brandix India Apparel City (BIAC) (Functional)	Andhra Pradesh	404.7	Textiles	BIAC is an integrated apparel supply chain city, managed by Brandix Lanka Ltd. It aims to be a end-to-end apparel solution provider
(KIADB) (Functional)	Karnataka	16129.0	Several Sectors	Karnataka Industrial Areas Development Board (KIADB) is a wholly owned infrastructure agency of Government of Karnataka. Till date, KIADB has formed 132 industrial areas spread all over the state

Source: Kakode& Associates

Key Textile and Apparel Zones in India



Source: Kakode& Associates

Industry Strengths and Weakness

Strengths

- Long textile tradition
- Large pool of skilled and cheap work force
- Entrepreneurial skills
- Efficient multi-fibre raw material manufacturing capacity
- Large domestic market
- Enormous export potential
- Very low import content
- Flexible textile manufacturing systems

Weakness

- Use of out-dated manufacturing technology
- Huge unorganized and decentralized sector
- Poor supply chain management
- Power and other infrastructure constraints
- Lack of Effective Labour Policies

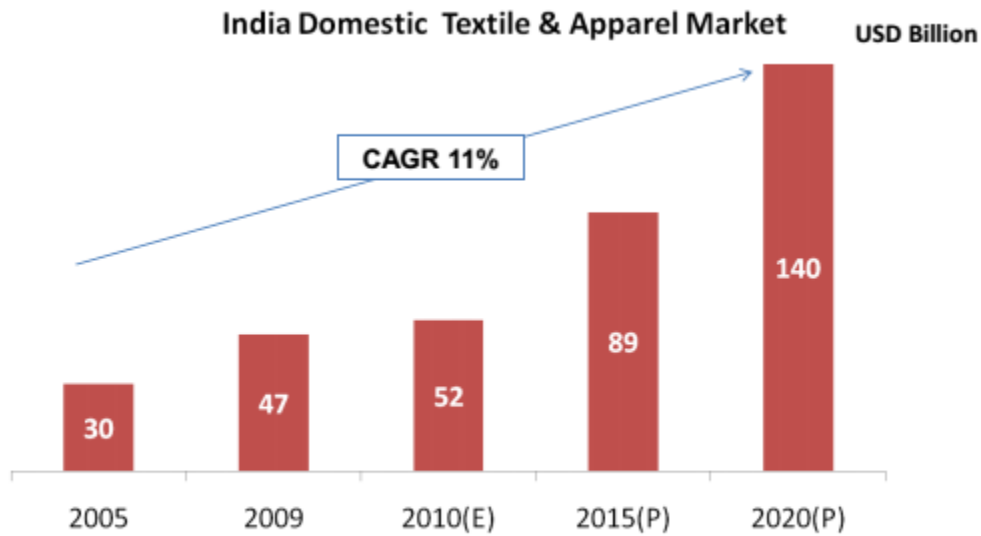
Opportunities to Textile and Apparel Industry

Immense growth potential	Private sector participation in silk production	Proposed FDI in multi-brand retail
<ul style="list-style-type: none"> The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand For the near term (2012), the sector is valued at USD110 billion by the Confederation of Indian Textile Industry (CITI) Estimates by the Alok Industries Ltd put the sector market value at USD220 billion by 2020 	<ul style="list-style-type: none"> The Central Silk Board sets targets for raw silk production and encourages farmers and private players to grow silk To achieve these targets, alliances with the private sector, especially major agro-based industries in pre-cocoon and post-cocoon segments has been encouraged 	<ul style="list-style-type: none"> For the textile industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers It will also bring in greater investments along the entire value chain – from agricultural production to final manufactured goods With global retail brands assured of a domestic foothold, outsourcing will also rise significantly
Retail sector offers growth potential	Centers of Excellence (CoE) for Research and Technical Training	Foreign investments
<ul style="list-style-type: none"> With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with several international players like Marks & Spencer, Guess and Next having entered Indian market The organised apparel segment is expected to grow at a compound annual growth rate (CAGR) of more than 13 per cent over a 10-year period 	<ul style="list-style-type: none"> The CoEs are aimed at creating testing and evaluation facilities as well as developing resource centres and training facilities Existing four CoEs, BTRA for Geotech, SITRA for Meditech, NITRA for Protech and SASMIRA for Agrotech, would be upgraded in terms of development of incubation centre and support for development of prototypes Fund support would be provided for appointing experts to develop these facilities 	<ul style="list-style-type: none"> The government is taking initiatives to attract foreign investments in the textile sector through promotional visits to countries such as Japan, Germany, Italy and France

Source: Kakode& Associates

Industry Growth Potential

The Indian USD 52 billion domestic textile market and apparel industry has the potential to grow at a CAGR of 11 per cent to reach USD 140 billion by 2020.

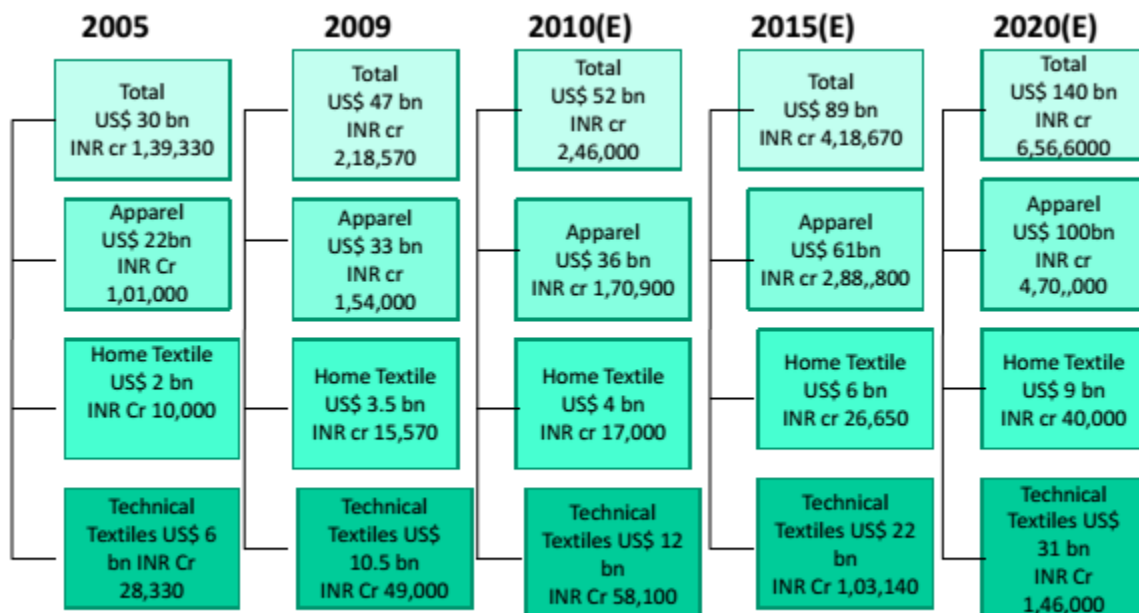


Source: Technopak Analysis

E: Estimated
P: Projected

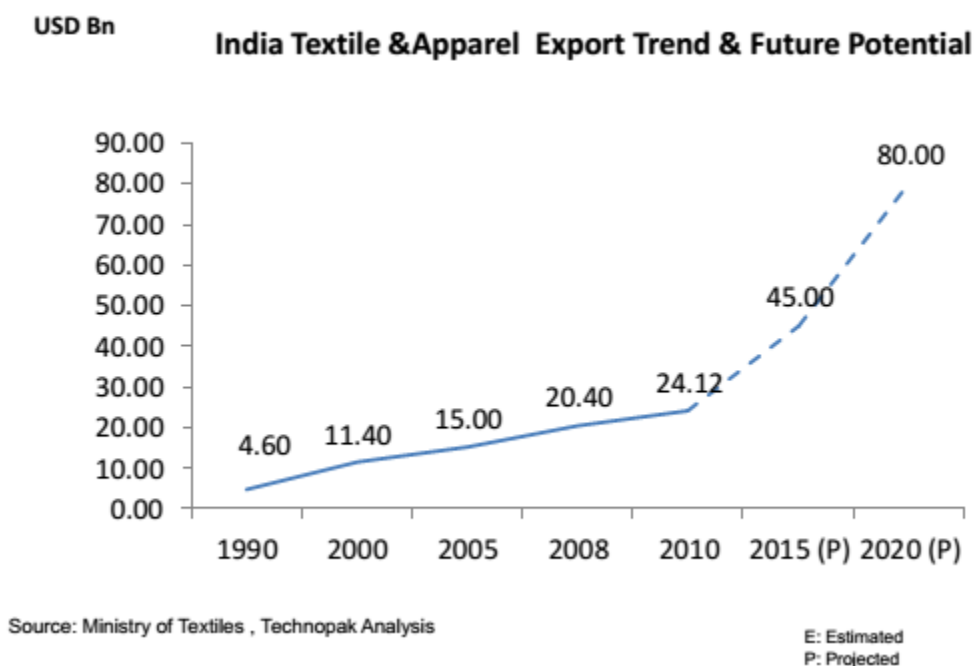
Source: Kakode& Associates

The domestic growth potential of Indian textile Industry and its constituents is as below:



Source: Kakode& Associates

The availability of raw materials, especially cotton, integrated operations and design skills in India and favourable demographics, rising income and population levels, and rising retail penetration in other developing countries give Indian textile industry an edge in domestic as well as export markets. The potential export trends for the industry as shown below:



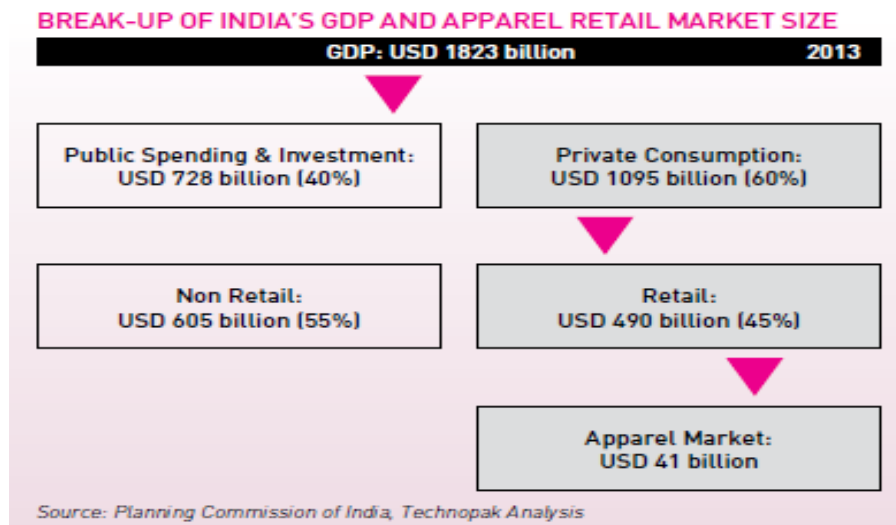
Source: Kakode& Associates

Conclusion

- India's garment exports is estimated at about USD 13 billion, which is about 40 per cent of India's total textile exports of about USD 33 billion.
- India's major strength is in cotton garments and mainly caters to lower to medium segments.
- India's domestic consumption of apparels is growing at a CAGR of about 8 per cent and likely to grow from about USD 46 billion in 2012 to about USD 85 billion by 2020.
- India has a unique position in the global textile industry due to strong manufacturing base and is now emerging as a strong consumption base as well.
- Domestic consumption would be a major driving force for textiles backed by strong economic growth prospects and growing per capita income.
- India's inherent strengths like a strong textile infrastructure along with high service capabilities make it a preferred sourcing destination.

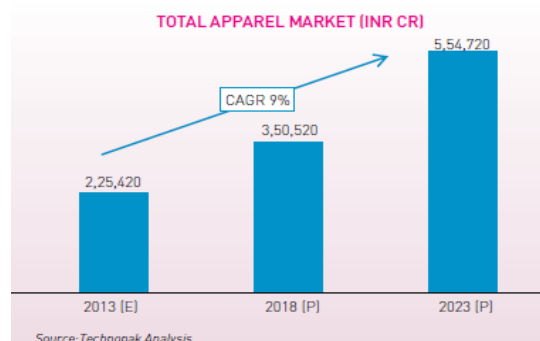
- The traditional players like China are getting stagnated and the other major player Europe is on a decline. Other competing nations are at a far distance, thus clearly giving India a superior platform to grab additional market share.
- The organized sector is all poised to play major role in making India a leading textile hub.
- Indian textile industry is all set to witness almost 3 times growth in the next decade from USD 78 billion to USD 220 billion.
- Indeed the coming decade promises to be an exciting decade for Indian Textile Industry filled with great opportunities.

INDIAN APPAREL INDUSTRY

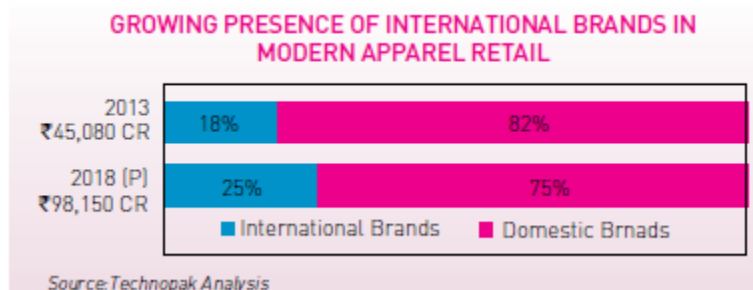


(Source: Business of Fashion Report- 2014)

The promising growth trajectory of apparel market with a CAGR of 9 per cent makes India a lucrative market for both Indian and international players when compared to the developed markets of the US, Europe and Japan that are expected to grow at only 2-3 per cent. This growth is attributed to a number of trends related to economy, demography, technological innovations and changing consumer buying behaviour.

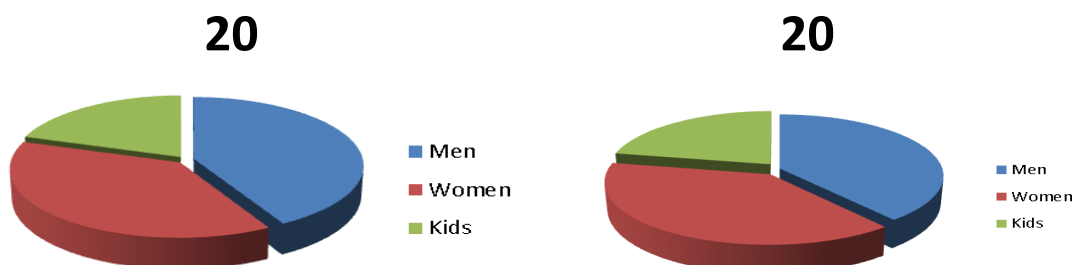


It is also expected that a number of international brands across all the formats will venture into India to leverage the scope in modern retail. The share of international brands is expected to jump from 18 per cent in 2013 to 25 per cent in 2018.

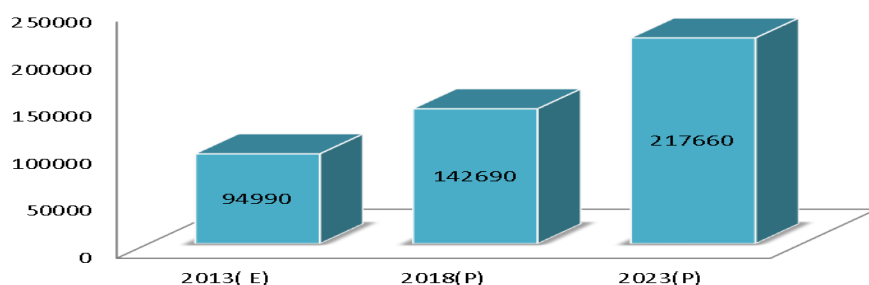


Inter-segment Analysis

The overall apparel market of India is classified into three groups: menswear, women wear and kids wear. Menswear segment contributes the highest to the apparel market with a share of 42 per cent, followed by women wear at 38 per cent and kids wear at 20 per cent. It is expected that the CAGR of menswear will be around 9 per cent while women wear will grow at an impressive rate of 10 per cent for the next 10 years. The kids wear market is expected to demonstrate the highest growth with a CAGR of 10.5 per cent.

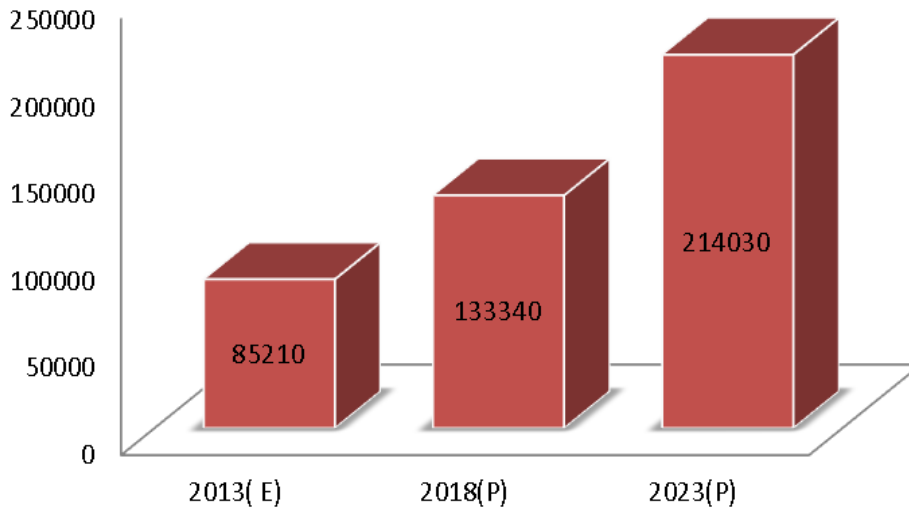


- Menswear** -Unlike the developed markets of the west, menswear is the predominant segment in India and is larger than the women wear segment. Menswear market in India is estimated to be INR 94,990 crores (USD 17,271 million) in 2013 and is expected to grow a CAGR of 9 per cent to reach INR 2,17,660 Crores (USD 39,575 million) in 2023.



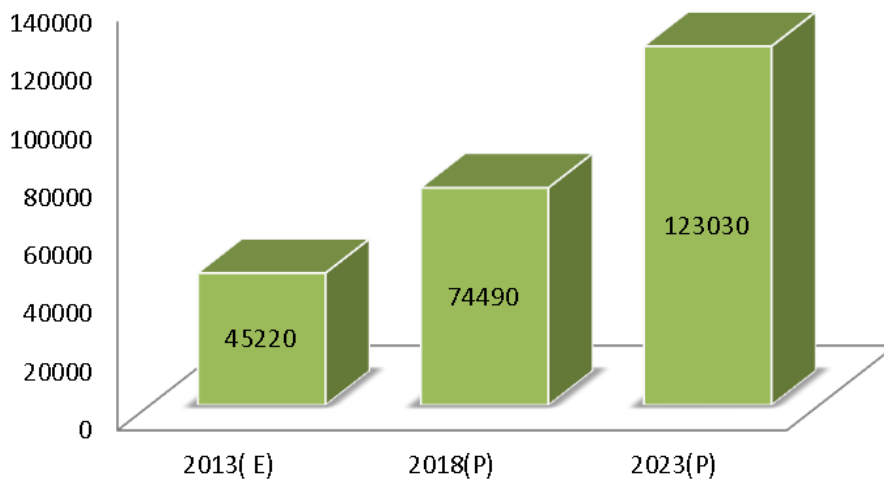
Source: Technopak Analysis

- Women's wear** -The women wear market of India contributes 38 per cent to the Indian apparel market, largely dominated by unorganized players. However, with increasing preference for branded apparel, regional brands and international brands have expanded their geographical presence. The women wear market is expected to grow at a CAGR of 10 per cent to reach Rs. 2, 14,030 Crores (USD 38,915 million) in 2023.



Source: Technopak Analysis

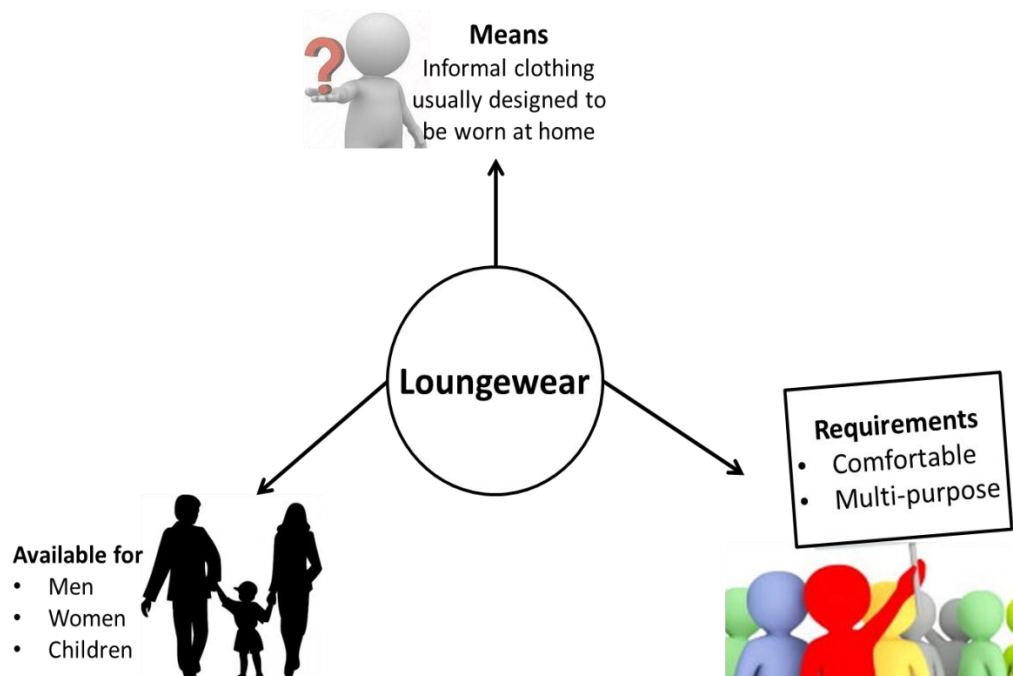
- Kids wear** -The kids wear market contributes 20 per cent to the total fashion market and is the fastest growing segment in the market. The INR 45,220 Crores (USD 8222 million) kids wear market is expected to grow at a CAGR of 10.5 per cent to reach INR 123,030 Crores (USD 22369 million) in 2023. Boys segment contributes 52 per cent to the kids wear market and the remaining by girls segment. The factors that drive the kids wear market are increasing expenditure on kids and improved awareness of kids' brands. Additionally, due to increased media exposure, kids have also become more fashion conscious today and influence their parents to allow them to experiment with clothing.



Source: Technopak Analysis

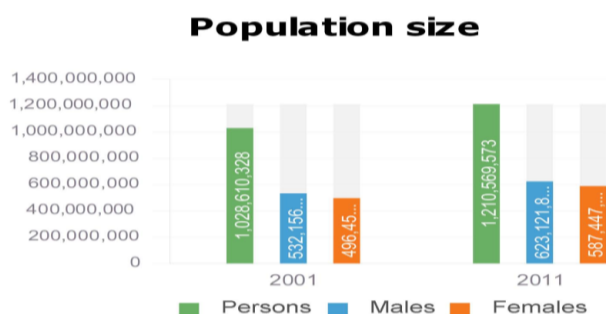
LOUNGEWEAR INDUSTRY

Everyone wishes to stay in style but soon fall prey to the need for comfort and the reality that most of our day is going to be spent outside of public eye. With people looking for a third wardrobe to wear at home after coming home from work and to lounge around in before going to bed, there is a rising demand for loungewear. The idea of loungewear came in with the need to offer outfits that are not only comfortable but also allow one to indulge in a relaxed manner. Today, it has become a lifestyle statement which is practical and comfortable at the same time.

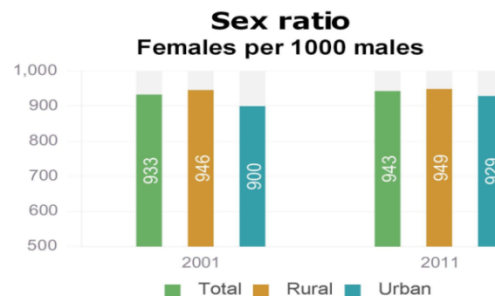


KEY DEMAND DRIVERS

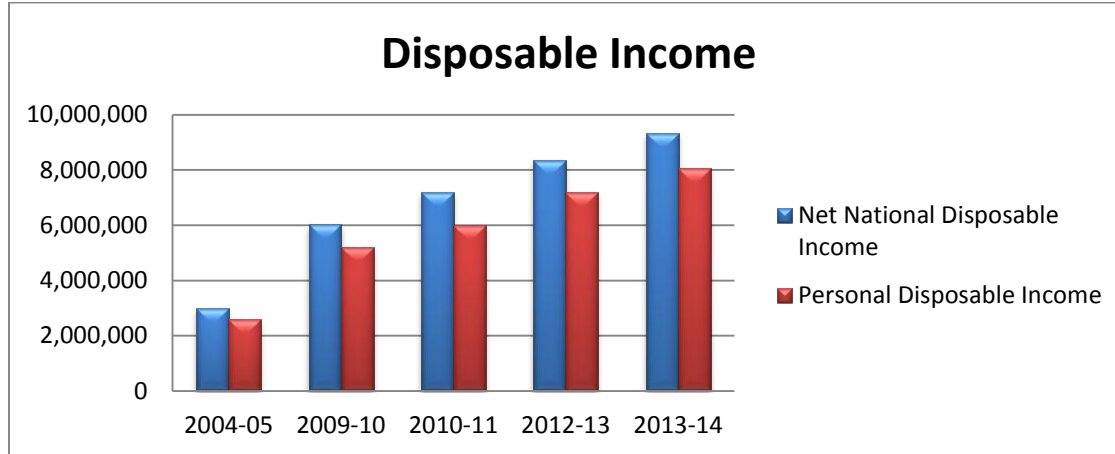
- Increasing female population:** India is witnessing an increase in the female population. The sex ratio has increased from 933 females per 1000 males to 943 females per 1000 males. Considering the increasing size of the Indian women population, there is a very large market opportunity for branded and lifestyle product, as the women are more brand conscious and have the eagerness to spend on the lifestyle products



Source: Census Info India 2011



2. **Rising levels of disposable income:** Disposable income is the income remaining after deduction of taxes and social security charges, available to be spent or saved as one wishes. The increase in disposable income will indirectly mean that spending on products that cater to personal needs will increase and thus a part of that increased income shall make a contribution to this industry too. Thus the disposable income is expected to grow by similar rates over the next five years thereby driving growth in the demand for clothing in general and loungewear in particular.



Source: Ministry of Statistics and Programme Implementation

3. **Fabric innovation and new, more varied styles:** Changes in machinery used have now brought into innovation in fabric and styles. The electronic knitting machines have replaced mechanical knitting machines. All this has resulted into increased productivity. More and more women are becoming fashion conscious and trendy. The continuous thirst for innovation has driven the industry to discover more; do the unimaginable and invest heavily in research and development. As a matter of fact, if successful, the technology receives grand welcome from the entire industry.
4. **Increase in number of working women:** With the increase in class of working women, their desire to spend a part of their hard earned money on themselves is also increasing and thus a large contribution of the disposable income at the hands of women goes into loungewear industry. This buying group is more demanding in their choice of inner-wear looking for quality products that satisfy comfort, fitting, styling needs etc. This has resulted in a qualitative shift of consumers from low and economy segment to premium and super-premium segment. This segment is now considered as the major growth segment.
5. **More time spent at home:** In the normal life of a person, most of his time is spent at home. This could be for various reasons like:
 - With the recession people are cutting down on drinking and eating out and enjoying at home instead
 - The trend of “work from home” for employees gives option to stay at home even on working days
 - After spending hours working at the office people wish to spend more time at home with their families

All this contributes to the rise in demand for comfortable, easy-to-wear clothing that can be worn around the home for long hours.

6. **Versatility/Multipurpose clothing:** While loungewear is generally designed to be worn at home, one of its main appeals is its versatility. The loungewear can be worn:
 - at the gym
 - as nightwear
 - dress for an evening out
7. **Seasonality:** Over half of the consumers still only buy new nightwear to replace old items, but the importance of temperature when going to sleep means that there is potential to create more seasonal styles of sleepwear incorporating innovative fabric developments. While almost four in ten people want nightwear that keeps them cool and fresh and more than three in ten want to feel warm and snug when they go to bed, it creates shoppers that buy new sleepwear to suit the weather or season.
8. **Growing fashion trends:** People have become fashion conscious about every little thing in their life. Thus even when it comes to loungewear, people wish to have new and trendy styles in their wardrobe. This creates lots of opportunities in the market for manufacturers/brands to come up with different styles and designs in the loungewear sector.



OUR BUSINESS

Our Company incorporated in the year 2010, is a subsidiary of Ashapura Intimates Fashion Limited, one of the leading Companies in loungewear. In the year 2012, pursuant to restructuring of Valentine Group our Company acquired assets and liabilities of M/s Jehaan Clothing (Proprietorship concern of Mr. Hitesh Punjani) and M/s Momai Apparels (Proprietorship concern of Mr. Dinesh Sodha) and all the manufacturing operations of the Group were consolidated in our Company.

Our Company is engaged in the business of manufacturing of non-branded intimate garments such as loungewear, bridal night wear, honeymoon sets, bathrobes, night wear, sportswear, leggings, camisole, slips and women's innerwear. In value terms substantial portion of garments procured by AIFL are supplied by us. On January 23, 2013 we had entered into an exclusive manufacturing agreement with AIFL wherein we were required to manufacture garments exclusively for AIFL. However w.e.f from February 13, 2014 the exclusivity clause has been withdrawn and we are free to manufacture non-branded garments for other customers as well.

We have approximately 63,562 sq ft (carpet area) manufacturing facilities located at Bhiwandi which is 50 km to the north-east of Mumbai and 15 km to the north-east of Thane city. Apart from being well connected with the national highways to Ahmedabad, Nashik and Ratnagiri, the properties in Bhiwandi are situated beyond Municipal Corporation Limits. Our close proximity to the warehousing facilities of AIFL provides us unmatched edge over other suppliers as far as supply of garments to AIFL is concerned.

Sales of AIFL under "Valentine" brand have grown manifold in past few years and this trend is expected to continue for foreseeable future given the current dynamics of the industry. This trend is positive for manufacturers like our Company and considering our existing relationship with AIFL we expect that the bulk of order for supply of garments will be given to our Company. Further in order to cater to the expected rise in orders from AIFL our Company plans to set up a State of Art High-Tech manufacturing facilities in Gujarat.

OUR PRODUCTS

Loungewear: Loungewear is a category of clothing designed for wear during leisure time, especially around the home. Clothing that is sleep-inspired but not limited to the bedroom. Loungewear includes t-shirts, shorts, stretchy pants, leggings, tunic tops, hoodies, bath robes and many other comfortable items of clothing.

Nightie: A nightgown, nightie or nightdress is a loosely hanging item of nightwear, today almost exclusively worn by women. A nightgown is made from cotton, silk, satin, or nylon and may be decorated with lace appliques or embroidery at the bust and hem.

Men's Night Wear: Men's Nightwear includes night suits, pyajama sets, bermudas and like sleep wear

Slips: A slip is a woman's undergarment worn beneath a dress or skirt to help it hang smoothly. Slips are often worn to prevent the show through of intimate garments such as panties or a brassiere.








Lingerie: Lingerie is women's undergarments and includes brassiere and panties. Lingerie includes undergarments using flexible, stretchy, sheer, or decorative materials like Lycra, nylon (nylon tricot), polyester, satin, lace, silk and sheer fabric. Certain cotton or synthetic undergarments are also lingerie.

Sportswear: Sportswear is clothing, worn for sport or physical exercise. Sport-specific clothing is worn for most sports and physical exercise, for practical, comfort or safety reasons.

Camisole: A camisole is a sleeveless undergarment for women, normally extending to the waist. The camisole is usually made of satin, nylon, or cotton.

Leggings: Leggings are a type of skin-tight and form fitting trousers that covers the legs. Leggings are typically made from a blend of lycra, nylon, cotton, or polyester blend, but they can also be made from wool, silk and other materials. Leggings are available in a multitude of colors and decorative designs.

Brands Manufactured by us

Products	Brand for which manufactured	Brief Description
Lounge Wear – Premium		Loungewear for men, women, teenagers and toddlers Kids wear
Lounge Wear – Economy		Loungewear for men, women, teenagers and toddlers Kids wear
Nighties & Bath robes		Night wear Maternity feeding night wear Bridal (two pieces) Kids night wear
Sports Wear		Sportswear and gym wear / yoga wear for both men and women
Innerwear		Lingerie
		Slips / Camisoles / Night Slips Cycling shorts
		Leggings

1. For all season (including summer and pre winter)

Range manufactured is based on Sinkers, Viscose, Modal, Mill made Checks & Stripes, Satin, Fleece, Vellore and other Fabrics.

T -Shirts for Toddlers, Kids, Teens, Ladies and Gents

Round neck
V-Neck
Collared
Sleeveless
Full Sleeves
¾ Sleeves
Doctor Sleeves T-Shirts (For men's)
Jerseys (Interlock Fabric)
Hoodies
Jumpsuits

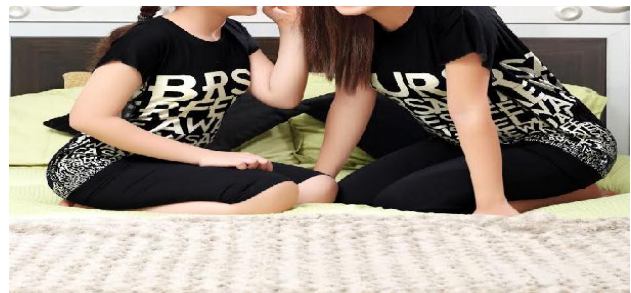


Pyjamas & Shorts for Kids, Gents and Ladies

Cotton Pyjamas
Striped Pyjamas
Jamaicans (for men)
Capri (for ladies)
Cycling Shorts
Bermudas

Theme Based Range

Family Collection – (Parents and Kids)
Couple
Father and Son
Mother and Daughter
Brother and Sister



Exclusive Collection (includes T-Shirt, Pyjamas/Capri and Sets)

Modal & Satin Collection
Viscose Collection

2. For Hard Winter

Range manufactured is based on Fleece, Vellore and other Wool based fabrics.

For the entire family

3 pcs set- Jacket, Inner with Pyjama with and without Hood

Full Sleeves with and without Hood

Half zipper – with Pyjama with and without Hood

Nightwear Range manufactured is based on Satin, Viscose, Modal, Mill made Checks & Stripes, Polyester Blend, Pure Cotton, Georgette, Chiffon and other Fabrics. The product are manufactured using plain fabric, printed fabric, self embroidery fabric, chikan/ hakooba fabric, laces and borders



Nightwear

Range manufactured is based on Satin, Viscose, Modal, Mill made Checks & Stripes, Polyester Blend, Pure Cotton, Georgette, Chiffon and other Fabrics. The product is manufactured using plain fabric, printed fabric, self embroidery fabric, chikan/ hakooba fabric, laces and borders. Available for men and women in variety of range.

For women

Full length nighties in full sleeve or half sleeve

Short length nighties in half sleeves

Baby doll nighties

Chemise

Maxis

Cotton plain or printed or embroidered nighties

Satin plain and satin printed

Spaghetti style nighties

Kaftan style nighties

Nights suits (full sleeves or half sleeves)

Halter neck nighties

For Men

Full & half sleeves Night Suits in textile fabric

Full & half sleeves night suits in polyester cotton fabric

Full & half sleeves night suits in printed fabric
Full Sleeves nights suits in satin

Exclusive Segment

2 piece set – Inner with transparent or translucent robe
3 piece set – Gown with transparent or translucent robe and panty
4 piece set – Robe, Spaghetti Nightie, Brasseries, Shorts
5 piece set – Sleeveless nightie, robe, brasseries, panty, sleeveless short nightie
7 piece set – Sleeveless nightie, robe, brasseries, panty, sleeveless short nightie, half sleeve long nightie, Capri with spaghetti top
Maternity Nighties
Feeding Night Suits and Nighties
Honey moon sets



Slips & Camisole

We manufacture following slips in viscose, lycra, cotton lycra, are

Basic Camisoles

Spaghetti slips

Nighty Slips

Middie Slips

3 pcs sets including, Camisole, Middie and Panty

Leggings

We manufacture following leggings in cotton lycra, slubs, milange, denim, etc.:

Full length

Chuddi Legging

Knee length Legging

¾ Leggings

Capris





Sports wear

We manufacture following sportswear in polyester blend, looper knit, polyminimesh knit, polyrice knit etc.:

T-shirts
Pyjamas
Bermudas
T-shirt short set

TYPES OF ORDERS

- 1. Standard Product Order:** Standard product order is one which the patterns and designs are standardized like legging, Slips, camisoles etc.
- 2. Customized product Orders:** For customized product orders the designs and patters change from order to order and are customized as per specific needs of the clients like loungewear, nightwear etc. Second users of our product our consumers.

OUR MANUFACTURING FACILITY

Our Manufacturing facilities which are spread across approx. 63,562 sq. ft (carpet area) are situated at Bhiwandi, Thane. Currently the entire space on which our manufacturing facilities are located is taken on lease.

PLANT & MACHINERY

The following is the list of Machineries used by the Company:

Sr. No.	Description/ Name of Machinery	Unit (In. Nos) Leased	Unit (In. Nos) Owned	Total
1.	Stitching Machine	60	40	100
2.	Over Lock	32	15	47
3.	Flat Lock	18	7	25
4.	Weighting Machine	3	4	7
5.	Shinger (Single Needle)	-	4	4
6.	Petrol Gun Machine	-	5	5
7.	Kansai	2	1	3
8.	Cutting Machine	5	5	10
9.	Ricepease digital Board	-	1	1
10.	Automatic Stripe machine	1	-	1
11.	Washing Machine	1	1	2
12.	Embroidery Machine	2	-	2
13.	Heat Transfer Fusing Machine	1	-	1
14.	Thread Cutter Machine	4	-	4
15.	design cutting machine	-	1	1
16.	Piping Cutting	-	1	1

Sr. No.	Description/ Name of Machinery	Unit (In. Nos) Leased	Unit (In. Nos) Owned	Total
17.	Plotter Machine (Magik Inkjet)	-	1	1
18.	Steam Press	10	-	10
19.	Buttons Hand Machine	2	1	3
20.	Button	1	1	2
21.	Arka Machine	2	-	2
	Grand Total	144	88	232

In relation to the leased machineries mentioned, our Company has entered into a machineries lease agreement dated January 31, 2013 with AIFL. Details of the same are provided in the chapter titled “History and Certain Other Corporate Matters” on page 160 of the Prospectus.

EXISTING CAPACITY & UTILISATION

Loungewear -

Particulars	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
	Actual	Actual	Projected	Projected	Projected	Projected
Total Installed Capacity (pieces)	250,000	350,000	500,000	3,050,000	3,050,000	3,050,000
Capacity Utilisations (%)	70%	86%	100%	60%	70%	80%
Production	1,75,000	3,00,000	5,00,000	1,830,000	2,135,000	2,440,000

Nighties

Particulars	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
	Actual	Actual	Projected	Projected	Projected	Projected
Total Installed Capacity (pieces)	250,000	400,000	450,000	1,462,500	1,462,500	1,462,500
Capacity Utilisations (%)	80%	94%	100%	60%	70%	80%
Production	200,000	375,000	450,000	877,500	1,023,750	1,170,000

Slips, Leggings & Sports Wear

Particulars	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
	Actual	Actual	Projected	Projected	Projected	Projected
Total Installed Capacity (pieces)	1,500,000	2,500,000	3,000,000	10,687,500	10,687,500	10,687,500
Capacity Utilisations (%)	100%	88%	100%	60%	70%	80%
Production	1,500,000	2,200,000	3,000,000	6,412,500	7,481,250	8,550,000

Kids Undergarments

Particulars	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
	Actual	Actual	Projected	Projected	Projected	Projected
Total Installed Capacity (pieces)	Nil	Nil	Nil	5,000,000	5,000,000	5,000,000
Capacity Utilisations (%)	NA	NA	NA	60%	70%	80%
Production	NA	NA	NA	3,000,000	3,500,000	4,000,000

Capacity utilization figures for FY 12 are not available.

UTILITIES & INFRASTRUCTURE FACILITIES

Our registered office at Mumbai and manufacturing facility at Bhiwandi, Thane, is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly. Our manufacturing facility at Bhiwandi is equipped with requisite utilities and modern infrastructure facilities including the following:

Power

In our unit in Bhiwandi the sanctioned load is 54 Kws from Torrent Power Limited. At our manufacturing facility located at Bhiwandi we use diesel for the DG set (generator), which is used as standby arrangement for power.

Water

We have regular supply of water from Gram Panchayat to meet the drinking water and sanitary requirements.

Fuel

We do not directly require any fuel for the DG Set as same is rented by us and we pay rent for using the same.

PRODUCTION PROCESS

Our entire production process can be divided into three major sections as follows:

- Sourcing
- Production
- Finishing / Post Manufacturing Process

These three sections further consist of 3-4 step process finally leading to the product that actually reaches the customers. Below given is the entire process described in brief for basic understanding of our business model.

1. Sourcing

- Sourcing of Orders
We source orders from our customers based on their production requirements.
- Preparation of Samples (including designing)
Based on pattern design received from our customer our pattern maker develops first pattern for the designs in any one standard size. This is made by pattern drafting method and the purpose of making this pattern is to create the sample garment for test fit. This process may involve minor designing tweaks to suit the production process. After the sample garment is stitched it is reviewed by a panel of designers, pattern makers and sewing specialists. If any changes have to be made they are made at this time.
- Approval of Samples
Samples are then sent to customers for approval. Once samples are approved, the designs are forwarded for production.

2. Production

- Production Pattern
The pattern design is now taken for creating the production patterns. The production pattern is one which will be used for huge production of garments. These patterns are produced with the help of CAD machines.
- Grading
The purpose of grading is to create patterns in different standard sizes. Grading a pattern is really scaling a pattern up or down in order to adjust it for multiple sizes. Pattern sizes can be large, medium or small.
- Marker Making
Post grading, the marker making process the Company determines the fabric yardage needed for each style and size of garment. With the help of Computer software technicians, skilled workmen (master) create the optimum fabric layout. After marking we are able to determine how much fabric he has to order in advance for production of garments.
- Procurement of Raw Materials

Based on the product requirements, we order the raw materials from vendors. We also store raw material for standard products based on envisaged orders.

- Spreading:

With the help of spreading machines, fabric is stacked on one another in reaches or lays.

- Cutting:

After spreading the fabric is then cut with the help of cloth cutting machines suitable for the type of the cloth. These can be band cutters; cutters having rotary blades; machines having reciprocal blades which saw up and down; or computerized machines.

- Sorting/Bundling:

After cutting the sorter sorts the patterns according to size and design and makes bundles of them. This step requires a lot of precision because making bundles of mismatched patterns can create severe problems. On each bundle specifications of the style size and the marker is attached with it.

- Sewing/Assembling:

The sorted bundles of fabrics are now ready to be stitched. There are sewing stations for sewing different parts of the cut pieces. In this there are many operators who perform a single operation. One operator may make only straight seams, while another may make sleeve insets.

- Inspection:

Open seams, wrong stitching techniques, non-matching threads, and missing stitches, improper creasing of the garment, erroneous thread tension and raw edges are some of the sewing defects which can affect the garment quality adversely. During processing the quality control section checks each prepared garment against these defects.

- Pressing/ Finishing:

After inspection the garments are checked for loose threads, stains etc. Thereafter these garments are sent for pressing.

3. Finishing / Post-manufacturing Process

- Final inspection

The final manufactured products are inspected by our team to check for any sewing defects, colour defects, sizing defects, garment defects etc.

- Tagging

The various products are tagged according to their type, style, size, design, price etc

- Packing

The products with similar tags are packed together. They are packed into cartons and stored in our warehouse.

- Dispatch

The dispatch team then dispatches the packed products to the warehouse of customers as per delivery schedule.

RAW MATERIALS

At present, we procure the following raw materials to be used at our units:-

- I. **Fabric:** We use fabrics of various types like polyester cotton fabric, polyester, cotton, lycra, underwire fabric, sinker, viscose, in our products. These are procured from domestic suppliers.
- II. **Accessories and packing material:** The main accessories required in our products are elastics, hooks eye, rings, ribbons, sliders and bows, laces. These too are procured from domestic suppliers.

OUR STRENGTHS

Our Company focuses on serving the changing and evolving demographics of our society. Customer focus, Creativity, Quality, Innovation and adherence to fair practices has always been the Company's overall philosophy.

1. Our Experienced Management Team

Our Company is managed by an experienced team exclusively focused on different aspects of our business operations including design, procurement, production, packing and logistics. Our core management team has on an average 14.5 years of experience. This helps us to provide customized solutions to our customers which help us to meet their specific requirements in a timely manner.

2. Our proximity to our customers

Our facilities at Bhiwandi are located in the same complex as that of our major customer AIFL. This provides us an unmatched competitive edge which cannot be replicated by our rivals. This helps us to substantially reduce our logistics costs and meet the demand of our customer at a very short notice.

3. Locational Advantage

We have manufacturing facilities located at Bhiwandi which is 50 km to the north-east of Mumbai and 15 km to the north-east of Thane city. Apart from being well connected with the national highways to Ahmedabad, Nashik and Ratnagiri, the properties in Bhiwandi are situated beyond Municipal Corporation Limits.

4. Relationship with AIFL

Our Company is subsidiary of AIFL, one of India's leading companies in lounge wear segment. We are a significant supplier to AIFL and in value terms approximately substantial of garments procured by AIFL are supplied by us.

AIFL promoted by the young and dynamic entrepreneur Mr. Harshad Thakkar is one of the leading suppliers of fast growing loungewear segment. The Company is listed on SME Platform of BSE and as of August 20, 2014 it had a market capitalisation of Rs. 292.01 Crores. We believe that this strong relationship with AIFL is a significant advantage, and that we will continue to benefit from it as AIFL continues to maintain its high growth trajectory in coming years.

5. State of Art Infrastructure:

Our Company has invested significant resources in the development of state of art infrastructure for manufacturing of apparels. We have taken on lease over 232 machines which employ latest techniques in manufacturing of intimate garments.

6. Production Quality:

Our manufacturing process is ISO 9001: 2008 certified. Our Company focuses on maintaining quality in all aspects of its manufacturing process. We have zero tolerance for any manufacturing defect which has helped us in retaining our existing customers and will help us in developing new customers.

7. Product Mix

We manufacture wide range of products and have gained expertise in same. Our expertise in manufacturing wide range of products partially insulates us from the changing trends.

COLLABORATIONS

We have not entered into any technical or other collaboration

HUMAN RESOURCE

As on date of this Prospectus our Company has 35 Employees on Payroll. Our manpower is a prudent mix of the experienced and the youth which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

Department wise break up

Department	No. of Employees
Production & Merchandising	20
Warehouse & Dispatch	5
Accounts Finance & Compliance	5
Administration	3
Design	2
Total	35

BUSINESS STRATEGY

Our Company targets to satisfy the changing and evolving demographics of our society. We shall pursue the following strategy to grow our business.

1. Expanding manufacturing capacities

The current manufacturing capacity of the Company needs to be ramped up to meet the growing requirements of AIFL. On account of our limited capacity, AIFL is required to meet part of its requirements from external sources, by getting it done on job work basis. Such outsourcing creates lot of bottlenecks for AIFL i.e. timely delivery, quality issue among different job-workers etc. Taking into account the accelerated pace of growth of AIFL and in order to meet the increased demand, the management has decided to undertake capacity enhancement plan, by setting up a unit in Gujarat with a capacity almost more than approx. 5 times its existing installed capacity at Bhiwandi. This will also facilitate our Company to explore newer markets besides supplier to AIFL and other existing customers. The Proposed manufacturing capacity at the New Manufacturing Facility, post expansion will be as follows:-

(Qty in Pieces)

Particulars	Existing Capacity	Additions at Bhiwandi During Fy 14-15	Proposed Capacity at New Manufacturing Facility	Total
Loungewear	350,000	150,000	2,550,000	3,050,000
Nighties	400,000	50,000	1,012,500	1,462,500
Slips, Leggings & Sports Wear	2,500,000	50,000	768,7500	10,237,500
Kids Undergarments	Nil	Nil	5,000,000	5,000,000
Total	3,250,000	250,000	1,62,50,000	19,750,000

Initially 85 per cent of this capacity will cater to domestic market, while 15 per cent is proposed to be utilized for supplies to International Brands. Post the expansion entire manufacturing will be shifted to the New Manufacturing Facility

Estimate Cost of New Manufacturing Facility

Particulars	Amount (Rs. In Lakhs)
Land Acquisitions	700
Construction Cost	1,200
Plant & Machinery	700
Total	2,600

Of the above, Rs. 700 lakhs are proposed to be financed out of IPO proceeds. Balance Rs. 1900 lakhs are proposed to be financed from bank loans and internal accruals. The Company has received in principle offer from the ICICI Bank dated August 14, 2014 for term loan of Rs. 1500 lakhs.

2. Acquire new customers

Due to our manufacturing infrastructure and rich experience of the management lot of demand from international brands to undertake contractual manufacturing for their products at good profit margin. Acquisition of new customers will help the company to diversify its customer base and reduce dependence on single customer.

MARKETING

Our Company approaches various brand owners to undertake contract manufacturing from them by offering high quality at reasonable prices. Going forward, Company plans to approach brand owners of various international brands to undertake contract manufacturing of their products.

COMPETITION

The Industry in which we operate is unorganized and fragmented with many small and medium-sized companies. At the same time, textiles being a global industry, we face competition from various domestic and international players. We compete with many manufacturers on the basis of product quality, price and reliability. While these factors are key parameters in customer's decisions matrix in availing our products, we endeavour to offer the best quality service at economical price

Some of the various organized players are Lovable Lingerie Limited, Page Industries Limited, etc. on a regional basis, a plethora of peers compete with us in all of our geographic markets. We believe that the

Production & location advently enables us to meet our customers' requirements better than our competitors from organized and unorganized segments.

Due to industry's fragmented nature, there is no authentic data available to our Company on total industry size and markets share of our Company vis-à-vis the competitors.

INSURANCE

We maintain insurance for standard fire and special perils policy, which provides insurance cover against loss or damage by fire, earthquake, explosion, burglary, theft and robbery, which we believe is in accordance with customary industry practices.

The following are the details of major insurance policies taken by us

Sr. No.	Name and Address	Policy No.	Nature of Policy	Premium (Rs.)	Coverage (Rs Lakhs.)	Expiry date
1	M/s Momai Apparels Pvt Ltd. Gala No. 201 to 215 Building No. D-6, Opp Indian Warehouse, Mankoli Naka, Dapode, Bhiwandi-421302	131101/11/2014/797	Standard Fire and Special Perils Cover	3,36,659	2700	December 22, 2014
2	Unit No. 1, Ground Floor, Pacific Plaza, Plot No. 5 of TPS IV of Mahim Div, Mashid Gali, Off Bhavani Shankar Rd, Dadar (W), Mumbai-400028	17050148141000000002	Office Protection Shield	13,602	123	July 31, 2015
3	Unit No. 305, 3 rd Floor, Pacific Plaza, Plot No. 5 of TPS IV of Mahim Div, Mashid Gali, Off Bhavani Shankar Rd, Dadar (W), Mumbai-400028	131101/11/2014/784	Standard Fire and Special Perils Policy Cover	913	17	December 15, 2014
4	Unit No. 306, 3 rd Floor, Pacific Plaza, Plot No. 5 of TPS IV	131101/11/2014/782	Standard Fire and Special Perils Policy	583	10	December 15, 2014

Sr. No.	Name and Address	Policy No.	Nature of Policy	Premium (Rs.)	Coverage (Rs Lakhs.)	Expiry date
	of Mahim Div, Mashid Gali, Off Bhavani Shankar Rd, Dadar (W), Mumbai-400028		Cover			
5	Unit No. 308, 3 rd Floor, Pacific Plaza, Plot No. 5 of TPS IV of Mahim Div, Mashid Gali, Off Bhavani Shankar Rd, Dadar (W), Mumbai-400028	131101/11/2014/783	Standard Fire and Special Perils Policy Cover	583	10	December 15, 2014
6	Unit No. 308, 3 rd Floor, Pacific Plaza, Plot No. 5 of TPS IV of Mahim Div, Mashid Gali, Off Bhavani Shankar Rd, Dadar (W), Mumbai-400028	131101/11/2014/781	Standard Fire and Special Perils Policy Cover	583	10	December 15, 2014
7	Unit No. 309, 3 rd Floor, Pacific Plaza, Plot No. 5 of TPS IV of Mahim Div, Mashid Gali, Off Bhavani Shankar Rd, Dadar (W), Mumbai-400028	131101/11/2014/785	Standard Fire and Special Perils Policy Cover	746	13	December 15, 2014

LAND AND PROPERTY

Land & Property owned by the Company

Sr. No.	Property Kind	Description of Property	Area	Vendors Details	Purchase Consideration	Date of Purchase	Title
1	Free Hold	Unit No. 1 Ground Floor, Plot no 570, Garege Gali, Pacific	255 Sq.Ft	Shri Jigar Pankaj Mehta &	Rs 1,00,00,000/- (Rupees One	September 2, 2013	Clear

Sr. No.	Property Kind	Description of Property	Area	Vendors Details	Purchase Consideration	Date of Purchase	Title
	Property	Plaza, Dadar(west), Mumbai-400028.		Smt. Jagruti Nitesh Shah	Crore Only)		
2	Free Hold Property	Unit No 305, 3rd Floor, Pacific Plaza, Masjid Gali, off Bhavani Shankar Road, Dadar(W), Mumbai-400028	475 Sq.Ft	Ms R K Creative Designer Private Limited	Rs 1,05,00,000/- (Rupees One Crore Fifty Lakhs Only)	November 16, 2012	Clear
3	Free Hold Property	Unit No 307, 3rd Floor, Pacific Plaza, Masjid Gali, off Bhavani Shankar Road, Dadar(W), Mumbai-400028	303 Sq.Ft	Ms R K Creative Designer Private Limited	Rs 66,91,000/- (Rupees Sixty Six Lakhs Ninety One Thousand)	November 16, 2012	Clear
4	Free Hold Property	Unit No 306, 3rd Floor, Pacific Plaza, Masjid Gali, off Bhavani Shankar Road, Dadar(W), Mumbai-400028	303 Sq.Ft	Ms R K Creative Designer Private Limited	Rs 66,91,000/- (Rupees Sixty Six Lakhs Ninety One Thousand)	November 16, 2012	Clear
5	Free Hold Property	Unit No 308, 3rd Floor, Pacific Plaza, Masjid Gali, off Bhavani Shankar Road, Dadar(W), Mumbai-400028	303 Sq.Ft	Ms R K Creative Designer Private Limited	Rs 66,91,000/- (Rupees Sixty Six Lakhs Ninety One Thousand)	November 16, 2012	Clear
6	Free Hold Property	Unit No 309, 3rd Floor, Pacific Plaza, Masjid Gali, off Bhavani Shankar Road, Dadar(W), Mumbai-400028	388 Sq.Ft	Ms R K Creative Designer Private Limited	Rs 85,70,000/- (Rupees Eight Five Lakhs Seventy Thousand)	November 16, 2012	Clear
7	Free Hold Property	Nonagricultural land with House no. 569, Survey No. 79, Hissa No 3/1, Krishna Complex,	2340 Sq.Ft	Dinanth Sakharam Patil	Rs 57,92,000/- (Rupees Fifty Seven Lakhs Ninety Two	February 21, 2014	Clear

Sr. No.	Property Kind	Description of Property	Area	Vendors Details	Purchase Consideration	Date of Purchase	Title
		Mouje Dapode, Taluka, Bhiwandi, District Thane – 421302			Thousand)		
8	Free Hold Property	Nonagricultural land with House no. 569, Survey No. 79, Hissa No 3/1, Krishna Complex, Mouje Dapode, Taluka, Bhiwandi, District Thane - 421302	7779 Sq.Ft	Nita Dnyaneshwar Patil	Rs 1,92,08,000/- (Rupees One Crore Ninety Two Lakhs and Eight Thousand)	February 21, 2014	Clear

Land and Properties Taken on Lease by the Company

Sr. No	Location of the property	Document and Date	Licensor/Lessor or	Lease Rent/ License Fee Per month	Lease/License period		Purpose
					From	To	
1	Building No. D-6, Gala No. 201 to 211, Harihar Compound, Krishna Complex, Dapode, Bhiwandi, Thane-421302	October 5, 2012	M/s Ashapura Intimates Fashion Limited	Rs 90,750/- (Ninety Thousand Seven Hundred Fifty)	September 1, 2012	August 31st, 2017	Manufact uring Unit
2	Building No. D-6, Gala No. 211 to 215, Krishna Complex, Dapode, Bhiwandi, Thane-421302	October 5, 2012	Shri Harshad Hirji Thakkar	Rs 33,000/- (Thirty Three Thousand)	September 1, 2012	August 31st, 2017	Manufact uring Unit
3	Building No. D-6, Gala No. 4, Krishna Complex, Dapode, Bhiwandi, Thane-421302	September 24, 2013	Mohan Shantaram Patil	Rs 21,600 (Twenty One Thousand Six Hundred)	September 24, 2013	August 23, 2018	Manufact uring Unit

Sr. No	Location of the property	Document and Date	Licensor/Lessor or	Lease Rent/ License Fee Per month	Lease/License period		Purpose
					From	To	
4	Building No. D-6, Gala No. 5, Krishna Complex, Dapode, Bhiwandi, Thane-421302	September 24, 2013	Manik Shankar Patil	Rs 21,600 (Twenty One Thousand Six Hundred)	September 24, 2013	August 23, 2018	Manufacturing Unit
5	Building No. D-6, Gala No. 9 and 10 Krishna Complex, Dapode, Bhiwandi, Thane-421302	September 24, 2013	Shyam Motiram Chaudhari	Rs 37,600 (Thirty Seven Thousand Six Hundred)	September 24, 2013	August 23, 2018	Manufacturing Unit
6	Building No. D-6, Gala No. 14, Krishna Complex, Dapode, Bhiwandi, Thane-421302	September 24, 2013	Sapna Sudarshan Patil	Rs 18,000 (Eighteen Thousand)	September 24, 2013	August 23, 2018	Manufacturing Unit
7	Building No. D-6, Gala No. 01, Krishna Complex, Dapode, Bhiwandi, Thane-421302	June 03, 2014	Chetana Bharat Gosrani	Rs 21,608 (Twenty One Thousand Six Hundred Eight)	June 03, 2014	June 02, 2019	Manufacturing Unit
8	Building No. D-6, Gala No. 02, Krishna Complex, Dapode, Bhiwandi, Thane-421302	June 03, 2014	Trupati M Gosrani	Rs 21,608 (Twenty One Thousand Six Hundred Eight)	June 03, 2014	June 02, 2019	Manufacturing Unit
9	Building No. D-5, Gala No. 210, Krishna Complex, Dapode, Bhiwandi, Thane-421302	August 20, 2014	Dinesh C. Sodha	Rs 21,608 (Twenty One Thousand Six Hundred Eight)	August 20, 2014	July 19, 2019	Manufacturing Unit
10	Building No. D-5, Gala No. 208-209, Krishna Complex, Dapode Village, Bhiwandi, Thane-421302	August 20, 2014	Harshaben Thakkar	Rs 21,608 (Twenty One Thousand Six Hundred Eight)	August 20, 2014	July 19, 2019	Manufacturing Unit



INTELLECTUAL PROPERTY



Our logo MOMAI APPARELS LTD is in the process of registration with the Trademark Authorities.

We have applied for registration of our logo under the Trademark Act and our application is in the process with the Registrar of Trademark. Following are the details

Sr.No.	Trademark Name	Provisional Regn No.	Class	Date application of	Current Status
1	Momai Apparels Limited	2763966	25	June 27, 2014	Send to Vienna Codification

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to the Company being a part of the textile/apparel industry. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see “Government and other Statutory Approvals”.

INDUSTRY-SPECIFIC REGULATIONS

The Textiles Committee Act, 1963

The Textiles Committee Act, 1963 (“Textile Act”) grants the Textiles Committee the power to adopt, recognize or establish standard qualities of textiles and provide standard specifications of textile machinery for internal consumption and export purposes. Other functions of the Textile Committee include undertaking, assisting, and encouraging scientific, technological, and economic research in the textile industry, specifying quality control regulations, promotion of exporting activities, providing for the inspection, testing, and examination of textiles, textile machinery, and packaging materials, and advising on all matters relating to the development of textile industry and the production of textile machinery. The Textile Act also provides for the imposition of cess on textile and textile machinery that is manufactured in India. On the recommendation of the Textile Committee, the Central Government has the right to prohibit any export or sale of any textiles or textile machinery that does not conform to the standards laid out by the Committee and penalties for a subsequent breach are specified under the Textile Committee Act..

National Textile Policy, 2000

The National Textile Policy, 2000 was formulated for the development of the Indian textile industry. The policy aims to inter-alia equip the textile industry with the ability to withstand import pressures, to build world-class manufacturing capabilities in conformity with environmental standards, to encourage foreign direct investment and research and development in the textile sector. The policy covers various initiatives concerning natural and man-made materials, technological upgradation, the textile production chain and the development of the garment industry.

Scheme of Technological Upgradation Fund Scheme (TUFS)

The Technology Up gradation Fund Scheme (“TUFS”) launched by the Ministry of Textiles on April 1, 1999, is a scheme for modernization and technology up gradation in the textile sector. This Scheme aims to provide funds to the domestic textile industry for technology upgradation of existing units and for the setting up of new units with state-of-the-art technology in order to improve its viability and competitiveness in the domestic and international markets. The government has restructured the TUFS as Revised Restructured Technology Upgradation Fund Scheme (“RR-TUFS”) applicable from April 1, 2013 to March 31, 2017. RR-TUFS provides for subsidies for garment manufacturing machinery.

Maharashtra Textile Policy

The aim of the policy is to attract a total investment of Rs. 40,000 Crores in the sector for the purpose of adding value to 45,00,000/- surplus cotton bales produced in the State. The policy is effective from 2011 until 2017. It is proposed to create 11 lakh new jobs in the State within next 5 (five) years from its effective date in the sector. The policy promulgates a scheme for interest subsidy on long-term loans to textile projects / units set up in Maharashtra during 2011 – 2017 linked with TUFs.

LABOUR LAWS

Factories Act, 1948

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

Maharashtra Factories Rules, 1963

Under the Maharashtra Factories Rules, 1963, the occupier or manager of every factory is required to obtain previous permission for the construction or extension of a factory from the Chief Inspector of Factories. The occupier or manager is required to obtain certificate of stability and registration and notice of occupation for the factory. The Maharashtra Factories Rules, 1963 also requires inter alia the maintenance of various registers dealing with health, holidays and extent of child labour, white washing, humidity, workers attending machinery. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

Contract Labour (Regulation and Abolition) Act, 1970

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

Maharashtra Contract Labour (Regulation and Abolition) Central Rules, 1971

Maharashtra Contract Labour (Regulation and Abolition) Rules, 1971 requires the contractor to establish canteens, rest rooms, drinking water, washing facilities, first aid facilities, and other facilities. Where the employment of any worker is terminated by or on behalf of the contractor, the wages earned by the worker shall be paid before the expiry of the second working day from the day on which his employment is terminated. Every employer shall maintain register of contractors and register of persons employed. The contractor is also required to issue an employment card to the employee and issue service certificate to the employee when he is terminated by the contractor for whatsoever reasons.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("EPF Act"), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 (five) years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of 'five year continuous service' is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 (fifteen) days' wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity payout of Rs.10,00,000/- for an employee.

The Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 ("ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 ("MWA Act") was enacted to establish minimum wages for certain categories of employees. Under this Act, the Central and the State Governments stipulate the scheduled industries and establishments and fix minimum wages.

Maharashtra Minimum Wages Rules, 1963

Maharashtra Minimum Wages Rules, 1963 (“MWA Rules”) was enacted to establish minimum wages for certain categories of employees. The MWA Rules require that wages should be fixed of the employee not exceeding 1 (one) month. The employer is required to make payment of wages to a worker on termination of his employment. The employer is required to give notices containing the minimum rates of wages and the name and address of the Inspector. The employer is required to pay extra wages for the overtime, maintain a register of wages and an inspection book.

Payment of Bonus Act, 1965

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where 20 (twenty) or more persons are employed on any day during an accounting year, who has worked for at least 30 (thirty) working days in a year, is eligible to be paid a bonus. Contravention of the provisions of the Payment of Bonus Act, 1965 by a company is punishable with imprisonment upto six months or a fine up to Rs.1,000/- or both.

The Maternity Benefit Act, 1961

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or medical termination of pregnancy. It inter alia provides for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 (“PWA”) is applicable to the payment of wages to persons in factories and other establishments. PWA ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

Equal Remuneration Act, 1979

Equal Remuneration Act, 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”) provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last

incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/-.

Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957

Industrial Dispute Act, 1947 and the Rules made there under provide for the investigation and settlement of industrial disputes. The Industrial Disputes Act, 1947 (“IDA”) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the IDA have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The IDA also sets out certain requirements in relation to the termination of the services of the workman. The IDA includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

TAX RELATED LEGISLATIONS

The Central Sales Tax Act, 1956

The Central Sales tax (“CST”) is levied on the sale of moveable goods within India in the course of inter-state trade or commerce and is governed by the provisions of the Central Sales Tax Act, 1956. If the goods move between States pursuant to a sale arrangement, then the taxability of such sale is determined by the Central Sales Tax Act, 1956. On the other hand, the taxability of a sale of movable goods within the jurisdiction of the State is determined as per the local sales tax/Value Added Tax legislation in place within such State.

Value Added Tax

Value Added tax (“VAT”) is a system of multi-point levies on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period.

VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each State that has introduced VAT has its own VAT Act under which persons liable to pay VAT must register and obtain a registration number from the Sales Tax Officer of the respective State.

Maharashtra Value Added Tax Act, 2002 is applicable to the establishments of the Company

Income-tax Act, 1961

The Income-tax Act, 1961 (“IT Act”) is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or



arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of 'taxable services', defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a quarterly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates. Every assessee is required to file the quarterly return electronically.

Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

For details of the Company's material registrations under the applicable the tax legislations, kindly refer to the Chapter titled "*Government and Other Statutory Approvals*" beginning on page 237 of this Prospectus.

OTHER LAWS

The Maharashtra Shops and Establishments Act, 1948

The Company has its registered office at Unit No. 305-309, 3rd Floor, Pacific Plaza, Plot No. 570, TPS IV, Off Bhawani Shankar Road, Mahim Division, Dadar (West), Mumbai – 400 028, Maharashtra, India. Accordingly the provisions of the Maharashtra Shops and Establishments Act, 1948 are applicable to the Company. These provisions 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.

Transfer of Property Act, 1882 ("T.P. Act")

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the T.P. Act. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: The transfer of ownership in property for a price, paid or promised to be paid.
- Mortgage: The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognizes several forms of mortgages over a property.
- Charges: Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- Leases: The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- Leave and License: The transfer of a right to do something upon immovable property without creating interest in the property.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

The Registration Act, 1908

The Registration Act, 1908 ("**Registration Act**") was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also.

The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

The Indian Stamp Act, 1899

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Stamp Act which is enacted by the Central Government. All others instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one state to another. Certain states in India have enacted their own legislation in relation to stamp duty while the other states have adopted and amended the Stamp Act, as per the rates applicable in the state. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act.

Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from state to state.

Maharashtra Stamp Act, 1958

The Maharashtra Stamp Act, 1948 (“**Maharashtra Stamp Act**”) prescribes the different rates of duties on the instrument falling within the various descriptions set-out in Schedule I of the Maharashtra Stamp Act., then the instrument is chargeable with the highest of the duty prescribed. In addition, the Maharashtra Stamp Act also prescribes methodology for adjudication, refund of duties, grievance processes and prosecutions. The Collector is normally vested with the power of adjudication. If a document is not stamped or adequately stamped, it is likely to be impounded.

The Indian Contract Act, 1872

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

The Specific Relief Act, 1963

The Specific Relief Act, 1963 (“**Specific Relief Act**”) is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Specific Relief Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. ‘Specific performance’ means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

Competition Act, 2002

The Competition Act, 2002 (“**Competition Act**”) aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations.

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

The Companies Act, 1956

The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act, 1956 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act, 1956 plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Companies Act, 2013

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

The Trademarks Act, 1999 ("Trademarks Act")

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

The Copyright Act, 1957 ("Copyright Act")

The Copyright Act, 1957 grants protection to the authors of literary, artistic, dramatic, musical, photographic, cinematographic or sound recording works from unauthorized uses. Various rights including ownership and economic rights are conferred on the author. These include the right to reproduce the work in any form, issue copies to the public, perform it, and offer for sale and hire. The penalty for general infringement of copyright is imprisonment of maximum 3 (three) years and a fine of up to Rs.2,00,000/-.

REGULATIONS REGARDING FOREIGN INVESTMENT

Foreign investment in companies in the garment industry is governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") read with the applicable regulations. The Department of Industrial Policy and Promotion ("DIPP"), Ministry of Commerce and Industry has issued 'Circular 1 of 2014' (the "FDI Circular") which consolidates the policy framework on Foreign Direct Investment ("FDI"), with effect from April 17, 2014. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till April 16, 2014. All the press notes, press releases, clarifications on FDI issued by DIPP till April 16, 2014 stand rescinded as on April 17, 2014.

Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Under the approval route, prior approval of the Government of India through FIPB is required. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the FIPB, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

The Consolidated FDI Circular dated April 17, 2014 issued by the DIPP does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore foreign investment up to 100 per cent is permitted in the Company under the automatic route. No approvals of the FIPB or the RBI are required for such allotment of equity Shares under this Issue. The Company will be required to make certain filings with the RBI after the completion of the Issue.

RBI has also issued Master Circular on Foreign Investment in India dated July 01, 2014 which is valid till June 30, 2015. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. As mentioned above, the Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was incorporated as a private company under the name of “Momai Apparels Private Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated January 21, 2010 bearing registration no. 199178, in Mumbai, Maharashtra. Our Company was converted into a public limited company vide Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company dated September 05, 2013 and consequently the name of our Company was changed to “Momai Apparels Limited”.

CHANGE IN REGISTERED OFFICE

At the time of incorporation, our Registered Office was situated at Flat No-19, Dhyaneshwer Darshan Tower, Floor-7 B-Wing, G.V. Scheme, Road No-3, Mulund East, Mumbai-400081, Maharashtra, India. Subsequently, our Registered Office was shifted to Shop No 305-309, 3rd Floor, Pacific Plaza Plot No. 570 TPS IV Off B. S. Road Mahim Division Dadar West, Mumbai– 400028 Maharashtra, India with effect from January 12, 2013 for administrative convenience.

KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

Period	Event
January 2010	Incorporation the Company
January 2010	Commencement of Production activities
November 2012	Acquisition of Jehaan Clothing (Proprietorship concern of Mr. Hitesh Punjani) & Momai Apparels (Proprietorship concern of Mr. Dinesh Sodha)
October 2012	Factory at Bhiwandi. Lease agreement with AIFL and Mr. Harshad Thakkar
January 2013	Machineries Lease Agreement with AIFL
January 2013	Change in Registered Address of company
September 2013	Conversion of Company into Public Company
March 2014	Achievement of Rs. 100 crores Turnover

OUR MAIN OBJECTS

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

- (a) To carry on the business of Manufacturing Processing buying selling exporting and dealing in all kind of garments including silk, art silk, cotton, synthetics man made fabrics textiles and clothes.
- (b) To carry on the business of spinners, weavers, and manufacturers ginner, pressers, packers and dealers of cotton, jute hemp silk, pure silk artificial silk, wool man-made Fiber and any other fibrous materials and the cultivation thereof and the business of weaving or otherwise manufacturing, bleaching printing, selling yarn, cloth-linen and other goods and fabrics whether textiles, fiber-blended, or looped and of buying selling and dealing in cotton and other materials yarn cloth linen and other goods or merchandise made thereof and to carry on the business of cotton spinners and doublets linen wool, yarn and cloth merchants bleachers and dyers makers of vitriol, Bleaching and dyeing materials and to transact all manufacturing or curing and Preparing processes and all mercantile business that may be necessary or expedient for the Company and to purchase and sell raw materials and Manufactured articles.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Since incorporation, the following changes have been made to our Memorandum of Association:

Date of Shareholders' Approval	Amendment
December 20, 2012	Alteration of the Capital Clause: The initial authorized share capital of Rs. 25,00,000/- (Rupees Twenty Five Lakhs only) divided into 2,50,000 (Two Lakhs Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each was increased to Rs 7,50,00,000/- (Rupees Seven Crores Fifty Lakhs Only) divided into 75,00,000 (Seventy Five Lakhs) Equity Shares of face value of Rs. 10/-(Rupees Ten only) each
June 20, 2013	Alteration of Name Clause: Clause I of the Memorandum of Association of the company changed to reflect changed name of the company as Momai Apparels Limited on conversion of Company into a Public Company
February 27, 2014	Alteration of the Capital Clause: The authorized share capital of Rs.7,50,00,000/-(Rupees Seven Crores Fifty Lakhs only) divided into 75,00,000 (Seventy Five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each was increased to Rs. 15,00,00,000/-(Rupees Fifteen Crores only) divided into 1,50,00,000 Equity Shares of Rs. 10(Rupees Ten only) each
July 28, 2014	Alteration of the Capital Clause: The authorized share capital of Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each was increased to Rs. 16,00,00,000/- (Rupees Sixteen Crores only) divided into 1,60,00,000 (One Crore Sixty Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each.

HOLDING COMPANY OF OUR COMPANY

Our Company has a holding company as on the date of filing of this Prospectus. Our Company became subsidiary of AIFL on May 27, 2013

SUBSIDIARY COMPANY OF OUR COMPANY

There is no subsidiary of our Company as on this date of filing of this Prospectus.

INJUNCTIONS OR RESTRAINING ORDERS

The Company is not operating under any injunction or restraining order.

DETAILS OF PAST PERFORMANCE

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to section titled "Financial Statements" beginning on page 189

of this Prospectus.

SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of filing of this Prospectus.

OTHER AGREEMENTS

Our Company had entered into an exclusive manufacturing agreement with AIFL dated January 23, 2013. However, looking at the business prospects the management of the Company with the consent of AIFL has modified the aforesaid Exclusive Manufacturing Agreement. Pursuant to this modification the Company can now cater to other players in the textile universe.

RESTRICTIVE COVENANTS IN LOAN AGREEMENTS

Our Company has entered into agreements with Punjab National Bank, Seepz Branch and availed Cash Credit Limit of Rs. 2700 Lakhs and Term Letter of credit of Rs 550 Lakhs.

1. The Borrower shall not undertake expansion/diversification/ modernization without obtaining prior permission of the bank and without proper tie-up of funds. Similarly, no investment shall be made in associate/allied/group concerns without bank's prior permission.
2. The Banks Sanction letter dated September 30, 2013 contain certain restrictive covenants which require us to take the prior written consent of Punjab National Bank, Seepz Branch before undertaking the following activities throughout the currency of the agreement including but not limited to:
 - (i) Effect any change in the capital structure of the company
 - (ii) Formulate any Scheme of Amalgamation or Reconstruction
 - (iii) Implement any scheme for expansion or acquire any fixed Assets;
 - (iv) Enter into borrowing arrangements either secured or unsecured, with any bank, Financial Institution, Company, or otherwise, or accept deposits
 - (v) Undertake guarantee obligation on behalf of any other company
 - (vi) Sell, assign, mortgage, alienate or otherwise dispose off any of the assets of the company charged to the consortium

Pursuant to the aforesaid, we have received a No Objection Certificate from M/s. Punjab National Bank for the Issue *vide* their letter dated August 20, 2014.

STRATEGIC/ FINANCIAL PARTNERS

Our Company does not have any strategic/financial partner as on the date of filing of this Prospectus.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

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

NUMBER OF SHAREHOLDERS

Our Company has 101 (One Hundred and One) shareholders as on date of this Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Articles of Association we are required to have not less than three directors and not more than twelve directors, subject to the applicable provisions of the Companies Act. We currently have six directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Prospectus other than Directorship in our Company:

Sr. No	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN		Date of Appointment	Other Directorships
1	Name	Mr. Harshad Hirji Thakkar	January 21, 2010	Ashapura Intimates Fashion Limited
	Age	37 Years		
	Father's Name	Mr. Hirji Govindji Thakkar		
	Designation	Chairman and Managing Director		
	Address	B/19, G. V. Scheme Road, Gynashwar Darshan, Mulund East, Mumbai, 400081, Maharashtra, India		
	Occupation	Business		
	Nationality	Indian		
	Tenure	3 years from August 16, 2014 and Liable to retire by rotation		
	DIN	01869173		
2	Name	Mr. Dinesh Chanubha Sodha	January 21, 2010	Ashapura Intimates Fashion Limited
	Age	36 Years		
	Father's /	Mr. Chanubha Mithubha Sodha		
	Designation	Executive Director		
	Address	Flat No. 19, Dhyaneshwar Darshan		

Sr. No	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN		Date of Appointment	Other Directorships
		Tower, Floor-7,B Wing, G. V. Scheme, Road No-3, Mulund (East), Mumbai, 400081, Maharashtra, India		
	Occupation	Business		
	Nationality	Indian		
	Tenure	Liable to retire by rotation		
	DIN	02836240		
3	Name	Mr. Hitesh Subhash Punjani	April 15, 2013	Ashapura Intimates Fashion Limited
	Age	31 Years		
	Father's Name	Mr. Subhash Hariram Punjani		
	Designation	Executive Director		
	Address	Sangam Sadan, 1st Floor, Room. No.10, Kishan Nagar, Wagle Estate, Thane, 400604, Maharashtra, India		
	Occupation	Business		
	Nationality	Indian		
	Tenure	Liable to retire by rotation		
	DIN	03268480		
4	Name	Mr. Shrikant Maheshwari	August 16, 2014	<ul style="list-style-type: none"> Ashapura Intimates Fashion Limited; R P Share Traders Private Limited; and Mahendra Realtors & Infrastructure Limited
	Age	31 Years		
	Father's Name	Mr. Radheyshyam Maheshwari		
	Designation	Non Executive & Independent Director		
	Address	701, Homestead, Lokhandwala Complex,		

Sr. No	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN		Date of Appointment	Other Directorships
		Andheri (west), Mumbai – 400053, Maharashtra, India		
	Occupation	Professional		
	Nationality	Indian		
	Tenure	For 5 years upto August 15, 2019		
	DIN	02618472		
5	Name	Mr. Tarak Bipinchandra Gor	August 16, 2014	Nil
	Age	35		
	Father's Name	Mr. Bipinchandra Prahladrai Gor		
	Designation	Non Executive & Independent Director		
	Address	601, Rajashree Vihar, Chittranjan Nagar, D colony, Rajawadi, Ghatkopar (East), Mumbai – 400077, Maharashtra, India.		
	Occupation	Professional		
	Nationality	Indian		
	Tenure	For 5 years upto August 15, 2019		
	DIN	01550237		
6	Name	Mr Alok Nag	August 16, 2014	Prime Resource Finserv Private Limited
	Age	31 Years		
	Father's Name	Mr. Om Prakash Nag		
	Designation	Non Executive & Independent Director		

Sr. No	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN		Date of Appointment	Other Directorships
	Address	B-3, Flat No-104, Mandlik Nagar , S.V. Road, Malad (W), Mumbai – 400064		
	Occupation	Professional		
	Nationality	Indian		
	Term	For 5 years upto August 15, 2019		
	DIN	06851455		

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Mr. Harshad H. Thakkar, Managing Director

Mr. Harshad H. Thakkar is the Chairman and Managing Director of our Company. He entered into the intimate garments industry at the early age of 18 (eighteen) years and has an experience of over 16 (sixteen) years. With an in depth knowledge of various aspects of the industry he plays a vital role in formulating business strategies and effective implementation of the same. Mr. Harshad Thakkar is the co-opted Member and Chairman, Lingerie Sub-Committee, Clothing Manufacturing Association of India. As the Managing Director, he oversees the entire affairs of our Company's management.

Mr. Dinesh Chanubha Sodha, Executive Director

Mr. Dinesh C. Sodha looks after the marketing functions of our Company. He has over 15 (fifteen) years of experience in the intimate garments industry. Mr. Sodha looks after the day to day management of our centralised warehousing facility and marketing operations located at Bhiwandi. He has joined the Board of Directors of our Company in the year 2010.

Mr. Hitesh Subhash Punjani, Executive Director

Mr. Hitesh Subhash Punjani looks after the production process. He has been in the intimate garments business for about 12 (twelve) years. He is incharge of ensuring quality production process, timely delivery of goods and quality output.

Mr. Shrikant Maheshwari, Non-Executive Independent Director

CA Shrikant Maheshwari, is a non-executive independent director of the Company .He is a qualified Chartered Accountant. He has experience of over 8 (eight) years in the field of audit, compliance, accountancy, taxation and financial management. He has started his own advisory firm advising clients on matters of compliance, financial management, debt, fund raising and SME IPO's. He was the advisor to the SME IPO issue of Women's Next Loungeries Limited. Prior to starting his own advisory firm he has worked as Chief Financial Officer of K Sera Sera Limited and Assistant Manager of S.R. Batliboi & Co., Chartered Accountants (Member Firm of Ernst & Young).

Mr. Tarak Bipinchandra Gor, Non-Executive Independent Director

Mr. Tarak Bipinchandra Gor, aged 35 years, is a non executive independent director of the company. He is a practicing Chartered Accountant by profession and has been in practice since the year 2001.

Mr. Alok Nag, Non-Executive Independent Director

Mr. Alok Nag, aged 33 years, is a non executive independent director of the Company. He has done his Masters in Business Administration from ITM and is currently working as a Director with Prime Resource Finserv Private Limited.

Details of Key Managerial Personnel

Name of Personnel	Amount of compensation paid to them in the last financial year	Designation	Date of joining	Education qualification	Terms of Office with date of expiration of term and details of service contracts	Previous employment/ Associated Companies
Mr. Harshad H. Thakkar	24,00,000	Chairman and Managing Director	January 21, 2010	Schooling	Note 1	1. Managing Director of Ashapura Intimates Fashions Limited 2. Proprietor of Ashapura Apparels
Mr. Dinesh C. Sodha	12,00,000	Executive Director	January 21, 2010	Schooling	No specific term	1. Whole Time Director of Ashapura Intimates Fashions Limited 2. Proprietor of Momai Apparels
Mr. Hitesh Punjani	12,00,000	Executive Director	April 15, 2013	Schooling	No specific term	1. Additional Director of Ashapura Intimates Fashions Limited 2. Proprietor of Jehaan

Name of Personnel	Amount of compensation paid to them in the last financial year	Designation	Date of joining	Education qualification	Terms of Office with date of expiration of term and details of service contracts	Previous employment/ Associated Companies
						Clothing
Mr. Bhavik Dhirwani	1,43,729	Store Incharge	August 1, 2012	Higher Secondary	No specific term	First Job
Mr. Tamil Selvan	3,00,000	Production Head	August 1, 2012	Bachelor of Science (Geography)	No specific term	First Job
Mr. Venji C. Sodha	3,00,000	Production Manager	November 1, 2012	Schooling	No specific term	First Job
Ms. Bhoomi Mewada	Nil	Company Secretary	June 16, 2014	Company Secretary, LLB General	No specific term	First Job

Note:

1. Mr. Harshad H. Thakkar was appointed as the Chairman and Managing Director of our Company for a period of 3 (three) years with effect from August 16, 2014 pursuant to a resolution passed by our Board of Directors on August 16, 2014 ratified by our shareholders on August 18, 2014.

CONFIRMATIONS

As on the date of this Prospectus:

1. None of the Directors of the Company are related to each other.
2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of the above mentioned Directors are on the RBI List of willful defaulters.
5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges.
6. None of the Promoter, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

REMUNERATION/COMPENSATION OF DIRECTORS

Directors of the Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act and other applicable laws and regulations.

During the last financial year ended on 31st March, 2014, the Directors have been paid gross remuneration as per following:

Name of Director	Remuneration received in year 2013-14
Mr. Harshad Hirji Thakkar	Rs. 24,00,000
Mr. Dinesh Chanubha Sodha	Rs. 12,00,000
Mr. Hitesh Subhash Punjani	Rs. 12,00,000

None of the Directors except above have received any remuneration during the Financial Year 2013-14 other than Mr. Harshad Thakkar, who was paid rent of Rs.396,000.

SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares.

The following table details the shareholding of our Directors as on the date of this Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1	Mr. Harshad Hirji Thakkar	2,30,177	2.17%	1.60%
2	Mr. Dinesh Chanubha Sodha	12,15,000	11.48%	8.42%
3	Mr. Hitesh Subhash Punjani	14,94,000	14.12%	10.35%

INTERESTS OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable, if any 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, if any to them under our Articles of Association, and/or to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loan or advances provided to anybody corporate including companies, firms and trusts, in which they are interested as Directors, members, partners or trustees.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as Directors, members, promoter, and /or trustees pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares, if any.

Managing Director and Executive Director have been appointed on our Board by our major shareholder and the holding company, viz. AIFL. Four out of our six directors are also on the Board of AIFL. By virtue of management control, our company continues to be a subsidiary of AIFL, even if the latter holds less than 51 per cent shares in our Company.

Except as stated in the chapters 'Our Management' and 'Related Party Transactions' beginning on page 163 and 187 respectively of this Prospectus and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Except as disclosed in the Prospectus our Directors have no interest in any property acquired by our Company since inception till the date of this Prospectus.

Our Directors are not interested in the appointment of or acting as Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

PROPERTY INTEREST

Except as stated/referred to in the heading titled 'Land and Properties' beginning on page 145 of the Prospectus, our Directors have not entered into any contract, agreement or arrangements since incorporation in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name	Date of event	Nature of event	Reason
Ms. Vanita D Sodha	July 3, 2012	Appointment	Appointment as Director
Ms. Vanita D Sodha	April 15, 2013	Resignation	Resignation due to Personal reasons
Mr. Hitesh Subhash Punjani	April 15, 2013	Appointment	Appointment as Director
Mr. Shrikant Maheshwari	August 16, 2014	Appointment	Appointment as Non-Executive Independent Director
Mr. Tarak Bipinchandra Gor	August 16, 2014	Appointment	Appointment as Non-Executive Independent Director
Mr. Alok Nag	August 16, 2014	Appointment	Appointment as Non-Executive Independent Director
Mr. Harshad Thakkar	August 16, 2014	Change in Designation	Appointed as Managing Director
Mr. Dinesh Sodha	July 18, 2014	Change in Designation	Appointed as Executive Director
Mr. Hitesh Punjani	April 30, 2013	Change in Designation	Appointed as Executive Director

BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at an Extra Ordinary General Meeting of our Company held on March 15, 2014, consent of the members of our Company was accorded to the Board of Directors of our



Company pursuant to Section 180(1)(c) of the new Companies Act, for borrowing, from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs.300 crores.

CORPORATE GOVERNANCE

The provisions of the SME Listing Agreement, to be entered into by our Company with the Stock Exchange, will be applicable to our Company immediately upon the listing of our Equity Shares with NSE SME Platform. We have complied with the corporate governance code in accordance with Clause 52 (as applicable) of the SME Listing Agreement, particularly in relation to appointment of Independent Directors to our Board and constitution of the audit committee and investors' grievance committee. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 52 of the SME Listing Agreement.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchange and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with the best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Currently our Board has six Directors. We have three executive directors and three non-executive independent directors. The constitution of our Board is in compliance with the requirements of Clause 52 of the SME Listing Agreement.

The following committees have been formed in compliance with the corporate governance norms:

- A. Audit Committee
- B. Shareholders/Investors Grievance Committee
- C. Nomination and Remuneration Committee

A) Audit Committee

Our Company has constituted an audit committee ("**Audit Committee**"), as per the applicable provisions of the Companies Act and Clause 52 of the SME Listing Agreement to be entered with Stock Exchange, vide resolution passed at the meeting of the Board of Directors held on August 16, 2014

The terms of reference of Audit Committee adheres to the requirements of Clause 52 of the SME Listing Agreement and Companies Act, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises the following three directors:

Name of the Director	Status	Nature of Directorship
Mr. Shrikant Maheshwari	Chairman	Non-Executive Independent Director
Mr. Tarak Bipinchandra Gor	Member	Non-Executive Independent Director
Mr. Harshad Thakkar	Member	Executive Director

Mr. Shrikant Maheshwari, Chartered Accountant, is the Chairman of the Audit Committee.

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The role of the Audit Committee includes the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Review and monitor the Auditor's independence and performance and effectiveness of audit process.
4. Approval or any subsequent modification of transactions of our Company with related parties
5. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
6. Scrutiny of Inter Corporate Loans and Investments, Valuation of undertakings or assets of our Company, wherever it is necessary.
7. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of sub-section 3 clause (c) of section 134 of the Companies Act.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
8. Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval.
9. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the

monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

10. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
12. Discussion with internal auditors on any significant findings and follow up there on.
13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
14. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
16. To review the functioning of the Vigil mechanism, when implemented.
17. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

The powers of the Audit Committee include the following:

1. Investigating any activity within its terms of reference;
2. Seeking information from any employee;
3. Obtaining outside legal or other professional advice; and
4. Securing attendance of outsiders with relevant expertise, if it considers necessary.

B) Investors Grievance Committee

Our Company has constituted an investors grievance committee ("*Investors Grievance Committee*") to redress complaints of the shareholders. The Investors Grievance Committee was constituted vide resolution passed at the meeting of the Board of Directors held on August 16, 2014.

The Investor Grievances Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Mr. Shrikant Maheshwari	Chairman	Non-Executive Independent Director
Mr. Tarak Gor	Member	Non-Executive Independent Director
Mr. Harshad Thakkar	Member	Executive Director

The Investors Grievance Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Investor Grievance Committee include the following:

1. Redressal of shareholder's/investor's complaints;

2. Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
4. Non-receipt of declared dividends, balance sheets of the Company; and
5. Carrying out any other function as prescribed under the Listing Agreement.

C) Nomination & Remuneration Committee

Our Company has constituted a Nomination & Remuneration Committee. The constitution of the Nomination & Remuneration Committee was approved by a meeting of the Board of Directors held on August 16, 2014. The said committee is comprised as under:

Name of Director	Designation in Committee	Nature of Directorship
Mr. Shrikant Maheshwari	Chairman	Non-Executive Independent Director
Mr. Alok Nag	Member	Non-Executive Independent Director
Mr. Tarak Bipinchandra Gor	Member	Non-Executive Independent Director

The terms of reference of the Nomination & Remuneration Committee are:

1. The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria lay down and recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
3. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.
4. The Nomination and Remuneration Committee shall, while formulating the policy under sub-section (3) ensure that—
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:
Provided that such policy shall be disclosed in the Board's report

Quorum for Remuneration Committee

The quorum necessary for a meeting of the Remuneration Committee shall be two directors.

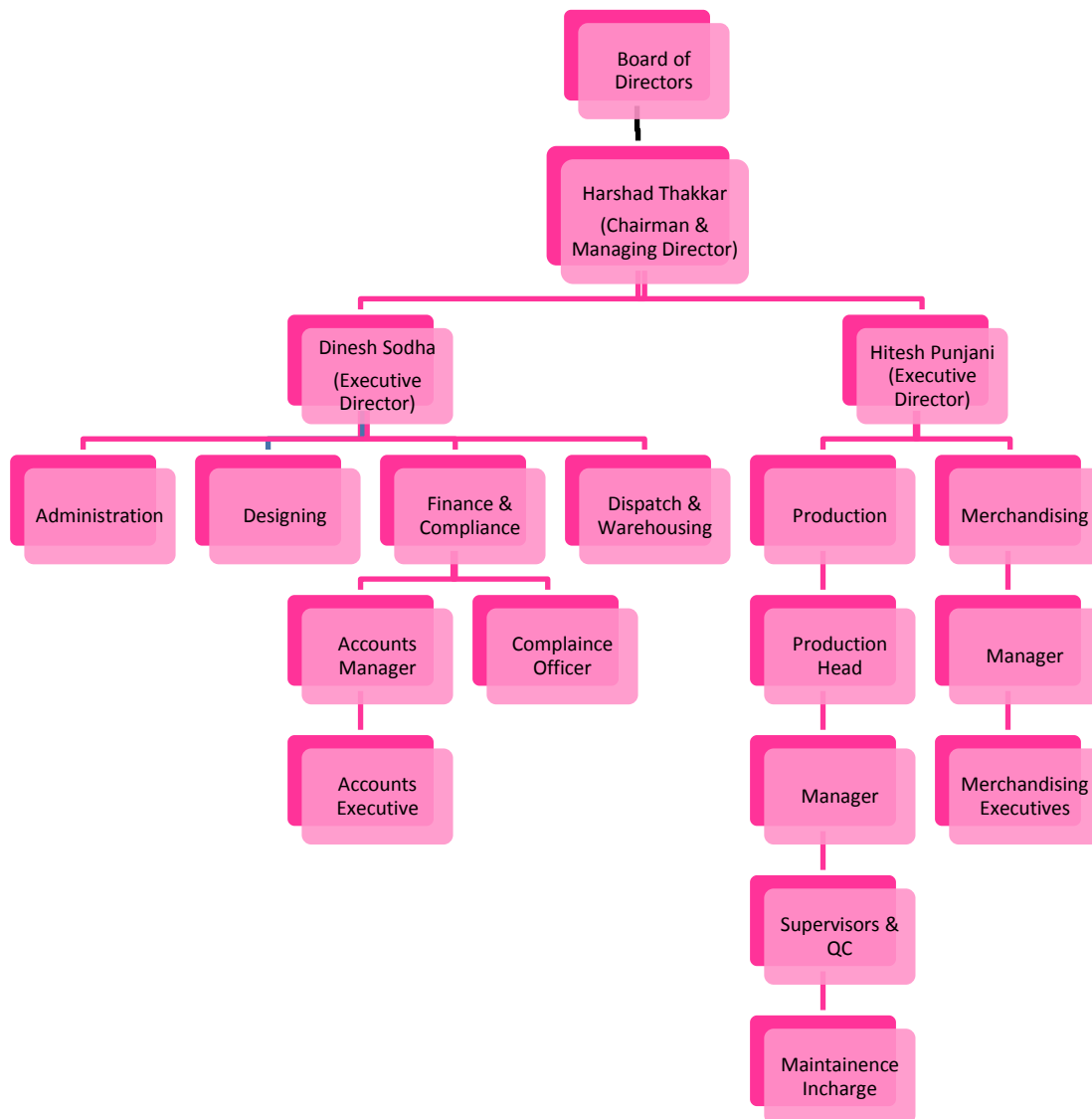


Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

We will comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 post listing of our Company's shares on the Stock Exchange.

Ms. Bhoomi Mewada, Company Secretary & Compliance Officer, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

ORGANIZATIONAL STRUCTURE





KEY MANAGERIAL PERSONNEL

Mr. Harshad H. Thakkar

Mr. Harshad H. Thakkar is the Chairman and Managing Director of our Company. He entered into the intimate garments industry at the early age of 18 (eighteen) years and has an experience of over 16 years. With the in depth knowledge of various aspects of the industry he plays a vital role in formulating business strategies and effective implementation of the same. Mr. Harshad Thakkar is the co-opted Member and Chairman, Lingerie Sub-Committee, Clothing Manufacturing Association of India. As the Managing Director, he oversees the entire affairs of our Company's management

Mr. Dinesh Chanubha Sodha

Mr. Dinesh C. Sodha looks after the marketing functions of our Company. He has over 15 (fifteen) years of experience in the intimate garments industry. Mr. Sodha looks after the day to day management of our centralised warehousing facility and marketing operations located at Bhiwandi. He has joined the Board of Directors of our Company in the year 2010.

Mr. Hitesh Subhash Punjani

Mr. Hitesh Punjani looks after the production process. He has been in the intimate garments business for about 12 (twelve) years. He is incharge of ensuring quality production process, timely delivery of goods and quality output.

Mr. Tamil Selvan

Mr. Tamil Selvan, the Production Head of our Company has over 1.5 years of field experience in readymade garments. Responsible for day-to-day production, he also supervises, motivates, and supports the staff applying a team approach and maintaining open communication. Being the Production Head he plans, schedules, strategizes, and oversees all production activities while continually building sales and maintaining profitability. Apart from these, essential functions are performed by him to ensure overall customer satisfaction, quality service and equipment to reduce bottlenecks and problems.

Mr. Bhavik Dhirwani

Mr. Bhavik Dhirwani is the Store Incharge of our Company. He has over 2 years of experience in readymade garments. He is responsible for various activities like Co-ordination with users, production and dispatch etc. Instruction with vendors for timely delivery of materials is done by him. He is the overall manager of various activities relating to the store.

Mr. Venji Sodha

Mr. Venji Sodha, the Production Head of the Company has more than 1.5 years of field experience in readymade garments. Responsible for day-to-day production, he also supervises, motivates, and supports the staff applying a team approach and maintaining open communication. Being the Production Head he plans, schedules, strategizes, and oversees all production activities while continually building sales and maintaining profitability. Apart from these, essential functions are performed by him to ensure overall customer satisfaction, quality service and equipment to reduce bottlenecks and problems.

CS Bhoomi Mewada

CS Bhoomi Mewada, Company Secretary, a qualified Company Secretary and is pursuing her law degree (LLB General) from G.J. Advani Law College. Post qualification, this is her first job. She is an integral part of our core team for planning the Company activities.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Except Mr. Dinesh Sodha and Mr. Venji Sodha who are related to each other as brothers, there is no family relationship between the Key Managerial Personnel of our Company.

FAMILY RELATIONSHIPS OF DIRECTORS WITH KEY MANAGERIAL PERSONNEL

Except Mr. Dinesh Sodha and Mr. Venji Sodha who are related to each other as brothers there is no family relationship between the key managerial personnel and the Directors of our Company. All of the Key Managerial Personnel are permanent employees of our Company.

ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS

All of our Directors may be deemed to be interested to the extent of fees payable, if any 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, if any to them under our Articles of Association, and/or to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loan or advances provided to any body corporate including companies, firms and trusts, in which they are interested as Directors, members, partners or trustees.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as Directors, members, promoter, and /or trustees pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares, if any.

Managing Director and Executive Director have been appointed on our Board by our major shareholder and the holding company, viz. AIFL. Four out of our six directors are also on the Board of AIFL. By virtue of management control, our company continues to be a subsidiary of AIFL, even if the latter holds less than 51 per cent shares in our Company.

Except as stated in the chapters 'Our Management' and 'Related Party Transactions' beginning on page 163 and 187 respectively of this Prospectus and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Except as disclosed in the Prospectus our Directors have no interest in any property acquired by our Company since inception till the date of this Prospectus.

Our Directors are not interested in the appointment of or acting as Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

None of the Key Managerial Personnel except Mr. Harshad Thakkar, Mr. Dinesh Sodha, Mr. Hitesh Punjani and Mr. Venji Sodha hold any Equity Shares of our Company as on the date of this Prospectus. Mr. Harshad Thakkar holds 2,30,177 equity shares of the company, Mr. Dinesh Sodha holds 12,15,000



equity shares of the Company, Mr. Hitesh Punjani holds 14,94,000 equity shares of the Company and Mr. Venji Sodha hold 2 equity shares of the Company on the date of this Prospectus.

BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Key Managerial Personnel.

LOANS TO KEY MANAGERIAL PERSONNEL

The Company has not given any loans and advances to the Key Managerial Personnel as on the date of this Prospectus.

INTEREST OF KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any.

Except as disclosed in this Prospectus, none of our Key Managerial Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

CHANGES IN KEY MANAGERIAL PERSONNEL SINCE INCEPTION

The changes in the Key Managerial Personnel since inception are as follows:

Name of Managerial Personnel	Designation	Date of Event	Nature of event
Mr. Tamil Selvan	Production Head	August 1, 2012	Appointment
Mr. Bhavik Dhirwani	Store Incharge	August 1, 2012	Appointment
Mr. Venji Sodha	Production Head	November 1, 2012	Appointment
CS Bhoomi Mewada	Company Secretary	June 16, 2014	Appointment

ESOP/ESPS SCHEME TO EMPLOYEE

Presently, we do not have any ESOP/ESPS Scheme for employees.

PAYMENT OR BENEFIT TO OUR OFFICERS

Except as disclosed in the heading titled “Related Party Disclosure” in the section titled “Financial Statements” beginning on page 189 of this Prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

OUR PROMOTER AND PROMOTER GROUP

The promoter of the Company is Ashapura Intimates Fashion Limited. The Promoter currently holds 28,66,500 Equity Shares, constituting approximately 32.30 per cent of the pre-Issue issued, subscribed and paid-up capital of the Company and will continue to hold a majority of the post-Issue paid-up share capital of the Company.

PROMOTER:

The Promoter was incorporated as a private limited company under the Companies Act on July 17, 2006. Later AIFL was converted into a public limited company and a fresh certificate of incorporation December 19, 2012 was obtained from ROC, Mumbai. The registered office of the Promoter is situated at Shop No. 3-4, Ground Floor, Pacific Plaza, Plot No 570 TPS IV, off B. S. Road Mahim Division, Dadar, Mumbai - 400 028. The Promoter is engaged in the business of designing, branding, marketing and retailing intimate garments such as loungewear, bridal night wear, honeymoon sets, bathrobes and night wear since incorporation. Our Company was originally promoted by Mr. Harshad Hirji Thakkar. Pursuant to share purchase agreement dated January 23, 2013 AIFL became a majority shareholder and acquired the control of our Company by subscribing 15,92,500 equity shares for a consideration of Rs. 1,59,25,000/- (Rupees One Crore Fifty Nine Lakhs Twenty Five Thousand). The equity shares of the Promoter are presently listed on the BSE SME Platform.

Board of Directors

The board of directors of the Promoter as date of this Prospectus comprises Mr. Ramakant Madhav Nayak, Mr. Harshad Hirji Thakkar, Mr. Sunil Kumar Manocha, Shrikant Radheyshyam Maheshwari, Dinesh Chanubha Sodha and Hitesh Subhash Punjani.

Shareholding Pattern

The shareholding pattern of the Promoter as of June 30, 2014 is as follows:

Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/Hindu Undivided Family	6	1,31,82,840	1,31,82,840	67.72	67.72	0	0.00
(b)	Central	0	0	0	0	0	0	0

Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
	Government/State Government(s)							
(c)	Bodies Corporate	0	0	0	0	0	0	0
(d)	Financial Institutions/Banks	0	0	0	0	0	0	0
(e)	Any other (Specify)	0	0	0	0	0	0	0
	SUB TOTAL (A)(1)	6	1,31,82,840	1,31,82,840	67.72	67.72	0	0.00
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0
(c)	Institutions/FPI	0	0	0	0	0	0	0
(d)	Any other (Specify)	0	0	0	0	0	0	0
	SUB TOTAL (A)(2)	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	6	1,31,82,840	1,31,82,840	67.72	67.72	0	0.00
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/UTI	0	0	0	0	0	0	0
(b)	Financial Institutions/Banks	0	0	0	0	0	0	0
(c)	Central Government/State Government(s)	0	0	0	0	0	0	0
(d)	Venture Capital Fund	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0
(f)	Foreign Portfolio Investors	0	0	0	0	0	0	0

Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0
(h)	Nominated Investors (as defined in Chapter XB of SEBI (ICDR) Regulations)	0	0	0	0	0	0	0
(i)	Market Makers	0	0	0	0	0	0	0
(j)	Any other (Specify)	0	0	0	0	0	0	0
	SUB TOTAL (B) (1)	0	0	0	0	0	0	0
(2)	Non-Institutions							
(a)	Bodies Corporate	13	8,97,300	8,97,300	4.61	4.61	0	0.00
(b)	Individuals -							
	i) Individual shareholders holding nominal share Capital up to Rs.1 lakh	204	7,57,800	7,57,800	3.89	3.89	0	0.00
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	62	39,09,300	39,09,300	20.08	20.08	0	0.00
(c)	Any other (Specify) Individual (Non-Resident individuals)	2	7,20,000	7,20,000	3.70	3.70	0	0.00
	Clearing Members	1	3,000	3,000	0.02	0.02	0	0.00
	Trusts	1	7,17,000	7,17,000	3.68	3.68	0	0.00
	SUB TOTAL (B) (2)	281	62,84,400	62,84,400	32.28	32.28	0	0.00
	Total Public Shareholding (B)=(B)(1)+(B)(2)	281	62,84,400	62,84,400	32.28	32.28	0	0.0
	TOTAL (A)+(B)	287	1,94,67,240	1,94,67,240	100.00	100.00	0	0.00

Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	287	1,94,67,240	1,94,67,240	0.00	100.00	0	0.00

PROMOTER OF PROMOTER

The Promoter of the Promoter is Mr. Harshad Hirji Thakkar. He entered into the intimate garments industry at the early age of 18 (eighteen) years and has an experience of over 16 (sixteen) years. With an in depth knowledge of various aspects of the industry he plays a vital role in formulating business strategies and effective implementation of the same. Mr. Harshad Thakkar is the co-opted Member and Chairman, Lingerie Sub-Committee, Clothing Manufacturing Association of India. As the Managing Director, he oversees the entire working and affairs of our Company's management. For further details, please see the section "Our Management" on page 163.

The Company confirms that the PAN, bank account number, the company registration number of the Promoter and the address of the RoC where the Promoter is registered will be submitted to the Stock Exchanges, at the time of the filing of the Prospectus with the Stock Exchanges.

INTEREST OF PROMOTER AND GROUP COMPANIES

Interest in the promotion of Our Company

Our Promoter may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by it and also to the extent of any dividend payable to it and other distributions in respect of the aforesaid Equity Shares. For details, please see the chapter titled "Capital Structure" beginning on page 68 of this Prospectus.

Interest in the property of Our Company

Except as disclosed under the head Land & Property in chapter titled 'Our Business' beginning on page 131 our Promoter does not have any interest in any property acquired by Our Company since incorporation or proposed to be acquired by our Company

Interest as Member of our Company

As on the date of this Prospectus, our Promoter holds 28,66,500 Equity Shares in our Company and is therefore interested to the extent of its shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoter in our Company, our Promoter does not hold any other interest in our Company.

Payment Amounts or Benefit to Our Promoter since incorporation

No payment has been made or benefit given to our Promoter since incorporation except as mentioned / referred to in this chapter and in the section titled 'Our Management', 'Financial Statements' and 'Capital Structure' beginning on page 163, 189 and 68 respectively of this Prospectus.

Other Interests

Promoter has on January 23, 2013 entered into an exclusive manufacturing agreement with us, wherein we were required to manufacture garments exclusively for the Promoter. However, vide letter dated February 13, 2014, AIFL and the Company have mutually terminated the aforesaid exclusive manufacturing agreement. Further, AIFL has entered into an agreement to lease us its premises and machinery at Bhiwandi for our manufacturing operations. For further details, please see the chapter titled "Our Business" beginning on page 131.

PAYMENT OR BENEFITS TO PROMOTER

Except as stated otherwise in the chapters "Related Party Transactions" and "Promoter and Promoter Group" – Interests of the Promoter and Group Companies on pages 187 and 180 respectively, there has been no payment or benefits to the Promoter during the two years prior to the filing of this Prospectus.

LITIGATION INVOLVING THE PROMOTER AND GROUP COMPANIES

For details of legal and regulatory proceedings involving the Promoter and Group Companies, please see the section "Outstanding Litigation and Material Developments" on page 230.

CHANGES IN OUR PROMOTERS

Our Company was originally promoted by Mr. Harshad Hirji Thakkar. Pursuant to share purchase agreement dated January 23, 2013 AIFL became a majority shareholder and acquired the control of our Company by subscribing 15,92,500 equity shares for a consideration of Rs. 1,59,25,000/- (Rupees One Crore Fifty Nine Lakhs Twenty Five Thousand).

Promoter Group

Our Promoter group comprises of Mr. Harshad Hirji Thakkar

OTHER CONFIRMATION

The Promoter has not been declared as willful defaulters by RBI or any other government authority and there are no violations of securities laws (in India or overseas) committed by the Promoter in the past or are pending against them.

The Promoter, the Promoter group, Promoter Group entities or Group Companies have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. None of the Promoter or the Group Companies has become sick companies under the SICA and no application has been made in respect of any of them, to



the Registrar of Companies for striking off their names. Further, no winding up proceedings have been initiated against the Promoter or the Group Companies, except as disclosed in the section “Our Group Entities” on page 186. For other confirmations of the Our Promoter and Group Companies, please see the section “Other Regulatory and Statutory Disclosures” on page 242.

Additionally, neither the Promoter nor any of the Group Companies have become defunct in the five years preceding the filing of the Prospectus.

Companies with which the Promoter has disassociated in the last three years:

Nil

OUR GROUP ENTITIES

No equity shares of our Group Companies are listed on any stock exchange and it has not made any public or rights issue of securities in the preceding three years.

A. Our Group Entities

Nil

CONFIRMATION

Our Promoter and persons forming part of Promoter Group have confirmed that they have not been declared 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 and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoter and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. Except as disclosed in this chapter, our Group Entity does not have negative net worth as of the date of the respective last audited financial statements.

LITIGATION

For details on litigations and disputes pending against the Promoter and Group entities and defaults made by them, please refer to the chapter titled, 'Outstanding Litigations and Material Developments' on page 230 of this Prospectus.

DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEAR

Our Promoter has not disassociated itself from any of the companies/partnership firms during preceding three years.

SALES/PURCHASES BETWEEN OUR COMPANY AND PROMOTER COMPANY & GROUP ENTITIES

Other than as disclosed in the chapter titled "Related Party Transactions" on page 187, there are no sales/purchases between the Company and the Group Companies, Subsidiary and associate companies when such sales or purchases exceed in value in the aggregate 10 per cent of the total sales or purchases of the Company.



RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure-T of restated financial statement under the section titled, '*Financial Statements*' beginning on page 189 of this Prospectus.

DIVIDEND POLICY

Under the Companies Act, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders, who have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous Years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. We have proposed a dividend of Rs 0.50 per equity share outstanding as on March 31, 2014.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by Our Company.



SECTION V-FINANCIAL STATEMENTS

Auditor's report for the restated financial statements of Momai Apparels Limited

Date: - 10th August 2014

To,

The Board of Directors,

MOMAI APPARELS LIMITED

Shop No 305-309, 3rd Floor, Pacific Plaza, Plot No 570,

Off B S road, Mahim Division,

Dadar West,

Mumbai - 400 028

Dear Sirs,

1. At your request, we have examined the attached Restated Statement of Assets and Liabilities of Momai Apparels Limited (formerly known as Momai Apparels Private Limited), ("**the Company**" or "**Momai**" or "**Momai Apparels**" or "**Organisation**") as at **March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010** and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the financial year ended on March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and period ended 31 March 2010 (collectively the "**Restated Summary Statements**" or "**Restated Financial Statements**"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) in SME Platform of The National Stock Exchange Limited ("**NSE**").
2. This Restated Summary Statements has been prepared in accordance with the requirements of:
 - a) Sub section 1(b) of Section 26 of the Companies Act, 2013;
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
 - c) The terms of reference to our engagements with the Company letter Dated 25th July 2014 requesting us to carry out the assignment, in connection with the Prospectus/ Red Herring Prospectus ("**Offer Document**") being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of NSE ("**IPO**" or "**SME IPO**");

- d) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”) and
 - e) The Companies (Prospectus and Allotment of Securities) Rules, 2014
3. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the financial year ended on **March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010** which have been approved by the Board of Directors.
 4. In accordance with the requirements of the Companies Act, 2013 and rules there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
 - a) The “**Restated Statement of Asset and Liabilities**” as set out in **Annexure A** to this report, of the Company as at **March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010** are prepared by the Company and approved by the Board of Directors. These Statement of Asset and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure D** to this Report.
 - b) The “**Restated Statement of Profit and Loss**” as set out in **Annexure B** to this report, of the Company for the year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and period ended March 31, 2010 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure D** to this Report.
 - c) The “**Restated Statement of Cash Flow**” as set out in **Annexure C** to this report, of the Company for financial year ended on March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and period ended March 31, 2010 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure D** to this Report.
 5. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
 - a) Adjustments for the changes in accounting policies retrospectively in respective financial years/ period to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.

- b) Adjustments for prior period and other material amounts in the respective financial years/ period to which they relate and there are no qualifications which require adjustments.
- c) There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments.
- d) There were no qualification in the Audit Reports issued by the Statutory Auditor for the financial year ended on **March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 & March 31st 2010**, which would require adjustments in this Restated Financial Statements of the Company.

These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure D** to this report.

- 6. The Financial Statements for the period ended March 31, 2010 and Financial Year ended March 31, 2011 and were audited by **M/s. N. M. Jobanputra & Co.**, Chartered Accountants (FRN:-104315W). The Financial Statements for the Financial Year ended March 31, 2012 were audited by **M/s. JDNG & Associates**, Chartered Accountants (FRN:- 104315W), and accordingly reliance has been placed on the financial information examined by them for the said years/period. The financial report included for these years is based solely on the report submitted by them. The financial statements for the year ended March 31, 2013 and March 31, 2014 have been audited by i.e. **Bagaria & Co., LLP** (Formerly known as **Bagaria & Co Chartered Accountants**).
- 7. At your request, we have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial year ended on March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and period ended March 31, 2010 proposed to be included in the **Offer Document**.

Annexure E : Statement of Share Capital, as restated
Annexure F : Statement of Reserves and Surplus, as restated
Annexure G : Statement of Long Term Borrowings, as restated
Annexure H : Statement of Short Term Borrowings, as restated
Annexure I : Statement of Other Current Liabilities, as restated
Annexure J : Statement of Short Term Provisions, as restated
Annexure K : Statement of Long Term Advances, as restated
Annexure L :Statement of Non-Current Assets, as restated
Annexure M : Statement of Inventories, as restated
Annexure N : Statement of Trade Receivables, as restated
Annexure O : Statement of Cash & Bank balance, as restated
Annexure P :Statement of Short Term Loans & Advances, as restated
Annexure Q : Statement of Other Current Assets, as restated
Annexure R : Statement of Other Income, as restated

Annexure S : Statement of Tax Shelters
Annexure T : Statement of Related Party Transactions
Annexure U : Summary of accounting Ratios
Annexure V : Capitalisation statement

8. We, **M/s Bagaria & Co. LLP, Chartered Accountants**, have been subjected to the peer review process of the Institute of Chartered Accountants of India (“**ICAI**”) and hold a valid peer review certificate issued by the “**Peer Review Board**” of the ICAI.
9. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company.
10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in **Annexure A to U** of this report read with the respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure D** are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.

12. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

For Bagaria & Co LLP

Chartered Accountants

Firm Registration No.113447W/W-100019

Darshan Agrawal

Partner

Membership No.135405

Date: 10.08.2014

Place: Mumbai

FINANCIAL STATEMENTS AS RESTATED

ANNEXURE A: RESTATED STATEMENT OF ASSET AND LIABILITIES

(Rs.in Lakhs)

Sr. No.	Particulars	AS AT MARCH 31,				
		2010	2011	2012	2013	2014
I.	<u>EQUITY AND LIABILITIES</u>					
(1)	Shareholder's Funds					
(a)	Share Capital	5.00	5.00	5.00	153.00	887.43
(b)	Reserves and Surplus	-	-	58.21	253.59	832.17
(2)	Non-Current Liabilities					
(a)	Long-term borrowings	-	-	0.08	1,421.56	656.08
(b)	Deferred tax liabilities (Net)	-	-	-	-	12.10
(c)	Other Long term liabilities	-	-	-	-	-
(3)	Current Liabilities					
(a)	Short term borrowings	-	-	-	1,699.22	2,674.28
(b)	Trade payables	-	-	679.49	1,770.86	1,549.26
(c)	Other Current Liabilities	0.14	0.28	1.22	123.35	169.79
(d)	Short-term provisions	-	-	30.00	174.26	195.70
	Total	5.14	5.28	774.00	5,595.84	6,976.81
II.	Assets					
(1)	Non-current assets					
(a)	Fixed assets					
(i)	Tangible assets	-	-	-	507.66	840.27
(ii)	Intangible assets	-	-	-	-	-
(b)	Long term loans and advances	-	-	-	-	-
(c)	Other non-current assets	0.88	1.06	0.85	0.67	7.66
(2)	Current assets					
(a)	Inventories	-	-	92.60	1,687.38	4,112.45
(b)	Trade receivables	-	-	522.81	3,197.05	1,605.66
(c)	Cash and cash equivalents	4.26	4.22	7.74	20.34	400.78
(d)	Short-term loans and advances	-	-	150.00	177.20	6.99
(e)	Other current assets	-	-	-	5.54	3.00
	Total	5.14	5.28	774.00	5,595.84	6,976.81

ANNEXURE B: RESTATED STATEMENT OF PROFIT AND LOSS

(Rs.in Lakhs)

Sr. No.	Particulars	FOR THE YEAR ENDED MARCH 31,				
		From January 21, 2010 to March 31, 2010	2011	2012	2013	2014
I	Revenue from operations	-	-	3,152.99	9,954.83	11,728.58
II	Other operating Revenue	-	-	-	1.00	16.78
	Total Revenue (I +II)	-	-	3,152.99	9,955.83	11,745.36
III)	Expenses:					
a)	Cost of materials consumed	-	-	3,147.67	9,770.25	13,486.91
b)	Changes in inventories of FG/WIP	-	-	(92.60)	(582.96)	(3,436.89)
c)	Manufacturing Expenses	-	-	-	238.51	619.30
d)	Employee benefit expense	-	-	3.79	72.54	111.51
e)	Financial costs	-	-	0.01	121.70	361.87
f)	Depreciation and amortization expense	-	-	0.21	7.15	40.42
g)	Other expenses	-	-	5.70	29.36	71.46
	Total Expenses (a + b + c + d + e + f+g)	-	-	3,064.78	9,656.55	11,254.58
IV)	Profit before exceptional and extraordinary items and tax	-	-	88.21	299.28	490.78
V	Exceptional Items	-	-	-	-	-
VI	Profit before extraordinary items and tax (IV - V)	-	-	88.21	299.28	490.78
VII	Extraordinary Items	-	-	-	-	-
VIII.	Profit before tax (VI - VII)	-	-	88.21	299.28	490.78
IX.	Tax expense:					
	Current tax	-	-	30.00	103.93	151.83
	Deferred tax	-	-	-	(0.04)	12.14
X	Profit(Loss) from the period	-	-	58.21	195.38	326.81

Sr. No.	Particulars	FOR THE YEAR ENDED MARCH 31,				
		From January 21, 2010 to March 31, 2010	2011	2012	2013	2014
	continuing operations					
XI	Profit/(Loss) from discontinuing operations	-	-	-	-	-
XII	Tax Expense of Discontinuing operations	-	-	-	-	-
XIII	Profit/(Loss) from Discontinuing operations (XI - XII)	-	-	-	-	-
XIV	Profit/(Loss) for the period (X + XIII)	-	-	58.21	195.38	326.81
XV	Earning per equity share:					
	(1) Basic	-	-	64.67	32.91	5.96
	(2) Diluted	-	-	64.67	32.91	5.96

ANNEXURE C: RESTATED STATEMENT OF CASH FLOW

(Rs.in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31				
	From January 21, 2010 to March 31, 2010	2011	2012	2013	2014
Cash Flow from Operating Activities					
Profit After Tax and Extraordinary items (as per Profit and Loss Account)	-	-	58.21	195.38	326.81
Adjustment for:					
Depreciation	-	-	-	6.93	40.32
Interest Income	-	-	-	-	-
Interest & Finance Charges	-	-	0.01	121.70	361.87
Operating Profit before Working Capital Changes	-	-	58.21	324.01	729.00
Adjustment for:	-	-			
a) (Increase)/Decrease in Inventories	-	-	(92.60)	(1,594.79)	(2,425.07)
b) (Increase)/Decrease in Trade Receivable	-	-	(522.81)	(2,674.24)	1,591.38
c) (Increase)/Decrease in advances	-	-	(150.00)	(32.74)	172.73
d) Increase/(Decrease) in Trade Payables	-	-	679.49	1,235.64	(200.15)
e) Increase/(Decrease) in Others Payables	0.14	0.14	30.94	23.29	19.21
f) Cash Generated From Operations	0.14	0.14	3.24	(2,718.83)	(112.90)
g) Income Tax Paid	-	-	-	-	-
Cash Inflow Before Prior Period Adjustments	0.14	0.14	3.24	(2,718.83)	(112.90)
Less : Prior Period Adjustment/ Amalgamation Adjustment	-	-	-	-	-
Net Cash from Operating Activities (A)	0.14	0.14	3.24	(2,718.83)	(112.90)
Cash Flow from Investing Activities					
a) Acquisition of Fixed Assets		-	-	(514.59)	(372.92)
b) Interest Income		-	-	-	-
c) Preliminary and preoperative expenses	(0.88)	(0.18)	0.21	0.21	(6.99)
Net Cash from Investing Activities (B)	(0.88)	(0.18)	0.21	(514.38)	(379.91)
Cash Flow from Financing Activities					
a) Proceeds from issue of Equity Shares	5.00	-	-	148.00	734.43
b) Proceeds from Share Premium	-	-	-	-	553.15
c) Capitalisation of Reserves (Bonus Shares)	-	-	-	-	(249.80)
d) Deferred Tax Asset/ Liability	-	-	-	(0.04)	12.10
e) Loans Taken / (Repaid)	-	-	0.08	3,219.55	236.80
f) Interest & Finance Charges	-	-	(0.01)	(121.70)	(361.87)
g) Proposed Dividend & Taxes	-	-	-	-	(51.57)
Net Cash from Financial Activities (C)	5.00	-	0.07	3,245.82	873.24
Net Increase in Cash and Cash Equivalents	4.26	(0.04)	3.52	12.60	380.44

Particulars	FOR THE YEAR ENDED MARCH 31				
	From January 21, 2010 to March 31, 2010	2011	2012	2013	2014
(A+B+C)					
Cash and Cash Equivalents - Opening Balance	-	4.26	4.22	7.74	20.34
Cash and Cash Equivalents - Closing Balance	4.26	4.22	7.74	20.34	400.78

NOTES ON MATERIAL RESTATEMENT & REGROUPING:

I. Material Regrouping For Balance sheet restated for the reporting period

1. Certain regrouping/ reclassification was done by the management in the audited financial statements for FY 2012-13 in comparison for figures of FY 2013-14 in the audited annual accounts for FY 2013-14 for better disclosure purposes, similarly certain regrouping/ reclassification was done in the comparative figures of FY 2011-12 in the audited financial statement for FY 2012-13, however the same does not have any financial impact on the reserves & surplus of any year under the reporting period.

II. Material Regrouping For Profit & Loss Account restated for the reporting period

1. In Year 2012- 2013, the revenue from operations was shown on gross basis i.e. including taxes and duties, however the management has changed its policy again in 2013-14 to disclose the same using "Exclusive method", previous year figures have also been restated/disclosed accordingly in the audited financial statement of FY 2013-14. The same does not have any impact on the respective year's profit.
2. Certain regrouping was done by the management in the Statement of Profit and Loss Account in certain items for FY 2012-13 in comparison for the figures of FY 2013-14 in the audited annual accounts for FY 2013-14 for better disclosure purposes, however the same does not have any financial impact on any year under the reporting period. Similarly certain regrouping/ reclassification was done in the comparative figures of FY 2011-12 in the audited financial statement for FY 2012-13, however the same does not have any financial impact on the net profit of any year under the reporting period.

ANNEXURE – D – SIGNIFICANT ACCOUNTING POLICES AND NOTES TO RESTATED SUMMARY STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

Momai Apparels Limited was incorporated on January 21, 2010 as a private limited company under the Companies Act and registered with ROC. The CIN of MAL is U18109MH2010PLC199178. The

registered office of MAL is situated at Unit No. 305-309, 3rd Floor, Pacific Plaza, Plot No. 570, TPS IV, Off Bhawani Shankar Road, Mahim Division, Dadar (West), Mumbai – 400 028, Maharashtra, India. MAL is engaged in the business of manufacturing of non-branded intimate garments.

2. BASIS OF ACCOUNTS

These financial statement have been prepared and presented under the historical cost convention on accrual basis of accounting, unless otherwise stated and comply with generally accepted accounting principles, statutory requirements, the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable and current practice prevailing. The Company follows Mercantile System of Accounting except Gratuity and other retirement benefits which are accounted on cash basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous years.

3. PREVIOUS YEAR'S FIGURES

During the year ended March 31st 2012, the Revised Schedule VI notified under the companies act 1956, has become applicable to the company. Therefore the company has reclassified previous year's figures to conform to classification mentioned in revised schedule VI notified under the companies act 1956. Also previous year figures have been regrouped / reclassified for better disclosure and presentation in the audited balance sheet of respective years.

4. USE OF ESTIMATES

The preparation of the financial statements is in conformity with generally accepted accounting principles which requires management to make estimates and assumptions that affects the reported amounts of Assets and Liabilities, revenues and expenses and disclosure of Contingent Liabilities at the date of the financial statements. Actual result could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognized prospectively in the current and future period.

5. REVENUE RECOGNITION

1. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
2. Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.
3. The Company follows the Accrual System of accounting and recognizes income and expenditure on accrual basis.

6. TAXATION

1. Current Income tax on income for the current period is determined on the basis of taxable income and tax credit computed in accordance with the provisions of the Income Tax Act 1961, and based on expected outcome of assessment /appeals.

2. Deferred Tax is recognized subject to the consideration of prudence on the timing difference; being the difference between the taxable income and accounting income that originate in one period and are capable of reversal of one or more subsequent periods.

7. IMPAIRMENT OF ASSETS

No material Impairment of Assets has been identified by the Company and as such no provision is required as per Accounting Standards (AS 28) notified under the companies (Accounting Standard) Rules 2006 (as amended).

8. INVESTMENTS.

Investment, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current Investments. All other Investments are classified as Long Term Investments.

On Initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fees & duties. If an investment is acquired or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current Investments are carried in the financial statement at lower of cost & fair Value determined on an individual investment basis. Long Term Investments are carried at cost. However, Provisions for diminution in value is made to recognise a decline other than temporary in the value of the investments.

9. RETIREMENT BENEFITS

Liability for employee's benefits, both short & long term, for present and past services which are due as per terms of employment and accounting standard as laid down by ICAI

10. GRATUITY

The management is of the opinion that since none of the employees of the company , were in continuous service of more than 5 years & accordingly making provision of gratuity does not arise. However if payment of gratuity arises due to happening of any incidents as provided under the applicable provisions of the law, the same will be accounted for on cash basis. Also other retirement benefits will provided as and when it arises.

11. FIXED ASSETS / CAPITAL WORK-IN-PROGRESS/ INTANGIBLE ASSETS.

Fixed assets are stated at actual cost, which comprises of purchase consideration and other directly attributable costs for bringing the assets to its working condition for the intended use. Direct Costs are Capitalized until fixed assets are ready for use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Capital Work in progress at the beginning of the year are capitalized during the year as they have been installed during the year and are ready for commercial production.

12. DEPRECIATION AND AMORTIZATION

- a) Depreciation has been provided on written down value as per rates of depreciation prescribed as per schedule XIV of the Company Act, 1956.
- b) Depreciation on addition to fixed assets is provided on pro-rata basis from the date on which such asset are acquired/installed.
- c) Depreciation on assets discarded during the year is being provided at their respective rates up to the months in which such assets are sold, discarded or demolished.

13. INVENTORY

Raw Materials: At Cost or Net Realizable Value whichever is lower.

Finished Goods: At Cost or Net Realizable Value whichever is lower.

Work in Progress: At Estimated Cost of production by the Management.

14. FOREIGN CURRENCY TRANSACTION

14.1 Initial Recognition

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

14.2 Conversion

Exchange difference arising on long term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose the company treats a foreign monetary item as long term foreign currency monetary item, if it has a term of 12 months or more at the date of its origination.

14.3 Exchange Differences arising on other long term foreign currency monetary items are accumulated in the foreign currency monetary item translation difference account" and amortized over the remaining life of the concerned monetary item.

14.4 All other exchange differences are recognized as income or as expenses in the period in which they arise.

14.5 Unhedged Foreign Currency Exposure

Particulars of Unhedged foreign exposure as at the reporting date.

Particulars	March-10	March-11	March-12	March-13	March-14
Export Trade Receivable (US \$ In Lakhs)	Nil	Nil	Nil	Nil	Nil
Export Trade Receivable (Rs In Lakhs)	Nil	Nil	Nil	Nil	Nil

15. BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of those assets. Other borrowing costs are recognized as an expense in the period in which they are incurred.

16. EARNINGS PER SHARE

The company reports basic and diluted earnings per equity share in accordance with (AS) 20, Earnings per share notified under the companies (Accounting Standard) Rules 2006 (as amended). Basic Earnings per share have been computed by dividing net income by the weighted average number of equity shares outstanding for the period. Diluted Earnings per equity shares have been computed using the weighted average number of equity shares & diluted potential equity share outstanding during the period.

17. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes if any, Contingent Assets are neither recognized nor disclosed in the financial statements. The Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

18. In the opinion of the Board, Current Assets, Loans & Advances are approximately of the value stated in the Balance Sheet, if realised in the normal course of business & Balances of Sundry Debtors, Loans & Advances and Sundry Creditors are subject to confirmation and reconciliation if any from the respective parties.

19. AUDITOR'S REMUNERATION

(Rs in lakhs)					
Audit fees	31.03.2010	31.03.2011	31.03.2012	31.03.2013	31.03.2014
	Amount	Amount	Amount	Amount	Amount
Payments to the Auditor towards					
- Statutory Audit Fee	0.12	0.12	0.10	1.69	1.69
- Tax Audit Fee	-	-	0.10	0.56	0.56
- Other Matters	-	-	0.10	-	-
Total	0.12	0.12	0.30	2.25	2.25

20. Based on the information available with the company in respect of MSME (as defined in the MICRO Small & Medium Enterprise Development Act 2006) There are no delays in payment of dues to such enterprises during the years/ period.

21. DEFERRED TAX LIABILITY (NET)

The Company has adopted Accounting Standard 22, on Accounting for Taxes on Income; the deferred tax Liability for the current year has been debited to Profit & Loss Account.

(Rs in lakhs)

Particulars	As at 31st March 2010	As at 31st March 2011	As at 31st March 2012	As at 31st March, 2013	As at 31st March, 2014
Tax effect of items constituting deferred tax liability:	-	-	-	-	-
On difference between book balance and tax balance of fixed assets	-	-	-	(0.04)	12.10
TOTAL	-	-	-	(0.04)	12.10

22. Purchase of Momai Apparels and Jehaan Clothing

During the FY 2012-13, two proprietorship concerns "M/s Momai Apparels" (Prop: Dinesh Sodha) & Jehaan Clothing (Prop: Hitesh Punjani) engaged in the same line of business have been taken over by M/s Momai Apparels Private Limited w.e.f from 1st November 2012 for a consideration other than cash i.e Issue of equity share of M/s Momai Apparels Private Limited at face value of Rs 10 each. The company (M/s MAPL) has taken over the said business of the firm as a going concern and the proprietor had agreed to transfer the business on "SLUMP SALE" basis i.e along with the assets and liabilities as on October 31st 2012.

ANNEXURE E: SUMMARY OF STATEMENT OF SHARE CAPITAL, AS RESTATED

(Rs.in Lakhs)

Particulars	Year Ended March 31				
	2010	2011	2012	2013	2014
Share Capital					
Authorised Share capital					
Equity Shares of Rs.10/- each (in Lakhs)(no.)	2.50	2.50	2.50	75.00	150.00
Amount in Rs. Lakhs	25.00	25.00	25.00	750.00	1,500.00
Issued, Subscribed & Fully Paid Up share capital					
Equity Shares of Rs.10/- each (in Lakhs) (no.)	0.50	0.50	0.50	15.30	88.74
Amount in Rs. Lakhs	5.00	5.00	5.00	153.00	887.43
TOTAL	5.00	5.00	5.00	153.00	887.43

Notes

1. The Company has only one class of Equity Shares having Par value of Rs. 10/- per Share. Each Shareholder is entitled to one vote per share.

2. In the financial year ended 31st March 2014

Of the shares mentioned above, company has issued 24,98,000 (nos) Equity Shares (Bonus Share) having face value of Rs 10 each by way of capitalization of its free reverses under the approved scheme of 4 Bonus Shares for 5 Equity Shares already held by the existing shareholders of the company. The same has been approved vide resolution passed at the meeting of shareholders of the company held on 27th February 2014 held at its registered office.

Also company has made preferential allotment of 32,53,835 (nos) Equity share of face value of Rs 10/-per share at a premium of Rs 17/- per equity share. The same has been approved vide Special resolution passed at the meeting of shareholders of the company held on 27thFebruary 2014 held at its registered office.

3. In the financial year ended 31st March 2013

Of the shares mentioned above, company has issued 8,30,000 (nos) and 6,50,000 (nos) Equity Shares having face value of Rs 10 each as consideration for the purchase of Jehaan Clothing (Prop Mr. Hitesh Punjani) and Momai Apparels (Prop Mr. Dinesh Sodha) respectively.

4. Details of Shareholders holding more than 5 % shares of the Company.

Particulars	As at March 31, 2010		As at March 31, 2011		As at March 31, 2012		As at March 31, 2013		As at March 31, 2014	
	Shares (nos)	% of Holding in the Class	Shares (nos)	% of Holding in the Class	Shares (nos)	% of Holding in the Class	Shares (nos)	% of Holding in the Class	Shares (nos)	% of Holding in the Class
Harshad Hirji Thakkar	25,000	50%	25,000	50%	25,000	50%	24,999	2%	2,30,177	3%
Dinesh C. Sodha	25,000	50%	25,000	50%	25,000	50%	6,75,000	44%	12,15,000	14%
Hitesh Punjani	-	-	-	-	-	-	8,30,000	54%	14,94,000	17%
Ashapura Intimates Fashion Ltd	-	-	-	-	-	-	-	-	28,66,500	32%
K Kalidas Fashions Pvt Limited	-	-	-	-	-	-	-	-	9,00,000	10%
Rasiklal Thakkar	-	-	-	-	-	-	-	-	5,55,550	6%
Ranjan Ben Thakkar	-	-	-	-	-	-	-	-	5,55,550	6%

As per records of the Company, including its registers of Shareholders/Members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares for respective years.

5. Reconciliation of the number of shares outstanding from the beginning of the reporting period

Equity Share capital

(in Nos. lakhs)

Equity Shares	As at 31 st March 2010	As at 31 st March 2011	As at 31 st March 2012	As at 31 st March, 2013	As at 31 st March, 2014
At the beginning of the year	-	0.50	0.50	0.50	15.30
Add: Issued during the year	0.50	-	-	14.80	48.46
Add: Bonus Shares Issued During the Year	-	-	-	-	24.98
Less: Shares Forfeited	-	-	-	-	-
Outstanding at the end of the year	0.50	0.50	0.50	15.30	88.74

6. Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash

(in Nos. lakhs)

Particulars	As at 31st March 2010	As at 31st March 2011	As at 31st March 2012	As at 31st March, 2013	As at 31st March, 2014
Equity Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	14.80	39.78
TOTAL	-	-	-	14.80	39.78

7. Terms/ Rights Attached to Equity Shares

The company has only one class of shares referred to as equity shares having a par value of Rs10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

ANNEXURE F: SUMMARY OF STATEMENT OF RESERVES AND SURPLUS, AS RESTATED

(Rs in lakhs)

Particulars	As at 31st March 2010	As at 31st March 2011	As at 31st March 2012	As at 31st March, 2013	As at 31st March, 2014
Surplus in Statement of Profit & Loss					
As per last balance sheet	-	-	-	58.21	253.59
Add: - Net Profit after tax transferred from the Statement of Profit and Loss for the year.	-	-	58.21	195.38	326.80
Amount Available for Appropriation	-	-	58.21	253.59	580.39
Less : Capitalization of Profits	-	-	-	-	(249.80)
Less : Dividend On Equity Shares (Rs 0.50 /- per equity shares o/s as on 31.03.2014)	-	-	-	-	(44.37)
Less : Tax on Dividend on Equity Shares.	-	-	-	-	(7.20)
(A)	-	-	58.21	253.59	279.02
Securities Premium Account	-	-	-	-	-
As per Last Balance sheet	-	-	-	-	-

Particulars	As at 31st March 2010	As at 31st March 2011	As at 31st March 2012	As at 31st March, 2013	As at 31st March, 2014
Add : Issued during the Year *	-	-	-	-	553.15
Less : Utilisation during the Year	-	-	-	-	-
Balance at the end of the Year (B)	-	-	-	-	553.15
Total (A+B)	-	-	58.21	253.59	832.17

***Note**

Company has made preferential allotment of 32,53,835 (nos) Equity share of face value of Rs 10/- per share at a premium of Rs 17/- per equity share. The same has been approved vide Special resolution passed at the meeting of shareholders of the company held on 27th February 2014 held at its registered office.

ANNEXURE G: DETAILS OF LONG TERM BORROWINGS, AS RESTATED

(Rs. 'in lakhs)

Particulars	As at 31st March 2010	As at 31st March 2011	As at 31st March 2012	As at 31st March, 2013	As at 31st March, 2014
Secured					
Term Loan					
From Banks & Financial Institutions					
PNB Vashi - Term Loan (I) - (Note -1)	-	-	-	14.07	-
PNB Vashi - Term Loan -(II) - (Note -2)	-	-	-	20.01	-
SIDBI - Term Loan - (Note -5)	-	-	-	-	88.70
SIDBI -GEM Scheme - (Note - 6)	-	-	-	-	100.17
	-				
From Others	-				
HDB Financial Service Ltd - (Note -3)	-	-	-	102.34	90.16
Money Matters Financial Ser Ltd - (Note -4)	-	-	-	431.17	-
Capri Global Capital Ltd - (I) - (Note -8)	-	-	-	-	102.52
Capri Global Capital Ltd - (II) - (Note -9)	-	-	-	-	97.18
Reliance Commercial Finance - (Note - 10)	-	-	-	-	169.77
	-				
UNSECURED	-				
From Bank & Financial Institutions	-	-	-	-	-
	-				
From others	-				
Magma Fincorp Limited - (Note 7)	-	-	-	-	7.58

Particulars	As at 31st March 2010	As at 31st March 2011	As at 31st March 2012	As at 31st March, 2013	As at 31st March, 2014
	-				
(A)	-	-	-	567.59	656.08
Unsecured Loans	-	-	-	-	-
From Directors, shareholders & relatives	-	-	0.08	853.97	-
(B)	-	-	0.08	853.97	-
Total (A+B)	-	-	0.08	1,421.56	656.08

Notes-						
1) Punjab National Bank TL 1						
- Security	Secured by way of movable and immovable assets of the company					
- Rate of Interest	15 % p.a.					
- Repayment	Each installment of Rs. 41,666					
2) Punjab National Bank TL 2						
- Security	Secured by way of movable and immovable assets of the Company					
- Rate of Interest	15 % p.a.					
- Repayment	Each installment of Rs.78,075					
3) HBD Financial Services Ltd.						
- Security	Loan against property owned by director of the company					
- Rate of Interest	12.75%					
- Repayment	84 equal monthly EMI of Rs.2,02,231/- starting from 04/05/2013 and last installment is due on 04/04/2020					
4) Money Matters Financial Service Ltd						
- Security	Loan against property, already purchased by company Gala 306, 307,308, 309					
- Rate of Interest	13.25% p.a.					
- Repayment	60 equal monthly EMI of Rs. 11,44,063/- starting from 05/05/2013 and last installment is due on 05/04/2018					
5) SIDBI - Term Loan						
- Security	a) First charge by way of mortgage of immovable properties at unit no 301 admeasuring 305 sq. ft carpet area on 3rd Floor Pacific Plaza, Maszidgalli, off Bhavani Shankar road, Dadar West, Mumbai 28, owned by Ashapura Intimates Fashions Limited (AIFL).					
	b) Personal Guarantees of Directors of the company & Corporate Guarantee of AIFL.					
- Rate of Interest	12.25 % p.a with monthly rest					
- Repayment	Repayment in 78 Monthly Installments, commencing after 3 months from the date of First disbursement.					

	Nos of Monthly Installment	Installment Amt Rs in Lakhs				
	1st to 77 th	1.28				
	78 th	1.44				
6) SIDBI - Loan Under GEM Scheme						
- Security	a) Residual Charge on all the current & movable assets of the Company.					
	b) Extension of first charge by way of mortgage of immovable properties at unit no 301 admeasuring 305 sqft carpet area on 3rd floor pacific plaza, maszidgalli, off bhavani shankar road, Dadar West, Mumbai 28, owned by Ashapura Intimates Fashions Limited (AIFL).					
	c) Personal Guarantees of Directors of the company & Corporate Guarantee of AIFL.					
- Rate of Interest	16 % p.a with monthly rest.					
- Repayment	Repayment in 48 Monthly Installments, commencing after 36 months from the date of First disbursement.					
	Nos of Monthly Installment	Installment Amt Rs in Lakhs				
	1st to 27th	1.62				
	28th to 47 th	2.68				
	48th to 48 th	2.66				
7) Magma Fincorp Limited						
- Security.	Unsecured loan					
- Rate of Interest.	8.39 % p.a					
- Repayment.	30 EMI of Rs 3.10287 Lakhs each commencing from 7/09/2013					
8) Capri Global Capital Limited (I)						
- Security	Gala No 1, Ground Floor, Pacific Plaza Premises Co-op Soc Plot No 570, Garage Galli, Dadar (W) Mumbai 400028.					
- Rate of Interest	14.50 % p.a					

- Repayment	48 EMI of Rs 3.52998 Lakhs each commencing from 5/05/2014.					
9) Capri Global Capital Limited (II)						
- Security	a) Godown No 111. 1st Floor Building no D-5, HariHar Compound, Bhiwandi Thane 421302					
	b) Godown No 15, Ground Floor, Bldg No D-6, HariHar Compound, Bhiwandi Thane 421302					
	c) Godown No 112,113 1st Floor Building No D-6, HariHar Compound, Bhiwandi Thane 421302					
- Rate of Interest	14.50 % p.a					
- Repayment	48 EMI of Rs 3.36452 Lakhs each commencing from 5/05/2014.					
10) Reliance Commercial Finance						
- Security	Mortgage of Immovable property at MauliKrupa Krishna Complex CTS no 79 (3)/1 Dapode Bhiwandi Thane 421308, (MHS) - India.					
- Rate of Interest	13.25 % p.a.					
- Repayment	60 EMI of Rs 4.57625 Lakhs each.					

ANNEXURE H: STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED

(Rs. in lakhs)

Particulars	As at 31 st March, 2010	As at 31 st March, 2011	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2014
Secured					
Punjab National Bank CC Account - 1	-	-	-	799.28	-
Punjab National Bank CC Account - 2	-	-	-	899.94	-
Punjab National Bank CC Account *	-	-	-	-	2,674.28
(A)	-	-	-	1,699.22	2,674.28
Unsecured					
Other Loans	-	-	-	-	-
(B)	-	-	-	-	-
Total (A+B)	-	-	-	1,699.22	2,674.28

*** Note**

- Security :	Primarily Secured by way of hypothecation of stock and book debts & Collateral Secured by mortgage of property located at Unit no 305, 306, 307,308,309, & G-2 located at Pacific Plaza Masjid Galli, Dadar (W) Mumbai
- Rate of Interest	14.50% floating
- Repayment Terms	Fund based working capital limit & is repayable on demand.

ANNEXURE I: STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED

(Rs. in lakhs)

Particulars	As at 31 st March 2010	As at 31 st March 2011	As at 31 st March 2012	As at 31 st March 2013	As at 31 st March 2014
Current maturities of Long term borrowings					
PNB Vashi - Term Loan (I)	-	-	-	5.00	-
PNB Vashi - Term Loan -(II)	-	-	-	9.37	-
PNB Term Loan Account-(III)	-	-	-	5.98	-
HDB Financial Service Ltd (NBFC)	-	-	-	9.66	11.90
Money Matters Financial Ser pvt ltd (NBFC)	-	-	-	68.83	-
Magma Fincorp Ltd.	-	-	-	-	22.74
SIDBI - Term Loan	-	-	-	-	11.52
Reliance Commercial Finance	-	-	-	-	30.21
Capri Global Capital Limited (I)	-	-	-	-	25.45

Particulars	As at 31st March 2010	As at 31st March 2011	As at 31st March 2012	As at 31st March 2013	As at 31st March 2014
Capri Global Capital Limited (II)	-	-	-	-	24.25
(A)	-	-	-	98.84	126.06
Other Expenses					
Expenses payable	0.14	0.28	1.22	13.24	20.57
Creditors for Asset	-	-	-	-	10.00
Distributors deposits	-	-	-	11.27	7.27
Share Application Money	-	-	-	-	5.88
(B)	0.14	0.28	1.22	24.51	43.72
TOTAL (A+B)	0.14	0.28	1.22	123.35	169.79

ANNEXURE J: STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED (Rs. 'in lakhs)

Particulars	As at 31st March 2010	As at 31st March 2011	As at 31st March 2012	As at 31st March, 2013	As at 31st March, 2014
Provision for Taxation (Net off Advance Tax & TDS)	-	-	30.00	115.54	120.33
Duties And Taxes	-	-	-	58.72	23.80
Proposed Dividend on Equity Shares	-	-	-	-	44.37
Provision for Income Tax on Proposed Dividend	-	-	-	-	7.20
Total	-	-	30.00	174.26	195.70

ANNEXURE K: STATEMENT OF LONG TERM ADVANCES, AS RESTATED (Rs. 'in lakhs)

Particulars	As at 31st March 2010	As at 31st March 2011	As at 31st March 2012	As at 31st March, 2013	As at 31st March, 2014
Deposit – Others	-	-	-	-	-
Total	-	-	-	-	-

ANNEXURE L: STATEMENT OF NON-CURRENT ASSETS, AS RESTATED

Miscellaneous Expenditure (To the extent not-written off) (Rs. 'in lakhs)

Particulars	As at 31 st March 2010	As at 31st March 2011	As at 31st March 2012	As at 31st March, 2013	As at 31st March, 2014
Deposits	-	-	-	-	1.51
Preliminary Expenses					
Opening Balance	-	0.74	0.74	0.59	0.44
Incurred During the Year	0.74	-	-	-	-
Less : Written off during the year	-	-	(0.15)	(0.15)	(0.07)

Particulars	As at 31 st March 2010	As at 31 st March 2011	As at 31 st March 2012	As at 31 st March, 2013	As at 31 st March, 2014
	0.74	0.74	0.59	0.44	0.37
Pre-operative Expenses					
Opening Balance	-	0.14	0.32	0.26	0.19
Incurred During the Year	0.14	0.18			
Less : Written off during the year	-	-	(0.06)	(0.06)	(0.03)
	0.14	0.32	0.26	0.19	0.16
Deferred tax Asset (Net)	-	-	-	0.04	-
Pre Issue Expenses	-	-	-	-	5.62
Total	0.88	1.06	0.85	0.67	7.66

ANNEXURE M: STATEMENT OF INVENTORIES, AS RESTATED

(Rs. 'in lakhs)

Particulars	As at 31 st March, 2010	As at 31 st March, 2011	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2014
(As certified by the Management)					
- WIP & Finished Goods	-	-	92.60	675.56	4,112.45
- Acquired Stock *	-	-	-	1,011.82	-
Total	-	-	92.60	1,687.38	4,112.45

* During the FY 2012-13, the company Momai Apparels Limited had acquired two proprietary concerns, i.e Momai Apparels & Jehaan clothing with all its assets and liabilities as a going concern by allotting shares against the purchase consideration.

ANNEXURE N: STATEMENT OF TRADE RECEIVABLES, AS RESTATED

(Rs. 'in lakhs)

Particulars	As at 31 st March, 2010	As at 31 st March, 2011	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2014
(UNSECURED, CONSIDERED GOOD)					
Outstanding for	-	-	-	-	-
More than Six Months	-	-	-	-	-
Others	-	-	522.81	3,197.05	1,605.66
Total	-	-	522.81	3,197.05	1,605.66

ANNEXURE O: STATEMENT OF CASH AND BANK BALANCE, AS RESTATED (Rs. 'in lakhs)

Particulars	As at 31st March, 2010	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2014
Cash on hand	4.26	4.22	0.40	9.36	8.19
Bank Balance with Scheduled Banks	-	-	7.34	10.98	392.59
Total	4.26	4.22	7.74	20.34	400.78

ANNEXURE P: STATEMENT OF SHORT TERM LOANS AND ADVANCES, AS RESTATED (Rs. 'in lakhs)

Particulars	As at 31st March, 2010	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2014
(UNSECURED, CONSIDERED GOOD)					
Advance recoverable in cash or in kind	-	-	150.00	177.20	6.99
Total	-	-	150.00	177.20	6.99

ANNEXURE Q: STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED (Rs. 'in lakhs)

Particulars	As at 31st March, 2010	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2014
Prepaid Expenses	-	-	-	5.54	3.00
Total	-	-	-	5.54	3.00

ANNEXURE R: STATEMENT OF OTHER INCOME, AS RESTATED (Rs. 'in lakhs)

Particulars	For the period 21.01.2010 to 31.03.2010	For the period 1.04.2010 to 31.03.2011	For the period 1.04.2011 to 31.03.2012	For the period 1.04.2012 to 31.03.2013	For the period 1.04.2013 to 31.03.2014
Sundry Balances Written back (Net of "Write offs")	-	-	-	-	16.46
Others	-	-	-	1.00	0.32
Total	-	-	-	1.00	16.78

ANNEXURE S: STATEMENT OF TAX SHELTERS

(Rs. 'in lakhs)

Particulars	For the period 21.01.2010 to 31.03.2010	For the period 1.04.2010 to 31.03.2011	For the period 1.04.2011 to 31.03.2012	For the period 1.04.2012 to 31.03.2013	For the period 1.04.2013 to 31.03.2014
Profit before tax as per books (A)			88.21	299.28	490.78
Tax Rate (%)	30.90%	30.90%	30.90%	32.45%	32.45%
Tax at notional rate on profits	-	-	27.26	97.10	1 59.24
Adjustments :					
Permanent Differences(B)	-	-	-	-	-
Expenses disallowed under Income Tax Act, 1961	-	-	-	20.98	14.61
Total Permanent Differences(B)	-	-	-	20.98	14.61
Income considered separately (C)	-	-	-	-	-
Total Income considered separately (C)	-	-	-	-	-
Timing Differences (D)	-	-	-	-	-
Difference between tax depreciation and book depreciation	-	-	-	0.11	(37.42)
Difference due to expenses allowable/ disallowable u/s 43B	-	-	0.03	-	-
Total Timing Differences (D)	-	-	0.03	0.11	(37.42)
Net Adjustments E = (B+C+D)	-	-	0.03	21.10	(22.81)
Tax expense / (saving) thereon	-	-	0.01	6.84	(7.40)
Income from Other Sources	-	-	-	-	-
Income from Other Sources (F)	-	-	-	-	-
Taxable Income/(Loss) (A+E+F)	-	-	88.23	320.37	467.97
Taxable Income/(Loss) as per MAT	-	-	88.21	299.28	490.78
Income Tax as returned/computed	-	-	27.26	103.94	151.83
Interest u/s 234	-	-	3.83	10.30	7.18
Total Tax as per Return	-	-	31.09	114.25	159.01

ANNEXURE T: STATEMENT OF RELATED PARTY TRANSACTIONS

(a) Related parties with whom transactions have taken place during the period are as follows:

Name	Relation
a) Ashapura Intimates Fashion Ltd ('AIFL')	Associate Concern
b) Harshad H. Thakkar	Director
c) Dinesh Sodha	Director
d) Hitesh Punjani	Director
e) Jehaan Clothing (upto 01.11.2012)	Proprietor Hitesh Punjani
f) Momai Apparels (upto 01.11.2012)	Proprietor Dinesh Sodha

(Rs. in Lakhs)

Name	Nature of Transaction	Period 21.01.2010 to 31.03.2010	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
		Amount of Transactions	Amount of Transactions	Amount of Transactions	Amount of Transactions	Amount of Transactions
a) Momai Apparels	Sales	-	-	46.95	78.92	-
b) AIFL	Rent (Factory & Machinery)	-	-	-	7.13	23.17
	Sales	-	-	2,585.18	7,856.27	8,684.89
c) Harshad Thakkar	Rent Paid	-	-	1.44	1.98	3.96
	Director Remuneration	-	-	-	24.00	24.00
	Loan (Taken)/ Repaid	-	-	-	-	-
d) Dinesh Sodha	Director Remuneration	-	-	-	12.00	12.00
	Loan (Taken)/ Repaid	-	-	(0.08)	0.08	-
	Purchase Consideration for Momai Apparels (Share Capital)	-	-	-	65.00	-
e) Hitesh Punjani	Director Remuneration	-	-	-	1.75	12.00
	Purchase Consideration for Jehaan Clothing (Share Capital)	-	-	-	83.00	-

ANNEXURE U: SUMMARY OF ACCOUNTING RATIOS

	Particulars	As at 31st March 2010	As at 31st March 2011	As at 31st March 2012	As at 31st March, 2013	As at 31st March, 2014
1	Restated profit/(loss) as per Profit and Loss Account	-	-	58.21	195.38	326.81
2	Net Profit Attributable to Equity Shareholders (Restated)	-	-	58.21	195.38	326.81
	Earnings Per share (B/C)Rs	-	-	64.67	32.91	5.96
	Diluted Earnings Per share (B/C)Rs	-	-	64.67	32.91	5.96
3	Return on Networth (B/F)%	0.00%	0.00%	93.35%	48.13%	19.09%
4	Net Asset Value Per Share (F/E) Rs.	8.24	7.87	124.71	26.53	19.29
5	Weighted Average No. of Equity Shares	0.20	0.90	0.90	5.94	54.85
6	No. of Equity Shares Outstanding at the end of the period/year *	0.50	0.50	0.50	15.30	88.74
7	Nominal value per equity share (Rs/ Share)	10.00	10.00	10.00	10.00	10.00

***Note**

The total number of shares does not include the Bonus element on account of restatement of account except for the year ended 31st March 2014 in which the bonus shares were issued.

1. An Earning per share is calculated in accordance with Accounting Standard 20 "Earning Per Share" notified under the Companies (Accounting Standard) Rules 2006 (as amended). In terms of Para 24 of AS-20, the number of Equity Shares outstanding before the issue of Bonus Shares is adjusted for the change in the number of Equity Share issued as bonus shares as if the shares were issued at the beginning of earliest reporting period.
2. During the Year 2013-14, the company has issued 24,98,000 (nos) Equity Shares (Bonus Share) having face value of Rs 10 each by way of capitalization of its free reserves under the approved scheme of 4 Bonus Shares for 5 Equity Shares already held by the existing shareholders of the company. Since Bonus Issue is an Issue Without consideration, it has been treated as if it had occurred from the beginning of the earliest period and accordingly treated for both purpose of computing EPS.

3. The Above ratios have been calculated on the basis of restated financial statement
4. The EPS calculated above is not in conformity with Audit report of respective financial year due to change in the calculation of weighted average number of shares as mentioned below:-

(Rs/Share)

Financial Year Ended on	EPS as per Audit Report	Adjusted EPS as per Restated Financial Statement
March 31 st 2010	-	-
March 31 st 2011	-	-
March 31 st 2012	116.41	64.67
March 31 st 2013	65.86	32.91
March 31 st 2014	5.96	5.96

Note -1 to Summary of Accounting Ratios

	Particulars	As at 31st March 2010	As at 31st March 2011	As at 31st March 2012	As at 31st March, 2013	As at 31st March, 2014
A	Net Profit attributable to Equity Shares (Rs. in lakhs)	-	-	58.21	195.38	326.81
B	Net Profit after Tax Adjustments (Rs. in lakhs)	-	-	58.21	195.38	326.81
C	Weighted Average Number of Shares	0.20	0.90	0.90	5.94	54.85
D	Total Number of Equity Shares at the end of the period/year (in no. lakhs)	0.50	0.50	0.50	15.30	88.74
E	Networth at the end of the year/ period	4.12	3.94	62.36	405.91	1,711.95
F	Net Asset	4.12	3.94	62.36	405.91	1,711.95

Note 2 - Calculation of Weighted Average Number of Shares

(Nos. in Lacs)

Sr. No	Particulars	As at 31 st March, 2010	As at 31 st March, 2011	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2014
1	Total Number of Equity Shares outstanding at the beginning of the year	-	0.50	0.50	0.50	15.30
2	Equity Shares Issued During the Year :-					
	Issued in 2010-11 (01.01.2010)	0.50	-	-	-	-
	Issued in 2012-13 (21.01.2013)	-	-	-	14.80	-
	Issued in 2013-14 (27.05.2013)	-	-	-	-	15.93
	Sub Total	0.50	0.50	0.50	15.30	31.23
	Issued in 2013-14 (28.02.2014)	-	-	-	-	0.56
	Issued in 2013-14 (04.03.2014)	-	-	-	-	1.11
	Issued in 2013-14 (08.03.2014)	-	-	-	-	0.56
	Issued in 2013-14 (10.03.2014)	-	-	-	-	0.26
	Issued in 2013-14 (11.03.2014)	-	-	-	-	8.89
	Issued in 2013-14 (12.03.2014)	-	-	-	-	4.37
	Issued in 2013-14 (13.03.2014)	-	-	-	-	2.77
	Issued in 2013-14 (28.03.2014)	-	-	-	-	7.31
	Issued in 2013-14 (29.03.2014)	-	-	-	-	6.70
	Total Equity Shares at the end of the Year (1+2)	0.50	0.50	0.50	15.30	63.76
	Equity Shares in Proportion to outstanding days remaining during the year. (Weighted Average Shares)	0.11	0.50	0.50	3.30	29.87
	Issued in 2013-14 (Bonus 4:5) (28.02.2014)	0.09	0.40	0.40	2.64	24.98
	Total Equity Shares at the end of the year	0.20	0.90	0.90	5.94	54.85

Note -3 to Summary of Accounting Ratios

1. Earning Per Share (Rs.)	<div>Net Profit attributable to Equity Shares (After adjustment of extra ordinary items)</div> <hr/> <div>Weighted Average Number of Equity Shares Outstanding during the period</div>
2. Return on Net Worth (%)	<div>Net Profit after Tax Adjustments & (After adjustment of extra ordinary items)</div> <hr/> <div>Networth at the end of the year/ period</div>

3. Net Asset Value Per Share
- Net Worth excluding Revaluation Reserve at the end of the year/period minus intangible assets
-
- Total Number of Equity Shares Outstanding at the end of the year/period
4. Net Assets
- Equity Share Capital plus reserves and Surplus less Misc. Expenditure to the extent not written off

ANNEXURE V: CAPITALISATION STATEMENT

(Rs.in lakhs)

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	2,674.28	2,674.28
Long Term Debt (B)	782.15	782.15
Total debts (C)	3,456.43	3,456.43
Shareholders' funds		
Equity share capital	887.43	1,442.95
Reserve and surplus - as restated	279.02	279.02
Securities Premium Account	553.15	4,330.69
Total shareholders' funds	1,719.61	6,052.66
Long term debt / shareholders funds	0.45	0.13
Total debt / shareholders funds	2.01	0.57

Note:

- The capitalization statement has been calculated on the basis of restated financial statements.
- The post Issue Capitalization statement assumes that debt level of the company to be same as that of March 31' 2014.



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for years ended March 31, 2014, 2013, 2012 and 2011 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in "Financial Statements" beginning on page 189 of this Prospectus.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "**Risk Factors**" and "**Forward-Looking Statements**" on pages 20 and 18, of this Prospectus beginning respectively.

Our Company was incorporated on January 21, 2010 and has only completed four years since incorporation. The Management's Discussion and Analysis of Financial Condition and Results of Operations, reflects the analysis and discussion of our financial condition and results of operations for the years ended 31st March 2014, 2013, 2012 and 2011 and period ended 31st March 2010.

Overview

Our Company incorporated in the year 2010, is a subsidiary of Ashapura Intimates Fashion Limited, one of the leading Companies in loungewear. In the year 2012 pursuant to restructuring of Valentine Group our Company acquired assets and liabilities of M/s Jehaan Clothing (Proprietorship concern of Mr. Hitesh Punjani) and M/s Momai Apparels (Proprietorship concern of Mr. Dinesh Sodha) and thus all the manufacturing operations of the Group were consolidated in our Company.

Our Company is engaged in the business of manufacturing of non-branded intimate garments such as loungewear, bridal night wear, honeymoon sets, bathrobes, night wear, sportswear and women's innerwear. In value terms approx. substantial of garments procured by AIFL are supplied by us. On January 23, 2013 we had entered into an exclusive manufacturing agreement with AIFL wherein we were required to manufacture garments exclusively for AIFL. However w.e.f from February 13, 2014 the exclusivity clause has been withdrawn and we are free to manufacture non-branded garments for other customers as well.

Significant developments subsequent to the last financial year

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:-

1. We have appointed Mr. Shrikant Maheshwari, Mr. Alok Nag and Mr. Tarak Bipinchandra Gor as Additional Independent Director on the Board of the Company with effect from August 16, 2014.
2. We have appointed Mr. Shrikant Maheshwari, Mr. Alok Nag and Mr. Tarak Bipinchandra Gor as Independent Director on the Board of the Company with effect for a term of 5 years uptill August 15, 2019 at the AGM of the Company held on September 10, 2014.
3. We have passed a special resolution on July 28, 2014 authorizing the Board of Directors to raise funds by making an initial public offering upto Rs.7,500 Lakhs.
4. We have passed a Board resolution on August 16, 2014 for appointing Mr. Harshad Thakkar as the Chairman and Managing Director of the company.
5. We have made pre-IPO placement of 1,708,800 shares at a price of Rs.78 per share (Rs.10 face value and share premium of Rs.68).

Significant Factors affecting our results of operations

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page 20 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Evolving customer requirements and their tastes
- Any fluctuation, delay or increase in cost of the raw materials may affect our business and prices
- Regulations affecting inner garment apparel industry
- Ability to manage human resource, working capital and logistics
- Rapid technological upgradation in the manufacturing machinery of the inner garments
- Changes, if any, in the regulations / regulatory framework / economic policies in India
- Our inability to compete effectively in the present market may lead to lower market share or reduced operating margins
- Delays or defaults in client payments could result in a reduction of our profits.
- Agreements such as lease / rent agreements for properties not owned by the Company may cause disruption in the operations
- Increase in employee costs may have a material adverse impact on our results of operations

DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for years ended 31st March 2014, 31st March, 2013, 2012 and 2011.

OVERVIEW OF REVENUE & EXPENDITURE

Revenues

Income from operations:

Our Income from operations consists of revenue from sale of unbranded intimate wear garments.

Other Income:

Our other income includes Sale of Scrap, Sundry Balances Written Back, etc.

(Rs. In Lakhs)

Particulars	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012	As on March 31, 2011
Income				
Revenue from Operation	11,728.58	9,954.83	3,152.99	-
Increase/Decrease in %	17.82%	215.73%	NA	NA
Other Income	16.78	1.00	-	
Increase/Decrease in %	1585.80%	NA	NA	NA
Total Revenue	11,745.36	9,955.83	3,152.99	--

Expenditure

Our Company's operating expenditure consists of following:

Cost of materials consumed

Our cost of materials consumed comprises purchase of raw material, packing materials etc.

Employee Benefits Expenses

Our employee benefits cost primarily consists of salaries, wages and bonuses paid to our employees, staff welfare expenses and director's remuneration.

Financial Cost

Our financial cost includes bank interest, bank charges and interest paid to others.

Depreciation

Depreciation includes depreciation on office premises, plant & machinery, office equipments, etc.

Other Expenses

Other expenses include administration expenses, office expenses, designing charges, job work charges, rent, electricity, miscellaneous expenses, preliminary expenses writer off etc.

Statement of profits and losses

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue.

(Rs. In Lakhs)

Particulars	For the period ended 31 March 2010	For the year ended			
		March 2011	March 2012	March 2013	March 2014
I. Revenue from operations	-	-	3,152.99	9,954.83	11,728.58
Increase/Decrease in %	-	NA	NA	215.73%	17.82%
II. Other operating Revenue	-	-	-	1.00	16.78
Increase/Decrease in %	-	NA	NA	NA	1585.80%
Total Revenue (I +II)	-	-	3,152.99	9,955.83	11,745.36
III). Expenses:					
a) Cost of materials consumed	-	-	3,147.67	9,770.25	13,486.91
As a % of Total Revenue	-	NA	99.83%	98.14%	114.83%
b) Changes in inventories of FG/WIP	-	-	(92.60)	(582.96)	(3,436.89)
As a % of Total Revenue	-	NA	-3%	-6%	-29%
c) Manufacturing Expenses	-	-	-	238.51	619.30
As a % of Total Revenue	-	NA	NA	2%	5%
d) Employee benefit expense	-	-	3.79	72.54	111.51
As a % of Total Revenue	-	NA	0%	1%	1%
e) Financial costs	-	-	0.01	121.70	361.87
As a % of Total Revenue	-	NA	0%	1%	3%
f) Depreciation and amortization expense	-	-	0.21	7.15	40.42
As a % of Total Revenue	-	NA	0%	0%	0%
g) Other expenses	-	-	5.70	29.37	71.47
As a % of Total Revenue	-	NA	0%	0%	1%
Total Expenses (a + b + c + d + e + f+g)	-	-	3,064.78	9,656.56	11,254.59
IV. Profit before exceptional and extraordinary items and tax	-	-	88.21	299.27	490.77
V. Exceptional Items	-	-	-	-	-
VI. Profit before extraordinary items and	-	-	88.21	299.27	490.77

Particulars	For the period ended 31 March 2010	For the year ended			
		March 2011	March 2012	March 2013	March 2014
tax (IV - V)					
VII. Extraordinary Items	-	-	-	-	-
VIII. Profit before tax (VI - VII)	-	-	88.21	299.27	490.77
IX. Tax expense:					
- Current tax	-	-	30.00	103.93	151.83
- Deferred tax	-	-	-	(0.04)	12.14
X. Profit(Loss) for the period / year	-	-	58.21	195.38	326.80

Fiscal year ended March 31, 2014 compared with the fiscal year ended March 31, 2013

Income

Total revenue increased by Rs. 1,789.53 lakhs or 17.97 per cent, from Rs. 9,955.83 lakhs in the fiscal year ended March 31, 2013 to Rs. 11,745.36 lakhs in the fiscal year ended March 31, 2014. The sales of our product witnessed a tremendous increase during FY 13-14 mainly due to increased efficiencies and share in AIFL's turnover.

Expenditure

Total Expenditure increased by Rs. 1,598.03 Lakhs, or 16.55 per cent, from Rs. 9,656.56 Lakhs in the fiscal year ended March 31, 2013 to Rs. 11,254.59 Lakhs in the fiscal year ended March 31, 2014. Overall expenditure has increased mainly because of the increase in Cost of Material Consumed, Finance Costs, Employee Benefit Expenses, Office & Administration and Selling & Distribution Expense.

Material Consumption

Material consumption in terms of value and percentage increased by Rs. 3,716.67 Lakhs or 38.04 per cent, from Rs. 9,770.25 Lakhs in the fiscal year ended March 31, 2013 to Rs. 13,486.91 Lakhs in the fiscal year ended March 31, 2014. The reason for increase for the same is increased sales of the Company's products which has led to increase in material consumption.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage increased by Rs. 38.97 Lakhs or 54 per cent, from Rs. 72.54 Lakhs in the fiscal year ended March 31, 2013 to Rs. 111.51 lakhs in the fiscal year ended March 31, 2014. The reason for increase for the same is that the company recruited more employees to support growing operations of the Company.

Finance Costs

Finance Costs in terms of value and percentage increased by Rs. 240.17 Lakhs and 197.36 per cent, from Rs. 121.70 Lakhs in the fiscal year ended March 31, 2013 to Rs. 361.87 lakhs in the fiscal year ended March 31, 2014. The reason for increase for the same is that the company has increased its borrowing to support the growth of the business.

Inventories

Inventories in terms of value and percentage increased by Rs. 2,425.07 Lakhs and 143.7 per cent, from Rs. 1,687.38 Lakhs in the fiscal year ended March 31, 2013 to Rs.4,112.45 lakhs in the fiscal year ended March 31, 2014. The increase is on account of the boost in manufacturing to sustain sales growth.

Manufacturing Expenses

Manufacturing Expenses in terms of value and percentage increased by Rs. 380.79 Lakhs and 160 per cent, from Rs.238.51 Lakhs in the fiscal year ended March 31, 2013 to Rs. 619.30 lakhs in the fiscal year ended March 31, 2014. The increase is on account of the expansion of the Company's operations and increase in staff strength.

Depreciation & Amortization Expenses

Depreciation & Amortization Expenses in terms of value and percentage increased by Rs.33.28 Lakhs and 466 per cent, from Rs.7.15 Lakhs in the fiscal year ended March 31, 2013 to Rs. 40.42 lakhs in the fiscal year ended March 31, 2014.

Fiscal year ended March 31, 2013 compared with the fiscal year ended March 31, 2012

Income

Total revenue increased by Rs. 6,801.84 lakhs or 215.73 per cent, from Rs. 3,152.99 in the fiscal year ended March 31, 2012 to Rs. 9,954.83 lakhs in the fiscal year ended March 31, 2013. As the Company was incorporated on January 21, 2010 the total revenue as on March 31, 2011 was NIL.

Expenditure

Total Expenditure increased by Rs. 6,591.78 Lakhs, or 215.08 per cent, from Rs. 3,064.78 Lakhs in the fiscal year ended March 31, 2012 to Rs. 9,656.56 Lakhs in the fiscal year ended March 31, 2013. Overall expenditure has increased mainly because of the increase in Finance costs, Employee benefit expenses, direct expenses, office & administration and selling & distribution expense. As the Company was incorporated on January 21, 2010 the total revenue as on March 31, 2011 was NIL.

Material Consumption

Material consumption in terms of value and percentage increased by Rs. 6622.58 Lakhs or 210.40 per cent, from Rs. 3,147.67 Lakhs in the fiscal year ended March 31, 2012 to Rs. 9,770.25 lakhs in the fiscal year ended March 31, 2013. The reason of increase is mainly on account commencement of sales business of the Company for the year ended March 31, 2012.



Employee Benefit Expenses

Employee benefit Expenses in terms of value and percentage increased by Rs. 68.75 Lakhs and 1,815.30 per cent, from Rs. 3.79 Lakhs in the fiscal year ended March 31, 2012 to Rs. 72.54 lakhs in the fiscal year ended March 31, 2013. The reason for increase in the same is that the Company had recruited additional staff to support growing operations of the Company.

Finance Costs

Finance Costs in terms of value and percentage increased by Rs. 121.69 Lakhs and 17,66,199 per cent, from Rs. 0.01 Lakhs in the fiscal year ended March 31, 2012 to Rs. 121.70 lakhs in the fiscal year ended March 31, 2013. The reason for increase in the same is that the company has increased its borrowing to support the working capital requirements and growth of the business.

Inventories

Inventories in terms of value and percentage increased by Rs. 1,594.79 Lakhs and 1,722.31 per cent, from Rs.92.60 Lakhs in the fiscal year ended March 31, 2012 to Rs. 1,687.38 lakhs in the fiscal year ended March 31, 2013. The increase is on account of the boost in manufacturing to sustain sales growth. Inventory as at March 31, 2013 includes inventory taken over from purchased proprietary concerns Momai Apparels and Jehaan Clothing.

Manufacturing Expenses

Manufacturing activities of the Valentine Group were carried out mainly in Momai Apparels and Jehaan Clothing. Post acquisition, the entire manufacturing process was consolidated into our Company, therefore the manufacturing expenses has increased from Rs. Nil to Rs. 238.51 lakhs in the fiscal year ended March 31, 2013.

Depreciation & Amortization Expenses

Depreciation & Amortization Expense in terms of value and percentage increased by Rs. 6.93 Lakhs and 3261 per cent, from Rs. 0.21 Lakhs in the fiscal year ended March 31, 2012 to Rs. 7.15 lakhs in the fiscal year ended March 31, 2013.

Fiscal year ended March 31, 2012 compared with the fiscal year ended March 31, 2011

Our Company was incorporated on January 21, 2010 and commenced operations from immediately thereafter. Therefore Company did not generate any revenue or expenditure for the financial year ended 31st March 2011.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the chapters titled “Risk Factors” beginning on pages 20 of this

Prospectus respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the chapter titled “*Risk Factors*” beginning on pages 20 of this Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by service providers.

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is operating in inner garment industry. Relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 108 of this Prospectus.

7. Status of any publicly announced new products or business segments

Our Company has not announced any new product and segment, other than through the Prospectus.

8. The extent to which the business is seasonal

Our Company’s business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers

The percentage of Contribution of our Company’s customer and supplier vis-à-vis the total income and operating cost respectively for the FY 2014 is as follows:

	Customers	Suppliers
Top 5 (%)	100%	79.18%
Top 10 (%)	100%	92.55%

10. Competitive Conditions

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “*Our Business*” on page 131 of this Prospectus



FINANCIAL INDEBTEDNESS

For details on Financial Indebtedness of our Company, please refer to Annexure-G, Annexure H, Annexure K, Annexure P of restated financial statement under the section titled, '*Financial Statements*' beginning on page 189 of this Prospectus.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Promoter Group and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or 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 I of Schedule XIII of the Companies Act, 1956 or Schedule V of the Companies Act, 2013), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoter or our Directors.

PART 1: LITIGATION RELATING TO THE COMPANY

A. CASES FILED AGAINST COMPANY

1. Litigation involving Civil Laws:

NIL

2. Litigation involving Criminal Laws:

NIL

3. Litigation involving Securities and Economic Laws:

NIL

4. Litigation involving Statutory Laws

NIL

5. Litigation involving Labour Laws:

NIL

B. CASES FILED BY THE COMPANY

1. Litigation involving Civil Laws:

NIL

2. Litigation involving Criminal Laws:

NIL

3. Litigation involving Securities and Economic Laws:

NIL

4. Litigation involving Statutory Laws

NIL

5. Litigation involving Labour Laws:

NIL

C. PAST PENALTIES

NIL

D. OUTSTANDING LITIGATIONS, DEFAULTS PERTAINING TO MATTERS LIKELY TO AFFECT OPERATIONS AND FINANCE OF THE ISSUER, INCLUDING DISPUTED TAX LIABILITIES, PROSECUTION UNDER ANY ENACTMENT IN RESPECT OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 (1 of 1956) .

NIL

E. THE NAME(S) OF THE SMALL SCALE UNDERTAKING(S) OR ANY OTHER CREDITORS TO WHOM THE ISSUER OWES A SUM EXCEEDING Rs. ONE LAKH WHICH IS OUTSTANDING MORE THAN THIRTY DAYS AS ON MARCH 31, 2014

SR. NO.	PARTICULARS	AMOUNT
1	K. Kalidas Fashions Pvt Ltd	44,475,178
2	Dweta Garments Pvt Ltd	20,336,089
3	Krushna Cotex Pvt Ltd	18,591,332
4	Vintex Enterprises	15,446,117
5	Knitline Fab India Pvt Ltd	10,554,270
6	Vardhman Filaments	5,965,129
7	Supremo Fashions	2,842,154
8	Nirvan Fabrics	2,840,504
9	Monarch Clothings	2,739,222
10	Jalaram Packaging	2,698,495
11	24 Carrots Fabrics Pvt Ltd	2,321,443
12	Mansi Textiles	1,358,482
13	Mangal Textile Mills (India) Pvt Ltd	1,099,742
14	Print Kraft	982,078
15	Ziya Packaging	909,547
16	Sahil Enterprises – Ambernath	903,073
17	G.M.Styles (Pvt.) Ltd	839,725
18	Gopal Embroidery	820,844
19	Promotion Uniforms	750,145
20	Star Enterprise	712,111
21	Annai Enterprises	695,014
22	N.R.Associates	660,767
23	V.R.Fashion	656,867
24	Ashirwad Creations	553,212
25	Shiv Sai Apparels	540,427
26	Sweet Apparels	537,548
27	Dhaga Ghar Threads Pvt Ltd	463,350
28	Shree Shyam Industries	460,044
29	Labdhi Apparels	431,466
30	Reymadane Fabrics	423,962

SR. NO.	PARTICULARS	AMOUNT
31	Durva Enterprises	404,968
32	Nidhika Creation	358,097
33	Ganesh B. Shirke	353,774
34	Glacier Arts	350,055
35	Asha Traders	332,082
36	Shree Ambica Garments	306,598
37	Sankeshwar Fabrics Pvt Ltd	296,430
38	Sai Trading Co.	290,288
39	Vintage Clothing India	275,935
40	Tangent	272,201
41	Vora Textiles	269,854
42	Gaurav Fabrics	255,907
43	Akshaj Garments	246,542
44	B.S.Garments	237,762
45	Jmk Enterprises	232,274
46	Gopal & Co.	222,397
47	Thakker Fabrics	220,492
48	Lotus Priyan Garments	216,886
49	Sri Mayur Fashion	214,744
50	Valiant Fashions	207,125
51	Ganesh Algu Chaudhary	206,040
52	Maru Shirting Pvt Ltd	200,702
53	N.K.Enterprises.	199,197
54	S.K.Sahajan Embroidery	196,504
55	Shree Vandan Garments	195,627
56	Mohd.Salim Shaikh	194,560
57	Sarika Fashion	191,495
58	Crossstitch Apparels	171,621
59	Pancham Fabrics	169,150
60	Shantanu Textiles	159,365
61	Ramjiyavan Yadav	159,137
62	Hari Om Checking	154,124
63	Shree Nath Garments	152,649
64	Shri Venkateswara Enterprises	151,673
65	Sonali Enterprises	150,081
66	Parekh Textiles	144,915
67	Laxmi Enterprises	143,089
68	Colour Match Print	140,341
69	Jai Ambe Garment	139,238
70	Ask Me Knits Garments	139,147
71	Shiv Darshan Deying	130,505
72	Aadnya Apparels	128,593

SR. NO.	PARTICULARS	AMOUNT
73	Santosh Mahadeo Chaudhary	127,942
74	Aiyena Garments	127,502
75	Venktesh Fashion	126,803
76	Fashionista Garments	123,616
77	Anuradha Apparels	123,592
78	Vardhman Trading Co	122,671
79	Madhani Creation	121,948
80	Kataria Trading Co	118,498
81	Flukyz Enterprises	115,935
82	Devraj Liladhar Gala	112,167
83	R A Logistics	111,885
84	Darshan Plast N Pack	108,771
85	Colors Fab	106,759
86	Girija Shankar Pandey	105,314
87	Momin Gulam Sarvar Mohd. Umar	104,910
88	Burhani Enterprise	102,857
89	Global Graphics	102,068

PART 2: LITIGATION RELATING TO THE DIRECTORS OF THE COMPANY

A. LITIGATION AGAINST THE DIRECTORS

1. Litigation involving Civil Laws:

NIL

2. Litigation involving Criminal Laws:

NIL

3. Litigation involving Securities and Economic Laws:

NIL

4. Litigation involving Statutory Laws

NIL

B. LITIGATIONS FILED BY THE DIRECTORS

1. Litigation involving Civil Laws:

NIL

2. Litigation involving Criminal Laws:

NIL

3. Litigation involving Securities and Economic Laws:

NIL

4. Litigation involving Statutory Laws

NIL

C. PAST PENALTIES

NIL

PART 3: LITIGATION RELATING TO THE PROMOTERS AND GROUP COMPANIES

A. LITIGATION AGAINST THE PROMOTERS AND GROUP COMPANIES:

1. Civil Cases:

Interim Application No.447of 2014 in O.S. No.182 of 2014 dated June 16, 2014 issued by M/s. Pearl Intimates ("Plaintiff"), through its Proprietor Sri. S. Edison Devaraj to AIFL ("Defendant") represented by its Managing Director Mr. Harshad Thakkar before the Court of the District Munsif of Tirupur.

The Plaintiff has filed an interim application in O.S. No.182 of 2014 seeking an order for temporary injunction restraining the Defendant from depositing 2 (two) cheques drawn on Kotak Mahindra Bank amounting to Rs.9,00,000/- (Rupees Nine Lakhs only) each issued by the Plaintiff to the Defendant and to produce the "C- Forms" for the shortage amounts of Rs.3,05,225/- (Rupees Three Lakhs Five Thousand Two Hundred Twenty Five only) for the assessment year 2012- 2013 and also a sum of Rs.7,39,143 for the assessment year 2013-2014. The Plaintiff had received certain orders from the Defendant for supply of garments. The Plaintiff filed a suit alleging that an aggregate amount of Rs.2,08,85,975/- (Rupees Two Crore Eight Lakhs Eighty Five Thousand Nine Hundred Seventy Five only) was payable by the Defendant on its own account and on account of its sister concern Jehaan Clothing and another entity Shree Shiv Lingeries Private Limited. The Plaintiff has also alleged that the Defendant is liable to pay a sum of Rs.2,95,806 (Rupees Two Lakhs Ninety Five Thousand Eight Hundred Six only) towards Momai Apparels and also a sum of Rs,1,85,569/- (Rupees One Lakhs Eighty Five Thousand Five Hundred Sixty Nine only) towards Ashapura Intimates Fashion Limited.

2. Criminal Cases:

NIL

3. Securities and Economic Offences:

NIL

B. LITIGATION FILED BY THE PROMOTERS AND GROUP COMPANIES

1. Civil Cases:

Short Cause Suit No. 1617 of 2014 filed by AIFL ("Plaintiff") against Pearl Intimates ("Defendant") in the Bombay City Civil Court.

The Plaintiffs had entered into an Agreement with the Defendant for purchase of raw materials and in pursuance thereof, had paid a sum of Rs. 50,00,000/- (Rupees Fifty Lakhs only) by way of advance for the work to be carried out by the Defendant. However, the Defendant failed to adhere to the terms of the Agreement and hence was liable to repay Rs.50,00,000/- (Rupees Fifty Lakhs only). The Defendant made a part payment and the outstanding amount due and payable to the Plaintiff was Rs.31,60,903/- (Rupees Thirty One Lakhs Sixty Thousand Nine Hundred Three only), for which the Defendant had issued 3(three)cheques of Rs.9,00,000/- (Rupees Nine Lakhs only) each. The Defendant however, issued a "stop payment" notice to their bank. Thereafter, the Defendant paid a further amount to the Plaintiff and a balance amount of Rs.10,02,771/- (Rupees Ten Lakhs Two Thousand Seven Hundred Seventy One only) is pending. Inspite of the Plaintiff making a request for payment of the balance amount, the Defendants refused to oblige. On May 28, 2014, the Plaintiff received a letter from the Defendant's advocates requesting return of the 3 (three) cheques of Rs. 9,00,000/- (Rupees Nine Lakhs only) each to the Defendant since certain compliances was pending on the part of the Plaintiffs. The Plaintiff has inter - alia prayed that the Plaintiff be entitled to retain the 3 (three) cheques of Rs.9,00,000/- (Rupees Nine Lakhs only) issued by the Defendant and that the Defendant be directed to furnish alternate security. The Plaintiffs have also taken out a Notice of Motion praying for certain interim and ad-interim reliefs including issuance of directions to the Defendant to maintain sufficient balance in its account and direction to the Plaintiffs to deposit the said cheques in the bank. The next hearing in the matter is scheduled for November 24, 2014.

Summary Suit No.1306 of 2014 under Order XXXVIII of the Code of Civil Procedure, 1908 filed by AIFL ("Plaintiff") against M/s. Ansh Marketing ("Defendants") in the Bombay City Civil Court.

The Plaintiff and the Defendant entered into a Distributor's Agreement whereby the Defendant was to engage in distribution of the Plaintiff's goods in Tamil Nadu region, excluding Chennai. From December, 2012, the Defendant failed to pay the invoices raised by the Plaintiffs despite the delivery of various consignments to the Defendant. However, due to business relations, the Plaintiff continued to supply goods till June, 2013 and allowed credit to the Defendant on the existing invoices. The Plaintiff, kept requesting the Defendant to make the payments in respect of the outstanding invoices, and the Defendant assured the Plaintiffs of paying the amounts soon. The Plaintiffs addressed various letters dated October 25, 2013 and January 3, 2014 to the Defendant through their advocates demanding payment of the pending amounts. On January 16, 2014, the Plaintiff received a letter from the advocates of the Defendant stating that the

Defendant is seeking a discount amounting to Rs.96,496/- as distributor's commission. The Plaintiff has filed the suit for recovery of a sum of Rs.1,86,733.59/- along with interest at 18% p.a. from the date of the suit till such time as the Defendant pays over the said amount to the Plaintiff.

2. Criminal Cases:

NIL

3. Securities and Economic Offences:

NIL

C. PAST PENALTIES

NIL

MATERIAL DEVELOPMENTS

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last audited financial statements disclosed in this Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability or value of assets or our ability to pay material liabilities within the next twelve (12) months.



GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.

APPROVALS FOR THE ISSUE

Corporate Approvals

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on July 18, 2014, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra Ordinary General Meeting held on July 28, 2014, authorized the Issue.

Approvals from Stock Exchange

1. The Company has obtained approval from SME platform of the NSE vide letter dated August 27, 2014 to use the name of the Stock Exchange in the Prospectus for listing of Equity Shares on the Stock Exchange.

Approvals from Lenders

1. All approvals required from the lenders in relation to the Issue have been obtained.

INCORPORATION DETAILS

1. Certificate of Incorporation dated January 21, 2010, issued by the Assistant Registrar of Companies, Maharashtra, Mumbai in the name of "Momai Apparels Private Limited".
2. Fresh Certificate of Incorporation dated September 5, 2013, issued by the Registrar of Companies pursuant to the Companies Act, 2013, incorporating the change of name of our Company from "Momai Apparels Private Limited" to "Momai Apparels Limited".
3. The Corporate Identity Number (CIN) of the Company is U18109MH2010PLC199178.

GENERAL APPROVALS

1. The Company has obtained Certificate of Registration No. 760411234/Shop I under the Maharashtra Shops and Establishments Act, 1948 for its office located at Shop No 1, Pacific Plaza, Plot no.570, TPS IV, Off BS Road, Garriage Gully Mahim Division, Dadar - West, Mumbai - 400 028, Maharashtra, India. The Certificate was issued on April 22, 2014, and is now valid until December 31, 2014
2. The Company has obtained Certificate of Registration No. 760388408/Commercial II under the Maharashtra Shops and Establishments Act, 1948 for its office located at Shop Nos.305-309, 3rd Floor, Pacific Plaza, Plot no.570, TPS IV, Off BS Road, Dadar - West, Mumbai - 400 028, Maharashtra, India. The Certificate was issued on August 26, 2014, and is now valid until December 31, 2016.
3. The ISIN Number of the Company is INE133R01015.
4. Importer- Exporter Code number of the Company is 0313077011.

TAX RELATED APPROVALS/LICENSES/REGISTRATIONS

The Company has obtained the following approvals from various tax authorities as set out below:

Sr. No.	Description	Authority	Registration Number	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	The Income Tax Department, Government of India.	AAHCM7564R.	January 21, 2010	NA
2.	Tax Deduction and Collection Account Number (TAN).	The Income Tax Department, Government of India.	MUMM42287A	NA	NA
3.	Tax payer Identification Number(TIN)	The Income Tax Department, Government of India	27480951739	NA	NA
4.	Certificate of Registration under Section 16 of Maharashtra Value Added Tax, 2002	Sales Tax Officer, Kalyan, Maharashtra	TIN – 27480951739V	December 8, 2012	NA
5.	Certificate of Registration under Section 7(1) of the	Sales Tax Officer, Kalyan, Maharashtra	TIN – 27480951739C	December 8, 2012	Until cancelled

Sr. No.	Description	Authority	Registration Number	Date of Issue	Date of Expiry
	Central Sales Tax Act, 1956				
6.	Certificate of Registration under Section 5(1) of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Professional Tax Officer, Registration Branch, Mumbai, Maharashtra	P.T.R.C No. 27480951739P	November 27, 2013	NA
7.	Certificate of Enrolment under sub-section (2) or sub section (2A) or subsection (3) of section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975	Professional Tax Officer, Registration Branch, Mumbai, Maharashtra,	P.T.E.C No. 99242202565P	September 9, 2014	NA

LABOUR RELATED APPROVALS/REGISTRATIONS

The Company has obtained the following approvals related to Labour/employment registrations:

Sr. No.	Description	Authority	Code Number	Date of Issue
1.	Employees Provident Fund Organisation	Assistant Provident Fund Commissioner, Regional Office (Compliance Wing), Vardhan Commercial Complex, 6 th Floor, M.I.D.C. Road No. 16, Wagle Estate, Thane, Maharashtra 400604.	THTHA/0206427/000	June 9, 2014.
2.	Employees State Insurance Corporation	Assistant Director, Employees' State Insurance Corporation, Hospital	34000296540000199	June 23, 2014


Sr. No.	Description	Authority	Code Number	Date of Issue
		Complex, Wagle Estate, Thane-400604.		

OTHER APPROVALS

Sr. No.	Description	Authority	Registration Number	Particulars	Date of Certificate	Date of Expiry
1	License under Maharashtra Factories Rules, 1963	Assistant Commissioner, Industrial Safety and Health Department, Mumbai, Maharashtra	Registration Number: Kalyan/14101/168031 License Number: 098673	License for factory premises located at B.N.D., 6, Gala No.201 to 2015, Krishna Complex, Dapoda Village, Bhiwandi Taluka, Thane.	March 4, 2013	December 31, 2015
2.	Entrepreneurs' Memorandum (EM) for setting up Micro, Small, Medium Enterprise-Acknowledgement for Part-II	Director of Industries Maharashtra, District Industries Centre, Thane	Entrepreneurs' Memorandum No.(Part-II): <u>27-021-12-06081</u>	<p>i. The proposed item of manufacture is readymade garments, loungewear, nighties;</p> <p>ii. The proposed capacity per annum of the Company is 3805 NOS.</p> <p>iii. The Company has been categorized as a 'Small enterprise'.</p>	November 6, 2013	N.A.

INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS

TRADEMARKS

Sr. No.	Particulars of Mark	Word/ Label	Applicant	Application No.	Date of Filing	Class	Status
1.		Label	Momai Apparels Limited.	2763966	June 27, 2014	25	Sent for Vienna Codification.

Pending Approvals:

1. Our Company is in the process of applying for the following approvals:
 - a) Registration under the Contract Labour (Regulation and Abolition) Act, 1970

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on July 18, 2014 and by the shareholders of our Company by a special resolution, pursuant to Section 62(1)(c) of the Companies Act, 2013 passed at the EGM of our Company held on July 28, 2014, at registered office of the Company.

We have received in-principle approval from the Stock Exchange for the listing of our Equity Shares pursuant to letter no NSE/LIST/249020-6 dated August 27, 2014.

PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoter, our Directors, our Promoter Group and natural persons behind our promoters, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

The companies with which our Promoter, our Directors or persons in control of our Company are/ were associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

None of our Directors are in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

PROHIBITION BY RBI

Neither our Company, nor our Promoter, or the relatives (as defined under the Companies Act) of our Promoter or Group Entity have been identified as willful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or no proceedings thereof are pending against them.

ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with regulation 106M(2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital exceeds Rs. 1,000 lakhs but not Rs. 2,500 Lakhs. Our Company also complies with the eligibility conditions laid by the SME Platform of NSE for listing of our Equity Shares.

We confirm that:

1. In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred percent underwritten and that the BRLM will underwrite at least 15 per cent of the total issue size. For further details pertaining to underwriting please refer to chapter titled "General Information" beginning on page 57 of this Prospectus. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within twelve working days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from twelve working days, be liable to repay such



application money, with interest as prescribed under section 40 of New Companies Act and SEBI (ICDR) Regulations.

2. In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book Running Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
3. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, the BRLM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled “General Information” beginning on page 57 of this Prospectus.
4. The Company has track record of 3 Years and positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and
5. Net-worth of the company is positive.
6. The Company has not been referred to Board for Industrial and Financial Reconstruction.
7. No petition for winding up is admitted by a court of competent jurisdiction against the Company.
8. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
9. The Company has a website <http://www.momaiapparels.com>

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange. As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992.

“WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
 - A. THE RED HERRING PROSPECTUS/PROSPECTUS FILED WITH THE BOARD/EXCHANGE IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD /



TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD/ EXCHNAGE TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.

6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40 OF THE NEW COMPANIES ACT 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
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.- NOT APPLICABLE
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND

B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE A”**
- 17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTION HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.”**

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

- 1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- 3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.**
- 4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.**
- 5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN**



PREPARED AND DISCLOSED IN THE PROSPECTUS.

- 6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

Note:

The filing of this Prospectus does not, however, absolve our Company from any liabilities under section 34, 35, 36 and 38(1) of the new Companies Act or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Manager any irregularities or lapses in the 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, Mumbai in terms of Section 26, 32 and 33 of the Companies Act 2013.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company, our Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, www.momaiapparels.com, would be doing so at his or her own risk.

Caution

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Book Running Lead Manager and our Company dated September 13, 2014, the Underwriting Agreement dated September 13, 2014 entered into among the Underwriter and our Company and the Market Making Agreement dated September 13, 2014 entered into among the Market Maker(s), Book Running Lead Manager and our Company.

Our Company and the Book Running Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres, *etc.*

The Book Running Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Pantomath Capital Advisors Private Limited is not an 'associate' of the Company and is eligible to Book Running Lead Manager this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules,

regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

For details regarding the price information and track record of the past issue handled by M/s. Pantomath Capital Advisors Private Limited, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI., please refer “ Annexure A” to this Prospectus and the website of Book Running Lead Manager at www.pantomathgroup.com

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this 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 Draft Red Herring Prospectus has been filed with NSE for its observations and NSE has given its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and 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, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE SME PLATFORM OF NSE

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/249020-6 dated August 27, 2014 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

DISCLAIMER CLAUSE OF CARE

SME Fundamental Grading

CARE’s SME Fundamental grading is an assessment which is drawn heavily from the information provided by our Company as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE’s SME Fundamental grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares / securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospect of the Issuer; also it does not indicate compliance / violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the SME Fundamental grading.

FILING

The Draft Red Herring Prospectus/Red Herring Prospectus has not been filed with SEBI, nor SEBI has issued any observation on the Offer Document in terms of Regulation 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the Corporate Finance Department, Plot No. C-4A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. A copy of the Red Herring Prospectus and Prospectus, along with the documents required to be filed under Section 26 and 32 of the Companies Act, 2013 has been delivered to the RoC situated at Everest Building, 100, Marine Drive, Mumbai 400 002, Maharashtra.

LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in-principle approval from SME Platform of NSE. However application has been made to the SME Platform of NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of NSE has given its in-principal approval for using its name in our Red Herring Prospectus /Prospectus vide its letter dated August 27, 2014.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of NSE, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Red Herring Prospectus. If such money is not repaid within twelve working days after our Company becomes liable to repay it (i.e. from the date of refusal or within 12 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of twelve working days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40(3) of the New Companies Act and SEBI(ICDR) Regulations

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of the NSE mentioned above are taken within twelve Working Days from the Issue Closing Date

CONSENTS

Consents in writing of: (a) the Directors, the Promoter, the Company Secretary & Compliance Officer, the Statutory Auditors, the Banker to the Company; and (b) Book Running Lead Manager, Underwriters, Market Maker(s), Registrar to the Issue, Escrow Collection Bank, Refund Banker , to act in their respective capacities have been obtained and have been filed along with a copy of the Red Herring Prospectus with the RoC, as required under sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of this Prospectus for registration with the RoC. Statutory Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus / Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Prospectus for filing with the RoC and the Designated Stock Exchange.



EXPERT TO THE ISSUE

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

- Report of the Statutory Auditor on Statement of Tax Benefits.
- CARE, the SME Fundamental Grading Agency, engaged by our Company for the purpose of obtaining SME Fundamental Grading in respect of this Issue have given their written consent to be named as an expert under Section 26 of the New Companies Act and to the inclusion of the report in the form and in the context it appears in this Prospectus.

EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter “Objects of the Issue” beginning on page 89 of the Prospectus.

DETAILS OF FEES PAYABLE

Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the Mandate Letter dated March 12, 2014 issued by our Company to the Book Running Lead Manager, the copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated August 20, 2014 a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

Fees Payable to Others

The total fees payable to the, Auditor and Advertiser, etc. will be as per the terms of their respective engagement letters if any.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and selling commission for this Issue is as set out in the Underwriting Agreement entered into between our Company and the Book Running Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.

PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION

We have not made any previous rights and/or public issues since Incorporation, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled “*Capital Structure*” beginning on page 68 of this Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED GROUP COMPANIES/SUBSIDIARIES/ASSOCIATES WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:

There are no group companies/subsidiaries/associates as on the date of this Prospectus.

PROMISE VERSUS PERFORMANCE FOR OUR COMPANY

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of this Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement between the Registrar and Our Company provides for retention of records with the Registrar for a period of at least three year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the bidder, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant/Bidder, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants/bidder.



DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Shareholders/ Investors Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on August 16, 2014. For further details, please refer to the chapter titled “*Our Management*” beginning on page 163 of this Prospectus.

Our Company has appointed Ms Bhoomi Mewada as Company Secretary & Compliance Officer and she may be contacted at the following address:

Momai Apparels Limited

Shop No 305-309,
3rd Floor, Pacific Plaza
Plot No 570 TPS IV Off B.S. Road
Mahim Division Dadar West,
Mumbai 400028

Tel: (91) 022 24331551

Fax: (91) 022 24331551

Email: investors@momaiapparels.com

Website: www.momaiapparels.com

Investors can contact the Company Secretary & Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

Following Changes in Auditors have been done in last three financial years

M/s Bagaria and Co. LLP were appointed as auditors in place of N. M. Jobanputra & Co. (now M/s JDNG & Associates) with effect from September 28, 2012

CAPITALISATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 68 of this Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

PURCHASE OF PROPERTY

Other than as disclosed in this 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 Prospectus.



Except as stated elsewhere in this Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

SERVICING BEHAVIOR

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.



SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, SME Platform of NSE, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, QIB Bidders, Non- Institutional Bidders and other Bidders whose Bid amount exceeds Rs. 2 lakhs can participate in the Issue only through the ASBA process. The Retail Individual Bidders can participate in the Issue either through the ASBA process or the non ASBA process. ASBA Bidders should note that the ASBA process involves Bid procedures that may be different from the procedure applicable to non ASBA process.

RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions new Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details please refer to the section titled, 'Main Provisions of the Articles of Association of the Company' on page 344 of this Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of the New Companies Act and recommended by the Board of Directors at its discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the New Companies Act. For further details, please refer to the chapter titled 'Dividend Policy' on page 188 of this Prospectus.

FACE VALUE AND ISSUE PRICE

The face value of each Equity Share is Rs 10. The Issue Price of Equity Shares is Rs 78 per Equity Share. At any given point of time, subject to applicable law, there shall be only one denomination of Equity Shares. The Price Band and the minimum Bid lot size for the Issue were determined by our Company in consultation with the BRLM and advertised in one English national daily newspaper, one Hindi national daily newspaper and one Marathi daily newspaper with wide circulation, at least five working days prior to the Bid/Issue Opening Date.

RIGHTS OF THE EQUITY SHAREHOLDERS

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 annual reports and notices to members;
- 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 and the Memorandum and Articles of Association of the Company.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

Under section 29 of the new Companies Act the Equity Shares shall be allotted only in dematerialised form. In terms of existing SEBI ICDR Regulations, the trading in the Equity Shares shall only be in dematerialised form for all investors. The trading of Equity Shares will happen with the minimum contract size as advertised and the same may be modified by the SME Platform of NSE from time to time by giving prior notice to investors at large. The trading lot is 1600 Equity Shares. Allocation and allotment of Equity Shares through this Issue will be done only in electronic form, in multiple of 1600 Equity Shares, subject to a minimum allotment of 1600 Equity Shares. For details of allocation and allotment, please refer to the chapter titled “Issue Procedure” beginning on page 263 of the Prospectus.

MINIMUM NUMBER OF ALLOTTEES

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 12 working days of closure of Issue.

JOINT HOLDERS

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with section 72 of the new Companies Act the sole or first bidder, along with other joint Bidder, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidder, death of all the 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 72 of the new 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 of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company. In accordance with Rule 19 of the Companies (Share Capital and Debentures Rules) 2013, any person who becomes a nominee by virtue of section 72



of the new Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the Bidder would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

BIDDING PERIOD

Bidders may submit their bids only in the bid period. The Bid/Issue opened on September 25, 2014 and the issue closed on September 30, 2014.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100 per cent underwritten. As per section 39 of the new Companies Act, if the “stated minimum amount” has not been subscribed and the sum payable on Bid is not received within a period of 30 days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100 per cent of the Issue through this offer document including devolvement of underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the New Companies Act & SEBI (ICDR) Regulations

MIGRATION TO MAIN BOARD

Our company may migrate to the Main Board of NSE from the SME Platform at a later date subject to the following condition and/or such other conditions as applicable from time to time:

1. If the Paid up Capital of our Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

2. If the Paid up Capital of our company is more than 10 crores but below Rs. 25 crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The Equity shares offered through this issue are proposed to be listed on the SME Platform of NSE (SME Platform) with compulsory Market Making through registered Market Maker(s) of the SME Exchange for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the Market Making arrangement, see refer titled "General Information" beginning on page 57 of this Prospectus.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of 1600 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker(s) shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of NSE.

RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution as detailed in chapter titled "Capital Structure" beginning on page 68 of this Prospectus, and except as provided in our Articles of Association, there are no restrictions on transfers of our Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please refer to the section "Main Provisions of the Articles of Association" beginning on page 344 of this Prospectus.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

As per section 29(1) of the new Companies Act, every company making public offer shall issue securities only in dematerialized form only. Further, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. Accordingly, the Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

NEW FINANCIAL INSTRUMENTS

The Issuer Company is not issuing any new financial instruments through this Issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.



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

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

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter X-B of SEBI (ICDR) Regulations, whereby, an issuer whose post-issue face value capital is more than Rs. 1,000 Lakhs and upto Rs. 2,500 Lakhs may issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ('SME Exchange'), in this case being the SME Platform of NSE. For further details regarding the salient features and terms of such an Issue please refer to the chapters titled 'Terms of the Issue' and 'Issue Procedure' beginning on page 255 and 263 of this Prospectus.

FOLLOWING IS THE ISSUE STRUCTURE:

Public Issue of 38,46,400 Equity Shares of face value of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. 78/-per Equity Share aggregating Rs. 3000.192 Lakhs ('the Issue') by our Company.

The Issue comprises a Net Issue to Public of 36,28,800 Equity Shares ('the Net Issue') and a reservation of 1,93,600 Equity Shares for subscription by the designated Market Maker(s) ('the Market Maker(s) Reservation Portion') and a reservation of 24,000 Equity Shares for subscription by the Promoter ('the Promoter's Contribution').

The Issue will constitute 26.66% of the total post issue paid-up equity capital of our Company. The Issue is being made through the Book Building Process:

Particulars of the Issue	Net Issue to Public*	Promoter's Contribution	Market Maker Reservation Portion
Number of Equity Shares available for allocation	36,28,800	24,000	1,93,600
Percentage of Issue Size available for allocation	94.34%	0.62%	5.03%
Basis of Allotment	Proportionate subject to minimum allotment of 1600 Equity Shares and further allotment in multiples of 1600 Equity Shares each. For further details please refer to the "Basis of Allotment" on page 288 of this Prospectus.	Firm Allotment	Firm Allotment
Mode of Bids	For QIB and NII Bidders the	Escrow as per SEBI	Through ASBA Process

Particulars of the Issue	Net Issue to Public*	Promoter's Contribution	Market Maker Reservation Portion
	Bid must be made compulsorily through the ASBA Process. The Retail Individual Bidders may apply through the ASBA or the Physical Form.	(ICDR)Regulations	Only
Minimum Bid Size	For QIB and NII: Such number of Equity Shares in multiples of 1600 Equity Shares such that the bid Value exceeds Rs. 2,00,000/- For Retail Individuals: 1600 Equity Shares	24,000	1,93,600 Equity Shares
Maximum Bid Size	For QIB and NII: Such number of equity shares in multiples of 1600 Equity Shares such that the Bid Size does not exceed 38,22,400 Equity Shares. For Retail Individuals: 1600 Equity Shares	24,000	1,93,600 Equity Shares
Mode of Allotment	Dematerialized Form	Dematerialized Form	Dematerialized Form
Trading Lot	1600 Equity Shares	1600 Equity Shares	1600 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations..
Terms of Payment	The entire Bid Amount will be payable at the time of submission of the Bid Form		

*50 per cent of the Equity Shares offered are reserved for Bidders below Rs. 2 lakh and the balance for higher amount Bids.

BID / ISSUE OPENED ON	SEPTEMBER 25, 2014
BID / ISSUE CLOSED ON	SEPTEMBER 30, 2014

Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Bidding Period at the Bidding Centres mentioned in the Bid cum Application Form, or in the case of ASBA Bidders, at the Designated Bank Branches except that on the Issue Closing Date when Bids will be accepted only between 10.00 a.m. to 3.00 p.m. (Indian Standard Time) or such other extended time as may be permitted by NSE. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

QIBs may note that only upward revision is permitted with respect to the quantity and/or price of the Equity Shares, in any option, for which a Bid has been submitted.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI ICDR Regulations. The cap shall not be more than 120 per cent of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20 per cent of the floor of the Price Band.

In case of revision in the Price Band, the Bidding Period shall be extended for at least three additional Working Days after such revision, subject to the total 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 NSE, by issuing a press release and also by indicating the change on the websites of the BRLM and the terminals of the other members of the Syndicate.

Indicative dates of Bid closing, finalization of Basis of Allotment, credit of Equity Shares to successful Bidder's demat account, initiation of refunds and commencement of trading of Equity Shares:

Activity	Indicative dates
Bid Closing Date	September 30, 2014
Finalisation of Basis of Allotment	October 10, 2014
Credit of Equity Shares	October 11, 2014
Initiation of refunds	October 11, 2014
Commencement of trading of Equity Shares	October 16, 2014



ISSUE PROCEDURE

*All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "General Information Document") included below under section "**Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Prospectus.

This section applies to all Bidders. Please note that all Bidders can participate in the Issue through the ASBA process. The SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 ("Circular") has made applications by QIBs and Non-Institutional Bidders compulsorily through the ASBA process. Retail Individual Bidders can also participate in the Issue through the non ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. ASBA Bidders may also apply electronically through the internet banking facility wherever provided for by the SCSB. Bidders other than ASBA Bidders are required to submit their Bids to the Syndicate.

Please note that all Bidders are required to make the full Bid Amount or instruct the relevant SCSB to block the full Bid Amount along with the application.

Further, please note that pursuant to the SEBI Circular no. CIR/CFD/14/2012 dated October 04, 2012, submission of Bid cum Application Forms can now be made through the nationwide broker network of the Stock Exchanges. Please note that such modifications have come into effect from January 01, 2013 and all Bidders are advised to read this section carefully before participating in the Issue.

Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Prospectus.

BOOK BUILDING PROCEDURE

This Issue is being made in compliance with the provisions of Chapter XB of the SEBI ICDR Regulations and through the Book Building Process wherein 50 per cent of net issue to public is being offered to the Retail Individual Bidders and the balance shall be offered to QIBs and Non-Institutional Bidders. 5 per cent per of the issue shall be reserved for the Market Maker.

However, if the aggregate demand from the Retail Individual Bidders is less than 50 per cent of the Retail Portion, the balance Equity Shares in that portion will be added to the non retail Portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid bids being received from them at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where Allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spillover from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Stock Exchange.

All Bidders applying through cheques or demand drafts are required to submit their Bids through the Syndicate or the Broker Centres. All QIBs and Non Institutional Bidders compulsorily have to apply in this Issue through the ASBA process. Retail Individual Bidders have the option of applying in this Issue through the ASBA process. ASBA Bidders are required to submit their Bids to the SCSBs, the Syndicate (at Syndicate ASBA Bidding Locations) or to the Broker Centres

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID Numbers and the beneficiary account number, shall be treated as incomplete and rejected. Bid cum Application Forms which do not have the details of the Bidders' PAN, (other than Bids made on behalf of the Central and the State Governments, residents of the State of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchange.

BID CUM APPLICATION FORM

Pursuant to SEBI circular CIR/CFD/DIL/4/2011 dated September 27, 2011, Bid cum Application Forms have been standardised and it has been decided that henceforth there would only be a single form for ASBA and non-ASBA Bidders. It has also been decided that the Bid cum Application Form (accompanied with abridged prospectus) would be printed in a booklet form of A4 size paper.

Pursuant to SEBI circular no. CIR/CFD/14/2012 dated October 04, 2012, Bid cum Application Form shall be available for download from the website of NSE and their broker terminals which also include pre-filled information relating to the Price Band.



The prescribed color 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
Non-Residents and Eligible NRIs applying on a repatriation basis	Blue

In accordance with the SEBI (ICDR) Regulations, in public issues w.e.f. May 01, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional Applicants/Bidders and the QIB Applicants/Bidders have to compulsorily apply through the ASBA Process.

Retail Individual Bidders through the non-ASBA process

In the event of Bidding through the non-ASBA process, the Retail Individual Bidders shall only use a Bid cum Application Form bearing the stamp of a member of the Syndicate. Copies of the Bid cum Application Form will be available with the members of the Syndicate and at our Registered Office or can be downloaded from the website of the Stock Exchange.

Retail Individual Bidders shall have the option to make a maximum of three Bids (in terms of number of Equity Shares and respective Bid Amount) in the Bid cum Application Form and such options shall not be considered as multiple Bids. The Bid cum Application Form shall be serially numbered and date and time stamped at the Bidding Centres and such form shall be issued in duplicate signed by the Retail Bidder and countersigned by the relevant member of the Syndicate.

Upon completing and submitting the Bid cum Application Form to a member of the Syndicate or the Broker Centre, Retail Individual Bidders are deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Retail Individual Bidder.

Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the application form.

Retail Individual Bidders, QIBs and Non-Institutional Bidders Bidding through the ASBA process

ASBA Bidders can submit their Bids by submitting Bid cum Application Forms, either in physical or electronic mode, to the Broker Centres or to the SCSB with whom the ASBA Account is maintained or in physical form to the members of Syndicate at the Syndicate ASBA Bidding Locations or to the Broker Centres. The physical Bid cum Application Forms will be available with the Designated Branches, members of the Syndicate at the Syndicate ASBA Bidding Locations and at our Registered Office. The Bid cum Application Forms will also be available for download on the website of the Stock Exchange at least one day prior to the Issue Opening Date. In the event the Bid cum Application Form downloaded from the website of the Stock Exchange is submitted with a member of Syndicate or a Broker Centre, the relevant member of the

Syndicate or the Broker Centre should stamp it before uploading the details of the Bid cum Application Form on to the electronic Bidding system of the Stock Exchange. Bid cum Application Forms (except Bids submitted through electronic mode) shall be serially numbered.

In case of application in physical mode, the ASBA Bidder shall submit the Bid cum Application Form bearing the stamp of the SCSB and/or Designated Branch and/or the member of the Syndicate, as the case may be, at the relevant Designated Branch or to the members of the Syndicate at the Syndicate ASBA Bidding Locations, respectively.

In case of ASBA Bidder submitting the physical Bid cum Application Form to the Broker Centre, the relevant Broker Centre shall stamp and forward a schedule along with the Bid cum Application Form to the relevant branch of the SCSB where the ASBA account is maintained for blocking of funds.

The Bid cum Application Form shall be serially numbered, and the date and time shall be stamped at the Bidding Centre.

ASBA Bidders Bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch where the ASBA Account is maintained. ASBA Bidders Bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Syndicate ASBA Bidding Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Kindly note that Bid cum Application Forms submitted to the members of the Syndicate at the Syndicate ASBA Bidding Locations will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (A list of such branches is available at <http://www.sebi.gov.in/pmd/scsb-asba.html>).

In case of application in electronic form, the ASBA Bidder shall submit the Bid cum Application Form either through the internet banking facility available with the SCSB or the Broker Centre, or such other electronically enabled mechanism for Bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids.

Upon completing and submitting the Bid cum Application Form to the SCSB or to the member of the Syndicate at the Syndicate ASBA Bidding Locations or to the Broker Centre, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form, as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Category of bidder	Mode of Bidding	Bid form to be used for Bidding	To whom the Bid form has to be submitted
Retail Individual Bidders	Either (i) ASBA or (ii) non-ASBA	Bid cum Application Form.	In case of an ASBA Bidder: 1. If using physical Bid cum Application

Category of bidder	Mode of Bidding	Bid form to be used for Bidding	To whom the Bid form has to be submitted
			<p>Form:</p> <p>i. To the members of the Syndicate only at Syndicate ASBA Bidding Locations; or</p> <p>ii. To the Designated Branches of the SCSBs where the SCSB account is maintained; or</p> <p>iii. To the Broker Centre; or</p> <p>2. If using electronic Bid cum Application Form:</p> <p>i. to the Broker Centre; or</p> <p>ii. to the SCSBs, electronically through internet banking facility, where the SCSB account is maintained; or</p> <p>In case of non-ASBA Bidder:</p> <p>1. if using physical Bid cum Application Form:</p> <p>i. To the Broker Centre as stated in the Bid cum Application Form; or</p> <p>ii. To the members of the Syndicate at the Bidding Centres as stated in the Bid cum</p>

Category of bidder	Mode of Bidding	Bid form to be used for Bidding	To whom the Bid form has to be submitted
			Application Form. 2. If using electronic Bid cum application Form, electronically through internet banking facility
Non-Institutional Bidders and QIBs	ASBA (Kindly note that ASBA is mandatory and no other mode of Bidding is permitted)	Bid cum Application Form.	1.If using physical Bid cum Application Form to the members of the Syndicate only at Syndicate ASBA Bidding Locations; or ii. to the Designated Branches of the SCSBs where the SCSB account is maintained; or 2. If using electronic Form, to the SCSBs, electronically through internet banking facility, where the SCSB account is maintained.

WHO CAN BID?

Persons eligible to invest under all applicable laws, rules, regulations and guidelines:-

- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- 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 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 authorized to invest in the Equity Shares under their respective constitutional and charter documents;



- 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, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- Foreign Portfolio Investor other than Category III Foreign Portfolio Investor;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors 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 and who are authorized under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- 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;
- Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

METHOD AND PROCESS OF BIDDING

1. The details of the Price Band and the minimum Bid lot size shall be advertised in one English national daily newspaper, one Hindi national daily newspaper and one Marathi daily newspaper with wide circulation where our Company's registered office is situated, at least five Working Days prior to the Bid/ Issue Opening Date and the pre- filled Bid cum Application Forms will also be available for download on the website of the Stock Exchange

where the securities are proposed to be listed. This advertisement, subject to the provisions of section 66 of the Companies Act, shall be in the format prescribed in Schedule XIII PART B of the SEBI ICDR Regulations. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period.

2. The Bid/Issue Period shall be a minimum of three Working Days and not exceeding ten Working Days (including the days for which the Issue is open in case of revision in Price Band). In case the Price Band is revised, the revised Price Band and Bidding Period will be published in one English national daily newspaper, one Hindi national daily newspaper and one Marathi daily newspaper with wide circulation where our Company's registered office is situated and the Bid/Issue Period may be extended, if required, by an additional three Working Days, subject to the total Bid/Issue Period not exceeding ten Working Days. Any revision in price band will also be indicated by change on website of BRLM and at the terminals of the members of the syndicate.
3. Each Bid cum Application Form will give the Bidder the choice to bid for upto three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" below) and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
4. The Bidder cannot Bid on another Bid cum Application Form after his or her or its Bid on one Bid cum Application Form has been submitted to any Broker Centres, member of the Syndicate or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another Broker Centre, member of the Syndicate or SCSBs 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".
5. The members of the Syndicate/SCSBs 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 upto three TRSs for each Bid cum Application Form.
6. During the Bid/Issue Period, Bidders may approach any member of the Syndicate to submit their Bid. The member of the Syndicate shall accept Bids from all the Bidders and shall have the right to vet the Bids in accordance with the terms of the Syndicate Agreement and the Red Herring Prospectus. Bidders who wish to use the ASBA process should approach the Broker Centres or the members of Syndicate at Syndicate ASBA Bidding Locations or the Designated Branches of the SCSBs to register their Bids.
7. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled 'Payment Instructions' under the chapter titled "Issue Procedure" beginning on page 263 of the Prospectus.



8. Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
9. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
10. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
11. The Bid Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Please note that QIBs and Non-Institutional Bidders shall mandatorily submit their Bids through the ASBA process.

INVESTORS ARE ADVISED NOT TO SUBMIT THE BID CUM APPLICATION FORMS TO THE ESCROW COLLECTION BANKS. BIDS SUBMITTED TO THE ESCROW COLLECTION BANKS SHALL BE REJECTED AND SUCH BIDDERS SHALL NOT BE ENTITLED TO ANY COMPENSATION ON ACCOUNT OF SUCH REJECTION.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

The Bidders can Bid at any price within the Price Band, in multiples of bid lot. The Price Band and the minimum Bid Lot Size for the Issue shall be advertised in three daily newspapers (one in English, one in Hindi, and one in Marathi, with wide circulation where our Company's registered office is situated, at least five Working Days prior to the Bid/Issue Opening Date and the pre-filled Bid cum Application Forms will also be available for download on the website of the Stock Exchange where the securities are proposed to be listed.

1. In accordance with SEBI ICDR Regulations, our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue Period, provided the Cap Price shall be less than or equal to 120 per cent of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20 per cent on the either side i.e. the Floor Price can move up or down to the extent of 20 per cent of the Floor Price disclosed at least two Working Days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.
2. Our Company in consultation with the BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

3. Bidders can bid at any price within the Price Band. Bidders have to Bid for the desired number of Equity Shares at a specific price. However, Bidding at Cut-off Price is prohibited for QIBs and Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.
4. Retail Individual Bidders who Bid at the Cut-off Price agree that they shall acquire the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the Refund Account(s). In case of ASBA Bidder bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block amount based on the Cap Price.
5. 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, with the members of the Syndicate or the Broker Centres or the SCSBs to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs 200,000, the Bid will be considered for allocation under the Non Institutional Bidders category in terms of the 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 revision, the number of Equity Shares Bid for shall be adjusted for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off.
6. Under the SEBI ICDR Regulations, QIB Bidders and Non-Institutional Bidders shall neither withdraw nor lower the size of their bids at any stage.
7. 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 Refund Account(s) or unblocked by the SCSBs, as applicable.
8. Our Company, in consultation with the BRLM, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is greater than Rs 1, 00,000.

IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS, EQUITY SHARES WILL BE ISSUED AND ALLOTMENT SHALL BE MADE ONLY IN THE DEMATERIALISED FORM TO THE ALLOTTEES. ALLOTTEES WILL HAVE THE OPTION TO RE-MATERIALISE THE EQUITY SHARES, IF THEY SO DESIRE, AS PER THE PROVISIONS OF THE NEW COMPANIES ACT AND THE DEPOSITORIES ACT IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE



SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the Stock Exchange. 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 the relevant laws, rules, regulations, guidelines and approval

PRICE DISCOVERY AND ALLOCATION

After the Bid/Issue Closing Date, the BRLM will analyse the demand generated at various price levels and discuss pricing strategy with our Company. Our Company, in consultation with BRLM, shall finalise the Issue Price, the number of Equity Shares to be allotted and the allocation to successful Bidders.

- a) This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations and thus Regulation 26 is not applicable. The Issue is being made through the Book Building method and, at least 50 per cent of the Net Issue to Public will be available for allocation on a proportionate basis to Retail Individual and the same shall not be less than the minimum bid lot, subject to valid Applications being received at the Issue Price.
- b) Under-subscription, if any, in any category would be allowed to be met with spill over from any of the other categories or combination of categories, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. Our Company will comply with the SEBI ICDR Regulations for this Issue. In this regard, our Company has appointed the Book Running Lead Manager to procure subscriptions to the Issue.
- c) Allocation to Eligible NRIs or FIIs or Foreign Venture Capital Investor registered with SEBI, multilateral and bilateral development financial institutions applying on repatriation basis will be subject to applicable laws, rules, regulations, guidelines and approvals.
- d) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Closing Date but before Allotment and the reasons thereof shall be given as a public notice within two days of the cancellation of the Bid/Issue Closing Date. The public notice will be issued in the same newspapers where the statutory pre-Issue advertisements had appeared. Further the Stock Exchange will also be informed promptly.
- e) In terms of the SEBI ICDR Regulations, QIBs Bidding in the Net QIB Portion shall neither withdraw nor lower the size of their bids at any stage.
- f) The Basis of Allotment details shall be put up on the website of the Registrar to the Issue.

ISSUANCE OF CONFIRMATION OF ALLOCATION NOTE ("CAN")

- a) Upon approval of Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the BRLM and Syndicate Members a list of their Bidders who have been allocated Equity Shares in the Issue. However, Bidders should note that our Company shall ensure that (i) the Allotment of the Equity Shares and (ii) the instructions by our Company for the demat credit of the Equity Shares, to all Bidders in this Issue shall be done on the same date.

- b) The Registrar to the Issue will then dispatch the CAN to the Bidders who have been allocated Equity Shares in the Issue.
- c) The Issuance of CAN shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Bidder.
- d) Bidders who have been allocated Equity Shares and who have already paid the Bid Amount into the Escrow Account(s) at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account(s). The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

ESCROW MECHANISM, TERMS OF PAYMENT AND PAYMENT INTO THE ESCROW ACCOUNTS

Escrow Mechanism for Bidders other than ASBA Bidders

This section is applicable only for Retail Individual Bidders.

Our Company and the BRLM shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of their 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 Bank(s) will act in terms of the Prospectus and the Escrow Agreement entered into amongst our Company the BRLM, Escrow Collection Bank(s) and Registrar to the Issue. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the monies from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement. The balance amount after transfer to the Public Issue account shall be transferred to the Refund Account. Payments of refunds to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), our Company, Registrar to the Issue and BRLM to facilitate collection from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until receipt of instructions from the Registrar to the Issue to unblock the Bid Amount. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account.

Payment into Escrow Account for Bidders other than ASBA Bidders

This section is applicable only for Retail Individual Bidders.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

1. Retail Individual Bidders 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 or the Broker Centre, as applicable. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be liable to be rejected.
2. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - A. In case of Resident Retail Investors: “Escrow Account –Momai Apparels Limited-R”
 - B. In case of Non Resident Retail investors: “Escrow Account Momai Apparels Limited- NR”;
3. In case of bids by NRIs applying on a 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 the Non-Resident External (NRE) Accounts or the Foreign Currency Non-Resident Accounts (FCNR), 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 the NRE Account or the Foreign Currency Non- Resident Account.
4. 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.
5. In case of Bids by FIIs, the payment should be made out of funds held in Special Non Resident Rupee Account ‘SPNR’ along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Non Resident Rupee Account ‘SPNR’.
6. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Accounts.
7. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

8. 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 with the Banker to the Issue.
9. No later than ten working days from the Bid/Issue Closing Date, the Refund Bank shall refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on Bidding, if any, after adjusting for allocation to the successful Bidders payments should be made by cheque, or a 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/ stock invest/money orders/ postal orders will not be accepted.
10. Bidders are advised to mention the number of application form on the reverse of the cheque / demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.
11. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Bank(s), such Bids are liable to be rejected.
12. Bidders are advised to provide the number of the Bid cum Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Bid cum Application Form
13. Payments made through cheques without the Magnetic Ink Character Recognition ("MICR") code will be rejected.

Payment by stock Invest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 05, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Payment by cash / money order

Payment through cash/ money order shall not be accepted in this Issue.

ELECTRONIC REGISTRATION OF BIDS

- A. The members of the Syndicate and the SCSBs will register the Bids using the online facilities of the Stock Exchange. There will be at least one online connectivity to each city where a stock exchange is located in India and where the Bids are being accepted. The BRLM, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the members of the Syndicate and the SCSBs, (ii) the Bids uploaded by the members of the Syndicate and the SCSBs, (iii) the Bids accepted but not uploaded by the members of the Syndicate and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the respective member of the Syndicate and / or the SCSBs shall be responsible for any errors in the Bid details uploaded by them. It shall be presumed



that for the Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

- B. The Stock Exchange 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, their authorised agents and the SCSBs during the Bid/Issue Period. The Syndicate Member and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchange. This information will be available with the BRLM on a regular basis. Bidders are cautioned that a high inflow of bids typically experienced on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that could not be uploaded will not be considered for allocation. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).
- C. The aggregate demand and price for Bids registered on the electronic facilities of NSE will be downloaded on a regular basis, consolidated and displayed online at all Bidding Centres. A graphical representation of the consolidated demand and price would be made available at the Bidding Centres and the website of the Stock Exchange during the Bid/Issue Period along with category wise details.
- D. Neither the BRLM nor our Company nor the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by a Syndicate Members or the SCSBs, (ii) the Bids uploaded by Syndicate Members or the SCSBs or (iii) the Bids accepted but not uploaded by Syndicate Members or the SCSBs
- E. At the time of registering each Bid, the member of the Syndicate shall enter the following details of the Bidder in the online 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 Depository 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 such as Individual, Corporate, NRI, FII or Mutual Fund, etc.;
 - Numbers of Equity Shares Bid for;
 - Bid Amount;
 - Price option;
 - Cheque Amount;
 - Cheque Number;
 - Bid cum Application Form number;

- Depository Participant Identification Number and Client Identification Number of the Demat Account of the Bidder; and
 - PAN, except for Bids on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts.
- F. With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches of the SCSBs shall enter the following information pertaining to the Bidder into the electronic bidding system:
- Name of the Bidder(s).
 - Bid cum Application Form Number.
 - PAN (of First Bidder if more than one Bidder)
 - Investor Category and Sub-Category:
 - DP ID
 - Client ID
 - Number of Equity Shares Bid for
 - Price Option and Bid Amount
 - Bank Account Number
- G. With respect to ASBA Bids submitted to the members of Syndicate at the Syndicate ASBA Bidding Locations, at the time of registering each Bid, the members of Syndicate shall enter the following details on the online system:
- Bid cum Application Form number
 - PAN (of the First Bidder, in case of more than one Bidder)
 - Investor Category and sub-category
 - DP ID
 - Client ID
 - Number of Equity Shares Bid for
 - Price per Equity Share (price option) and Bid Amount
 - Bank code for the SCSB where the ASBA Account is maintained
 - Location of Syndicate ASBA Bidding Location
- H. A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to request and obtain the TRS from the member of the Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated either by the BRLM or the Syndicate Member or by our Company.



- I. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- J. In case of QIB Bidders, bidding in the QIB Portion, the BRLM or Syndicate Members can reject the Bids at the time of accepting the Bid provided that the reason for such rejection is provided in writing. Bids under the Non-Institutional Portion and Bids under the Retail Individual Portion would not be rejected except on the technical grounds listed in the Prospectus. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSB shall have no right to reject Bids except on technical grounds.
- K. It is to be distinctly understood that the permission given by the Stock Exchange to use their network and software of the online public offering system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and the BRLM are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
- L. Only Bids that are uploaded on the online public offering system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate will be given upto one day after the Bid/Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Bid/Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation and Allotment of Equity Shares. In case of discrepancy of data between NSE and the members of the Syndicate or the Designated Branches of the SCSBs, the decision of our Company, in consultation with the BRLM and the Registrar to the Issue, shall be final and binding on all concerned.

PARTICIPATION BY ASSOCIATES OF BRLM

The BRLM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

AVAILABILITY OF PROSPECTUS AND BID CUM APPLICATION FORMS

The Memorandum Form 2A containing the salient features of the Prospectus together with the Bid Forms, General Information Document (GID) and copies of the Prospectus may be obtained from the Registered Office of our Company, Book Running Lead Manager to the Issue, Registrar to the Issue and the collection Centres of the Bankers to the Issue, as mentioned in the Bid Form. The Bid forms may also be downloaded from the website of NSE limited i.e. www.nseindia.com. GID shall also be available on website of the Company and Book Running Lead Manager

OPTION TO SUBSCRIBE IN THE ISSUE

- a) As per section 29(1) of the new Companies Act, allotment of Equity Shares shall be in dematerialized form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) A single Bid from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

BIDS BY INDIAN PUBLIC INCLUDING ELIGIBLE NRI'S APPLYING ON NON REPATRIATION

Bid cum Application must be made only in the names of individuals, limited companies or statutory corporations/institutions and not in the names of minors, foreign nationals, non residents (except for those applying on non repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), hindu undivided families, partnership firms or their nominees. In case of HUFs, bid shall be made by the Karta of the HUF. A bidder in the Net Public Category cannot make a bid for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

Eligible NRIs Bidding on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as NRO accounts. Eligible NRIs Bidding on a non-repatriation basis are advised to use the Bid cum Application Form meant for Resident (White in colour). Bids by Eligible NRIs for a Bid Amount of up to Rs.200,000/- would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs.200, 000/- would be considered under Non-Institutional Portion for the purposes of allocation. Eligible NRIs Bidding under the Non-Institutional Portion are required to utilise the ASBA facility to submit their Bids.

BIDS BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof. The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

No mutual fund scheme shall invest more than 10 per cent of its net asset value in the equity shares or equity related instruments of any company provided that the limit of 10 per cent 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 per cent of any Company's paid up share capital carrying voting rights.

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.

BIDS BY ELIGIBLE NRI'S/FPI'S ON REPATRIATION BASIS

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to their Non-Resident External ("NRE") or Foreign Currency Non-Resident ("FCNR") accounts maintained with authorised dealers registered with the RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be.

Bid cum Application Forms have been made available for eligible NRIs at our registered Office. Eligible NRI Bidders may please note that only such Bids as are accompanied by payment in freely convertible foreign exchange shall be considered for Allotment under the reserved category. The eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the Forms meant for Resident Indians and should not use the forms meant for the reserved category. Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRIs on repatriation basis. Allotment of equity shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

Our company does not require approvals from FIPB or RBI for the issue of equity shares to eligible NRIs, FPIs, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

AS PER THE CURRENT REGULATIONS, THE FOLLOWING RESTRICTIONS ARE APPLICABLE FOR INVESTMENTS BY FPI'S:

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible

debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies'(IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.

2. Where a foreign institutional investor or a sub account, prior to commencement of these regulations, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
 - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
 - b) Nothing contained in clause (a) shall apply to:
 - i. Any transactions in derivatives on a recognized stock exchange;
 - ii. Short selling transactions in accordance with the framework specified by the Board;
 - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - iv. Any other transaction specified by the Board.
 - c) No transaction on the stock exchange shall be carried forward;
 - d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:
 - i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
 - ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
 - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 1998;

- v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depositary Receipts or Global Depositary Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
 - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
 - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - viii. Any other transaction specified by the Board.
- e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:
- Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized.
- Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
- 4. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
 - 5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
 - 6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
 - 7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.
- No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:
- (a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
 - (b) Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of these regulations shall be deemed to have been issued under the corresponding provision of these regulations.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

BIDS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25 per cent of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investor can invest only up to 33.33 per cent of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment Funds) Regulations, 2012 prescribe investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25 per cent of the corpus in one Investee Company. A category III AIF cannot invest more than 10 per cent of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

BIDS BY LIMITED LIABILITY PARTNERSHIPS

In case of bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bidding Form. Failing this, our Company reserves the right to reject any bid, without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

BIDS BY INSURANCE COMPANIES

In case of bids made by insurance companies registered with IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the bidding Form. Failing this, our Company reserves the right to reject any bid, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2013, as amended (the "**IRDA Investment Regulations**"), are broadly set forth below:

- (a) equity shares of a company: the least of 10 per cent of the investee company's subscribed capital (face value) or 10 per cent of the respective fund in case of life insurer or 10 per cent of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: the least of 15 per cent of the respective fund in case of a life insurer or a general insurer or reinsurer or 15 per cent of investment asset in all companies belonging to the group.; and
- (c) The industry sector in which the investee company operates: the least of 15 per cent of the respective fund in case of a life insurer or a general insurer or reinsurer or 15 per cent of investment assets.

In addition, IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors on providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20 per cent , provided that in case of equity investment, a dividend of not less than 4 per cent including bonus should have been declared for at least five preceding years. This limit of 20 per cent would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50 per cent of the exposure norms specified under the IRDA Investment Regulations.

BIDS BY PROVIDENT FUNDS/ PENSION FUNDS

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the bid Form. Failing this, our Company reserves the right to reject any bid, without assigning any reason thereof. Provident funds/pension funds can participate in the Issue only through the ASBA process.

BIDS UNDER POWER OF ATTORNEY

In case of bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, mutual funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the bid Form. Failing this, our Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to bids by VCFs, FVCIs, FPIs and mutual funds, a certified copy of their SEBI registration certificate must be lodged along with the bidding Form. Failing this, our Company reserves the right to accept or reject any bid, in whole or in part, in either case without assigning any reasons thereof.
- (b) With respect to bids by insurance companies registered with IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged with the bidding Form as applicable. Failing this, our Company reserves the right to accept or reject any bid, in whole or in part, in either case without assigning any reasons thereof.
- (c) With respect to bids made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the bidding Form. Failing this, our Company reserves the right to accept or reject such bid, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the bidding Form, subject to such terms and conditions that our Company, and the Book Running Lead Manager may deem fit.

Our Company, in its absolute discretion, reserves 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 Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA bidders, the demographic details given on the bidding Form should be used (and not those obtained from the Depository of the bid). In such cases, the Registrar to the Issue shall use demographic details as given on the Bidding Form instead of those obtained from the Depositories.

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 Prospectus. bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.



MAXIMUM AND MINIMUM BID CUM APPLICATION SIZE

a) For Retail Individual Bidders

The bid must be for a minimum of 1600 Equity Shares. As the bid Price payable by the Retail Individual Bidders cannot exceed Rs. 2,00,000, they can make bid for only minimum bid size i.e. for 1600 Equity Shares.

b) For Other bidders (Non Institutional Applicants/Bidders and QIBs):

The bid must be for a minimum of such number of Equity Shares such that the bid amount exceeds Rs. 200,000 and in multiples of 1600 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB bidder cannot withdraw its bid after the Issue Closing Date and is required to pay 100 per cent QIB Margin upon submission of bid. In case of revision in bids, the Non Institutional bidders, who are individuals, have to ensure that the bid Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion.

Bidders are advised to ensure that any single bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

INFORMATION FOR THE BIDDERS

- a) Our Company has filed the Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The BRLM has circulated copies of the Red Herring Prospectus along with the bidding Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the bidding Form can obtain the same from our Registered Office or from the office of the BRLM.
- d) Bidders who are interested in subscribing for the Equity Shares should approach the BRLM or their authorized agent(s) to register their Bids.
- e) Bids made in the Name of Minors and/or their nominees shall not be accepted.
- f) Bidders are requested to mention the Bid cum Application Form number on the reverse of the instrument to avoid misuse of instrument submitted along with the Bid for shares. Bidders are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the Bid Form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and / or Revision Forms from the any of the member of the Syndicate or from our Registered Office. Bid cum Application Forms can be obtained from the Designated Branches of the SCSBs. Bid cum Application Forms shall also be available at the website of the Stock Exchange at www.nseindia.com. Syndicate/ sub-syndicate

members and the Broker Centre may also procure Bid cum Application Forms directly from the investors and submit it to the SCSBs and shall upload the Bid and other details of such Bid cum Application Forms in the bidding platform provided by the Stock Exchange and forward the same to the respective SCSBs. The SCSBs shall verify the signatures of such applicants block the requisite quantum of funds and forward these forms to the Registrar to the Issue's

BIDDER'S CUM APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details in the space provided in the Bid Form is mandatory and Bids that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders' bank account details, MICR code 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 dispatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLM or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid Form.

These demographic details would be used for all correspondence with the Bidders including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The demographic details given by the Bidders in the Bid Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Applicant /Bidder would be deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required demographic details as available on its records.

BASIS OF ALLOTMENT

Allotment will be made in consultation with the SME Platform of NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Bids in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For Bidders where the proportionate allotment works out to less than 1600 equity shares the allotment will be made as follows:



- a) Each successful Bidder shall be allotted 1600 equity shares; and
 - b) The successful Bidders out of the total bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to a Bidder works out to a number that is not a multiple of 1600 equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of 1600 equity shares subject to a minimum allotment of 1600 equity shares.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to The Bidders in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidders in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 1600 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110 per cent of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
6. The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Bidders as described below:
- a) As the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 - b) The balance net offer of shares to the public shall be made available for allotment to
 - i. individual Bidders other than retails individual investors and
 - ii. other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
 - c) The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to Bidders in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

REFUNDS

In case of Bidders receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained

from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid 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 Company, the Registrar, Escrow Collection Bank(s) nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the Beneficiary's Identity, then such Bids are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the demographic details given on the Bid Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use demographic details as given in the Bid Form instead of those obtained from the Depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Bids who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US 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 Bids so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FPIs and foreign venture capital funds and all Non Residents, NRI, FPI and Foreign Venture Capital Funds Bidders will be treated on the same basis with other categories for the purpose of allocation.

TERMS OF PAYMENT / PAYMENT INSTRUCTIONS

The entire Issue Price per Share is payable on Bid. In case of allotment of lesser number of Equity Shares than the number applied, the Company shall refund the excess amount paid on Bid to the Bidders

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 Form is submitted. Outstation Cheques/ Bank Drafts drawn on banks not participating in the clearing process will not be accepted and Bids accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stockinvest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each Application cum Bid Form. Applicants/Bidders should write the Share Application Number on the back of the Cheque



/Draft. Outstation Cheques will not be accepted and Bids accompanied by such Cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant/Bidder shall draw a cheque or demand draft for the amount payable on the Bid/Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - Indian Public including eligible NRIs applying on non-repatriation basis: 'Momai Apparels Limited –Public Issue – R'.
 - In case of Non Resident Retail Bidders applying on repatriation basis: 'Momai Apparel Limited – Public Issue – NR'
2. 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 Bids 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 authorized 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 Bidders applying 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.
3. Where Bidder has been allocated a lesser number of Equity Shares than the Bidder has applied for, the excess amount, if any, paid on Bid, after adjustment towards the balance amount payable by the Pay In Date on the Equity Shares allocated will be refunded to the Bidder from the Refund Account.
4. On the Designated Date and no later than 12 working days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bid , if any, after adjusting for allocation / Allotment to the Bidders.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Bid Form;
- Ensure that you have Bid within the Price Band;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Ensure that the Bids are submitted at the Bidding Centres only on forms bearing the stamp of the BRLM or Syndicate Member or the Broker Centre. With respect to ASBA Bidders ensure that your Bid is submitted (i) at a Designated Branch of the SCSB where the ASBA Bidders or the person whose bank account will be utilised by the ASBA Bidder for bidding

has a bank account; or (ii) to a member of the Syndicate at Syndicate ASBA Bidding Locations; or (iii) to a Broker Centre.

- Each of the Bidder should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the demographic details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Bid Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the Bid cum Application Form to the respective Designated Branch of the SCSB or the Broker Centre;
- With respect to ASBA Bids ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
- Ensure that you have requested for and receive a TRS for all your Bid options;
- Ensure that the full Bid Amount is paid for the Bids submitted to the members of the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted through the SCSBs or through the Broker Centres;
- Submit revised Bids to the same member of the Syndicate / SCSB or the Broker Centre through whom the original Bid was placed and obtain a revised TRS;
- Ensure that in the event a Bid cum Application form is submitted at the terminals of the Syndicate Members and the payment is proposed to be made through the ASBA process, the SCSB with whom the payment is to be blocked has a branch at any of the Bidding Centres referred to in the Circular.

Don'ts:

- Do not apply for lower than the minimum Bid size;
- Do not apply at a Price outside the Price band advertised in issue opening agreement.
- Do not apply on another Bid Form after you have submitted a Bid to the Banker to the Issue.
- Do not pay the Bid Price in cash, by money order or by postal order or by stock invest;
- Do not send Bid Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill in the Application/Bid Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.



- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue
- Do not submit Bids on plain paper or incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder
- Do not Bid if you are not competent to contract under the Indian Contract Act, 1872, as amended;
- Do not submit ASBA Bids to a Member of Syndicate in the Specified Cities unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at-least one branch in the relevant Specified City, for the Members of Syndicate to deposit Bid cum Application Forms (a list of such branches is available at <http://www.sebi.gov.in>)

Joint Applications/Bids in the case of Individuals

Applications/Bids may be made in single or joint names (not more than three). In the case of joint Applications/Bids, all payments will be made out in favour of the Applicant /Bidder whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant/Bidder and will be dispatched to his or her or its address as per the demographic details received from the Depository.

Multiple Applications /Bids

An Applicant/Bidder should submit only one Application /Bid (and not more than one) for the total number of Equity Shares required. Two or more Applications/Bids will be deemed to be multiple Applications/Bids if the sole or First Applicant/Bidder is one and the same.

Attention of the applicants/Bidders is specifically drawn to the provisions of sub section (1) of section 38 of the new Companies Act, which is reproduced below:

‘Any person who:

- a. makes or abets making of a Bid in a fictitious name to a Company for acquiring, or subscribing for, its securities; or**
- b. makes or abets making of multiple Bid to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c. otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the said Act.’**

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple Bids/Applications are given below:

- (i) All applications/Bids are electronically strung on first name, address (1st line) and applicant’s/Bidder’s status. Further, these applications /Bids are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband’s name to determine if they are multiple Applications/Bids

- (ii) Applications/Bids which do not qualify as multiple Applications/Bids as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications/Bids with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple Applications/Bids.
- (iii) Applications/Bids which do not qualify as multiple Applications/Bids as per the above procedure are further checked for common PAN. All such matched Applications /Bids with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple Applications/Bids.

In case of a mutual fund, a separate Application /Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications/Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Applications/Bids provided that the Applications/Bids clearly indicate the scheme concerned for which the Application /Bid has been made.

In cases where there are more than 20 (twenty) valid Applications /Bids having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of, know your client norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ('PAN') to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants/Bidders should mention his/her/its PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants/Bidders should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

The Company/Registrar/BRLM can, however, accept the Application(s), in which PAN is wrongly entered into by ASBA SCSBs in the ASBA system, without any fault on part of Applicant/Bidder

RIGHT TO REJECT BIDS CUM APPLICATIONS

In case of QIB Applicants/Bidders, the Company in consultation with the BRLM may reject BID CUM Applications provided that the reasons for rejecting the same shall be provided to such Applicant/Bidder in writing. In case of Non Institutional Applicants/Bidders, Retail Individual Applicants/Bidders who applied, the Company has a right to reject BID CUM Applications based on technical grounds.

GROUND FOR REJECTIONS

Applicants/bidders are advised to note that Applications/bids are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the Equity Shares applied for;



- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application/bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application /bid Form;
- GIR number furnished instead of PAN;
- Applications/Bids for lower number of Equity Shares than specified for that category of investors;
- Applications/Bids outside the Price Band of the Issue;
- Applications/Bids for number of Equity Shares which are not in multiples of 1600;
- Category not ticked;
- Multiple Applications/Bids as defined in this Prospectus;
- In case of Application/Bid under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications/Bids accompanied by Stockinvest/ money order/ postal order/ cash;
- Signature of sole Applicant/Bidder is missing;
- Application/Bid Forms are not delivered by the Applicant/Bidder within the time prescribed as per the Application/Bid Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application/Bid Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications/Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications/Bids where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications/Bids by OCBs;
- Applications/Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications/Bids not duly signed by the sole Applicant/Bidder;
- Applications /Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications /Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;

- Applications /Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications /Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications/Bids or revisions thereof by QIB Applicants/Bidders, Non Institutional Applicants/Bidders where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date , unless the extended time is permitted by NSE

IMPERSONATION

Attention of the applicants/Bidders is specifically drawn to the provisions of sub section (1) of section 38 of the new Companies Act, which is reproduced below:

‘Any person who:

- makes or abets making of an application/Bid in a fictitious name to a Company for acquiring, or subscribing for, its securities; or**
- makes or abets making of multiple applications /Bid to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the said Act.’**

SIGNING OF UNDERWRITING AGREEMENT

Vide an Underwriting agreement dated September 13, 2014 this issue is 100 per cent Underwritten.

FILING OF THE RED HERRING PROSPECTUS WITH THE ROC

The Company has filed a copy of the Prospectus with the RoC in terms of section 26 of the Companies Act, 2013

PRE-ISSUE ADVERTISEMENT

Subject to section 30 of the New Companies Act, the Company, after registering the Red Herring Prospectus with the RoC, published a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

The Company will issue and dispatch letters of allotment and/ or letters of regret (through email or otherwise) along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 12 working days of the Issue Closing Date.



The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under section 56 of the New Companies Act or other applicable provisions, if any.

Allottees are requested to preserve such Letters of Allotment, until the securities have been credited to their demat account. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants/Bidders depository account. Allotment of the Equity Shares to the allottees shall be within two working days of the date of Allotment. Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 working days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications/Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants/Bidders.

PAYMENT OF REFUND

Applicants/Bidders must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application/Bid Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ('MICR') code as appearing on a cheque leaf. Hence Applicants 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 dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants'/Bidders' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the BRLM shall be liable to compensate the Applicants/Bidders for any losses caused to the Applicant/Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

1. **ECS (Electronic Clearing System)** – Payment of refund would be done through ECS for applicants/Bidders having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants/Bidders having a bank account at any of such centres, except where the applicant/Bidder, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
2. **Direct Credit** – Applicants/Bidders having bank accounts with the Refund Banker(s), as mentioned in the Application/bid Form, shall be eligible to receive refunds through direct

credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. **RTGS (Real Time Gross Settlement)** – Applicants/Bidders having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds Rs. 10.00 Lakhs, have the option to receive refund through RTGS. Such eligible applicants/Bidders who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application /bid Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's/Bidder bank receiving the credit would be borne by the applicant/Bidder.
4. **NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through NEFT wherever the applicants'/Bidders' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants/bidders 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/bidders through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
5. For all other applicants/bidders, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications/Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants/Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants/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 Exchange within two working days of date of Allotment of Equity Shares.

In case of Applicants/Bidders who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 working days from the Issue Closing Date. A suitable communication shall be sent to the Applicants/Bidders receiving refunds through this mode within 15 working days of Issue Closing Date, giving details of the Bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of NSE where the Equity Shares are proposed to be listed are taken within twelve working days from the Issue Closing Date.



In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment of Equity Shares shall be made within twelve working days of the Issue Closing Date;
2. 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 twelve working days of the Issue Closing Date would be ensured; and
3. The Company shall pay interest at 15 per cent p.a. for any delay beyond the fifteen working days from the Issue Closing Date, 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 12 (Twelve) working days prescribed above.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by us expeditiously;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the NSE SME Platform , where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of Allotment;
3. That funds required for making refunds to unsuccessful Applicants/Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 working days of the 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;
5. That the certificates of the securities/ refund orders to the Non-resident Indians shall be dispatched within specified time;
6. That no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application /Bid monies are refunded on account of non-listing, under subscription etc.;
7. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non- ASBA applications/Bids while finalizing the basis of allotment

UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of section 40 of the new Companies Act,

2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;
4. Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue; and
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the NSE SME Platform where listing is sought has been received.

WITHDRAWAL OF THE ISSUE

In accordance with the SEBI (ICDR) Regulations, the Company in consultation with BRLM, reserves the right not to proceed with this Issue any time after the Issue Opening Date, without assigning the reasons thereof.

However, if our Company withdraws the Issue after the Issue Closing Date but before allotment, our Company will issue a public notice within two days, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall file a fresh Red Herring Prospectus with stock exchange(s).

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated August 5, 2014 between NSDL, the Company and the Registrar to the Issue;
- (b) Agreement dated August 12, 2014 between CDSL, the Company and the Registrar to the Issue;

The Company's Equity shares bear an ISIN No. INE133R01015

- An Applicant/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 Application/Bid.



- The Applicant/Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application/Bid Form or Revision Form.
- Allotment to a successful Applicant /Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant/Bidder.
- Names in the Application/Bid 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 'Applicants/Bidders Depository Account Details' in the Application/Bid Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her or its demographic details given in the Application/Bid Form vis à vis those with his or her or its Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The NSE SME Platform where our Equity Shares are proposed to be listed, has electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

COMMUNICATIONS

All future communications in connection with the Applications/Bid made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant/Bidder, Application /Bid Form number, Applicants/Bidders Depository Account Details, number of Equity Shares applied for, date of Application/Bid form, name and address of the Banker to the Issue where the Application/Bid was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS /BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants/Bidders are advised to make their independent investigations and to ensure that the ASBA Application/Bid Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSB collecting the Application/Bid Form, please refer to the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Application/Bid through an Application /Bid Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant/Bidder or bank account utilized by the ASBA Applicant/Bidder ('**ASBA Account**') is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application/Bid Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application/Bid

The Application/Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application/Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants/Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLM.

ASBA Applicants/Bidders are required to submit their Applications/Bids, either in physical or electronic mode. In case of application/Bid in physical mode, the ASBA Applicant/Bidder shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application/Bid in electronic form, the ASBA Applicant/Bidder shall submit the Application/Bid Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications/Bids.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 01, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants/Bidders and the QIB Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application /Bid Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant/Bidder shall be deemed to have agreed to block the entire Application/Bid Amount and authorized the Designated Branch of the SCSB to block the Application /Bid Amount, in the bank account maintained with the SCSB.

Application/Bid Amount paid in cash, by money order or by postal order or by stockinvest or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.



After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application/Bid Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants /Bidders from the respective ASBA Account, in terms of the SEBI Regulations, into the Public Issue Account. The balance amount, if any against the said Application/Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application/Bid Amount, as per the Application/Bid Form submitted by the respective ASBA Applicants/Bidders, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application/Bid Amount against allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant/Bidder to the Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application /Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application/Bid, as the case may be.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders should rely on their own examination of the Issuer and the Issue, and should carefully read the Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**“SEBI ICDR Regulations, 2009”**)

Bidders should note that investment in equity and equity related securities involves risk and Bidder should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Prospectus filed by the Issuer with the Registrar of Companies (**“RoC”**). Bidders should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/ Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Issue and on the website of Securities and Exchange Board of India (**“SEBI”**) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders may refer to the section “Glossary and Abbreviations”.



SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

2.1 INITIAL PUBLIC OFFER (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer, Bidders may refer to the RHP/Prospectus.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and upto twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

2.2 OTHER ELIGIBILITY REQUIREMENTS

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 (the "Companies Act"), the Companies Act, 2013 (to the extent notified and in effect), the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013
- (c) In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- (e) The post issue capital shall not be more than Rs. 25 Crore
- (f) The Company should have a track record of at least 3 years
- (g) The Company should have positive cash accruals from operation for at least 2 financial years preceding the application and its net-worth should be positive.
- (h) The Issuer shall mandatorily facilitate trading in demat securities.
- (i) The Issuer should not be referred to Board for Industrial and Financial Reconstruction.
- (j) No petition for winding up is admitted by a court of competent jurisdiction against the Issuer.
- (k) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- (l) The Company should have a website

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus Company is eligible for the Issue in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed Rs. 2,500 lakhs. Company also complies with the eligibility conditions laid by the SME Platform of NSE for listing of our Equity Shares.

2.3 Types of Public Issues – Fixed Price Issues and Book Build Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (**“Book Build Issue”**) or undertake a Fixed Price Issue (**“Fixed Price Issue”**). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Build Issue) and a Price or Price Band in the Draft Red Herring Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Build Issue or a Fixed Price Issue.



2.4 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders) and not more than ten Working Days. Bidders are advised to refer to the Bid cum Application Form / Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange(s).

2.5 MIGRATION TO MAIN BOARD

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

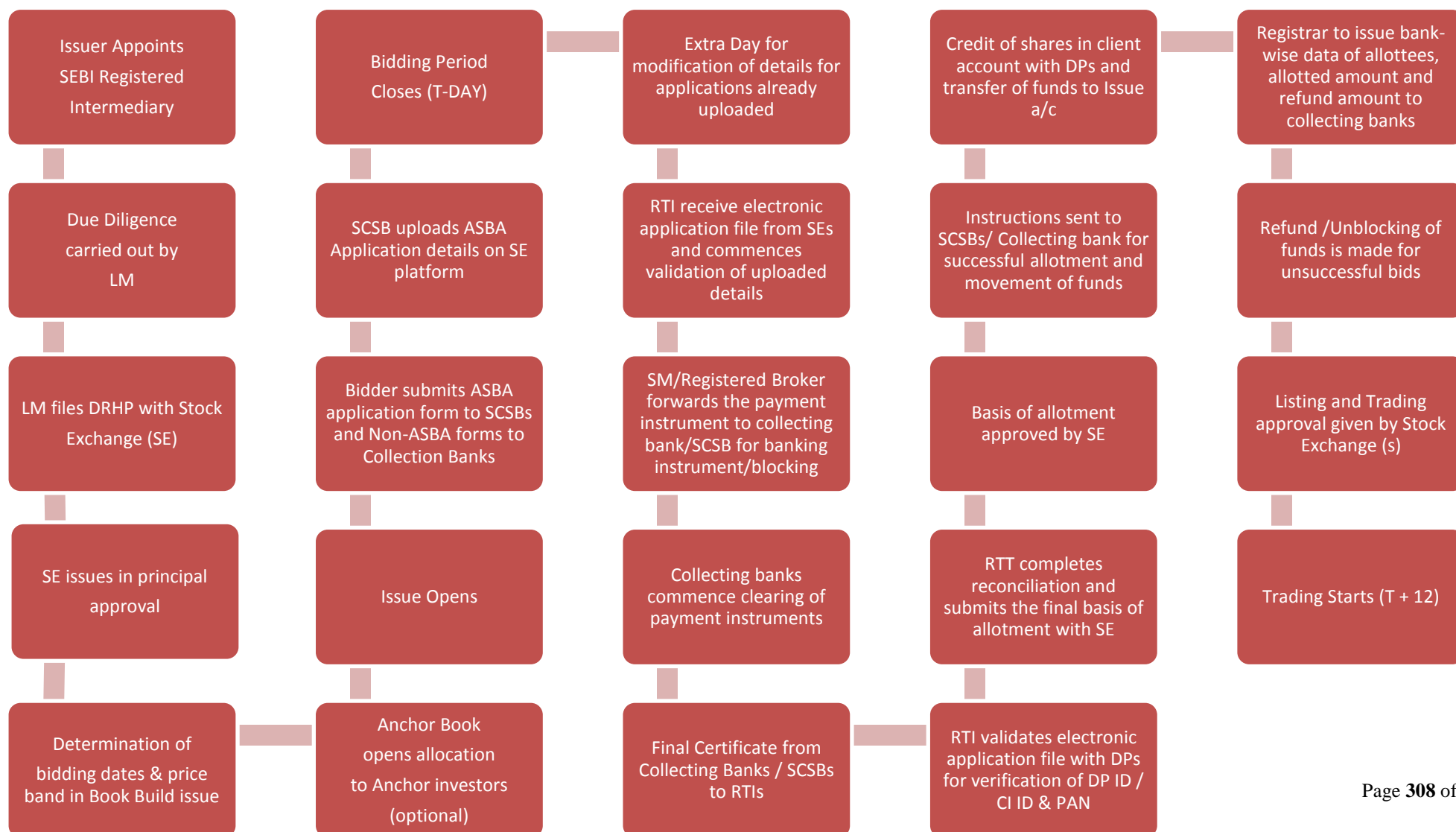
- (a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- (b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Book Build Issues is as follows:





SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders, such as NRIs, FIIs, QFIs and FVCIs may not be allowed to Bid in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The 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 may be considered at par with Bids from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law ;
- Qualified Foreign Investors subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Build Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Bidders should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders is as follows:

Category	Colour of the Bid cum Application
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders bidding/applying in the reserved category	Not Applicable

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM

Bidders may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE
PLEASE FILL IN BLOCK LETTERS
TEAR HERE

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - R		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS																											
Logo To: The Board of Directors XYZ Limited		BOOK BUILDING ISSUE IN		Bid cum Application Form No. 																											
SYNDICATE MEMBER'S STAMP & CODE <div style="border: 1px solid black; height: 40px; width: 100%;"></div>		BROKER'S/AGENT'S STAMP & CODE <div style="border: 1px solid black; height: 40px; width: 100%;"></div>		1. NAME & CONTACT DETAILS of Sole / First Applicant Mr. / Ms. Address Email Tel. No (with STD code) / Mobile 																											
ESCROW/BANK/SCSB BRANCH STAMP & CODE <div style="border: 1px solid black; height: 40px; width: 100%;"></div>		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE <div style="border: 1px solid black; height: 40px; width: 100%;"></div>		2. PAN OF SOLE / FIRST APPLICANT 																											
BANK BRANCH SERIAL NO. 		REGISTRAR'S / SCSB SERIAL NO. 																													
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID 				6. Investor Status <input type="checkbox"/> Individual(s) - IN D <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Others (Please specify) - OTH																											
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")				5. Category <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB																											
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> </tr> <tr> <th>Bid Price</th> <th>Discount, If any</th> <th>Net Price</th> <th>"Cut-off" (Please tick)</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>		Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)				Bid Price	Discount, If any	Net Price	"Cut-off" (Please tick)	Option 1					<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>		
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)			Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)																											
		Bid Price	Discount, If any	Net Price	"Cut-off" (Please tick)																										
Option 1					<input type="checkbox"/>																										
(OR) Option 2					<input type="checkbox"/>																										
(OR) Option 3					<input type="checkbox"/>																										
7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)				PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment																											
Amount Paid (₹ in figures) (₹ in words) 																															
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. Dated / / Drawn on (Bank Name & Branch) 				<input type="checkbox"/> (B) ASBA Bank A/c No. Bank Name & Branch 																											
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVER LEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the instructions for Filing up the Bid Cum Application Form given overleaf.																															
8A. SIGNATURE OF SOLE/ FIRST APPLICANT <div style="border: 1px solid black; height: 60px; width: 100%;"></div> Date: 2011		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (For ASBA option ONLY) I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue. <div style="border: 1px solid black; height: 60px; width: 100%;"></div>		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system) <div style="border: 1px solid black; height: 60px; width: 100%;"></div>																											
TEAR HERE																															
XYZ LIMITED		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No. 																											
DPID / CLID 		PAN 																													
Amount Paid (₹ in figures) 		Bank & Branch 		Stamp & Signature of Banker <div style="border: 1px solid black; height: 60px; width: 100%;"></div>																											
Cheque / DD/ASBA Bank A/c No. 		Received from Mr./Ms. 																													
Telephone / Mobile 		Email 																													
TEAR HERE																															
XYZ LIMITED		Acknowledgement Slip for Bidder		Bid cum Application Form No. 																											
No. of Equity Shares 		Option 1 Option 2 Option 3 		Name of Sole / First Applicant 																											
Bid Price 		Stamp & Signature of Syndicate Member / SCSB <div style="border: 1px solid black; height: 40px; width: 100%;"></div>																													
Amount Paid (₹) 		Cheque / DD/ASBA Bank A/c No. 																													
Bank & Branch 																															

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - NR		FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS		
Logo To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018		Bid cum Application Form No.		
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____		
ESCROW BANK / SCSS BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE				
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSS SERIAL NO.				
				2. PAN OF SOLE / FIRST APPLICANT		
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL				6. Investor Status <input type="checkbox"/> NRI Non-Resident Indian (Repatriation basis) <input type="checkbox"/> FII Foreign Institutional Investor <input type="checkbox"/> FVCI Foreign Venture Capital Investor <input type="checkbox"/> FISA FII Sub Account Corporate / Individual <input type="checkbox"/> OTH Others (Please Specify)		
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID						
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")						
Bid Options No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)				
		Bid Price Discount, if any Net Price "Cut-off" (Please tick)				
Option 1		<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> OIB				
(OR) Option 2						
(OR) Option 3						
7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment						
Amount Paid (₹ in figures) _____ (₹ in words) _____						
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) <input type="checkbox"/> (B) ASBA						
Cheque/DD No. _____		Bank A/c No. _____				
Drawn on (Bank Name & Branch) _____		Bank Name & Branch _____				
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the instructions for Filing up the Bid Cum Application Form given overleaf.						
8A. SIGNATURE OF SOLE / FIRST APPLICANT _____ Date : _____, 2011		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY) I/We authorize the SCSS to do all acts as are necessary to make the Application in the Issue 1) _____ 2) _____ 3) _____		BROKER'S / SCSS BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)		
TEAR HERE						
XYZ LIMITED		Acknowledgement Slip for Syndicate Member / SCSS		Bid cum Application Form No.		
DPID / CLID		PAN				
Amount Paid (₹ in figures)		Bank & Branch		Stamp & Signature of Banker		
Cheque / DD/ASBA Bank A/c No.						
Received from Mr./Ms.						
Telephone / Mobile		Email				
TEAR HERE						
XYZ LIMITED	Option 1		Option 2		Option 3	
	No. of Equity Shares					
	Bid Price					
	Amount Paid (₹)					
	Cheque / DD/ASBA Bank A/c No.					
Bank & Branch						
		Stamp & Signature of Syndicate Member / SCSS		Name of Sole / First Applicant		
Acknowledgement Slip for Bidder						
		Bid cum Application Form No.				

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE



4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

- (a) Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Bidders should note that the contact details mentioned in the Bid-cum Application Form may be used to dispatch communications(including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders All payments may be made out in favor of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

‘Any person who:

- **makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or**
- **makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- **otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,**

Shall be liable for action under section 447 of the said Act.’

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER

- (a) PAN (of the sole/ first Bidder) provided in the Bid cum Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids on behalf of the Central or State Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim ("PAN Exempted Bidders"). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Bid Amount. A Bid cum Application Form without PAN, except in case of Exempted Bidders, is liable to be rejected. Bids by the Bidders whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. Please note that refunds shall be credited only to the bank account from which the bid amount was remitted to the Escrow Bank.
- (d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/ DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**
- (b) Bidders should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- (c) Bidders should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- (d) Bidders are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders sole risk.



4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the RHP/Prospectus by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid Opening Date in case of an IPO
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process.
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum bid value is above Rs. 1 Lakh. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may refer to the RHP or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

(a) For Retail Individual Applicants

The Bid must be for a minimum of 1600 Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make Bid for only minimum size i.e. for 1600 Equity Shares.

(b) For Other Applicants (Non Institutional Applicants and QIBs):

- i. The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of 1600 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB cannot withdraw its Bid after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Bid Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion. Bidders are advised to ensure that any single Bid cum Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the RHP/Prospectus.
- ii. In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- iii. The price and quantity options submitted by the Bidder in the Bid cum Application Form may be

treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
- i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
- i. Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.
 - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP.
- (c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details



pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the RHP.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- (a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders, such as NRIs, FIIs and FVCIs may not be allowed to Bid in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- (a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.
- (c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.
- (d) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand ("Non-ASBA Mechanism").
- (e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Instructions for non-ASBA Bidders:

- (a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.
- (b) **For Bids made through a member of the Syndicate:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.
- (c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow

Account as specified under the RHP and the Bid cum Application Form and submit the same to the Registered Broker.

- (d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- (e) 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. Cheques/ bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.
- (g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 Payment instructions for ASBA Bidders

- (a) ASBA Bidders may submit the Bid cum Application Form either
 - i. in physical mode to the Designated Branch of an SCSB where the Bidders have ASBA Account, or
 - ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - iii. in physical mode to a member of the Syndicate at the Specified Locations or
 - iv. Registered Brokers of the Stock Exchange
- (b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) **ASBA Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).



- (g) **ASBA Bidders bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.
- (h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the

relevant ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

4.1.7.3 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Bidder., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the ASBA Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form.
- (d) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) Bidders should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.
- (c) All communications in connection with Bids made in the Issue should be addressed as under:
 - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders should contact the Registrar to the Issue.
 - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.



- iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders should contact the relevant Syndicate Member.
 - iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
 - v. Bidder may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- (d) The following details (as applicable) should be quoted while making any queries -
- i. full name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
 - ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or
 - iii. In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof
 - iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder may refer to the RHP and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder can make this revision any number of times during the Bid Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

COMMON BID REVISION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - R		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS	
Logo To, The Board of Directors, XYZ Limited		BOOK BUILDING ISSUE INE523L01018		Bid cum Application Form No.	
SYNDICATE MEMBERS STAMP & CODE 		BROKER'S/AGENTS STAMP & CODE 		1. NAME & CONTACT DETAILS of Sole / First Applicant Mr. / Ms. _____ Tel. No (with STD code) / Mobile _____	
ESCROW BANK/SCSB BRANCH STAMP & CODE 		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE 		2. PAN OF SOLE / FIRST APPLICANT 	
BANK BRANCH SERIAL NO. 		REGISTRAR'S / SCSB SERIAL NO. 		3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID	
PLEASE CHANGE MY BID					
4. FROM (as per last Bid or Revision)					
Bid Options No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
7 6 5 4 3 2 1		Bid Price Discount, if any Net Price "Cut-off" (Please tick)			
Option 1					
(OR) Option 2					
(OR) Option 3					
5. TO (Revised Bid)					
Bid Options No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
7 6 5 4 3 2 1		Bid Price Discount, if any Net Price "Cut-off" (Please tick)			
Option 1					
(OR) Option 2					
(OR) Option 3					
6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment					
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____					
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) <input type="checkbox"/> (B) ASBA					
Cheque/DD No. _____ Dated DD/MM/YYYY		Bank A/c No. _____ Bank Name & Branch _____			
Drawn on (Bank Name & Branch) _____					
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVER LEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid Revision Form given overleaf.					
7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S) Date : _____, 2011		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY) I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) _____ 2) _____ 3) _____		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
TEAR HERE					
XYZ LIMITED BID REVISION FORM		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No.	
DPID / CLID _____		PAN _____		Additional Amount Paid (₹) _____ Bank & Branch _____	
Cheque / DD/ASBA Bank A/c No. _____		Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____		Stamp & Signature of Banker _____	
TEAR HERE					
XYZ LIMITED BID REVISION FORM		Acknowledgement Slip for Bidder		Name of Sole / First Applicant	
No. of Equity Shares _____ Bid Price _____ Additional Amount Paid (₹) _____		Cheque / DD/ASBA Bank A/c No. _____ Bank & Branch _____		Bid cum Application Form No.	

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA **XYZ LIMITED - PUBLIC ISSUE - NR** **FOR ELIGIBLE NRIs, FIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS**

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE
INE523L01018

Bid cum Application
Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/AGENT'S STAMP & CODE	1. NAME & CONTACT DETAILS of Sole / First Applicant
		Mr. / Ms.
ESCROW BANK / SCSB BRANCH STAMP & CODE	SUB-BROKER'S/SUB-AGENT'S STAMP & CODE	Tel. No (with STD code) / Mobile
BANK BRANCH SERIAL NO.	REGISTRAR'S / SCSB SERIAL NO.	2. PAN OF SOLE / FIRST APPLICANT
		3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
		For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (as per last Bid or Revision)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)	
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)	(In Figures)	
		Bid Price	Discount, if any
	(In Figures)		
	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1
Option 1			
(OR) Option 2			
(OR) Option 3			

5. TO (Revised Bid)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)	
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)	(In Figures)	
		Bid Price	Discount, if any
	(In Figures)		
	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1
Option 1			
(OR) Option 2			
(OR) Option 3			

6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)	PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment
--	--

Additional Amount Paid (₹ in figures)	(₹ in words)
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD)	<input type="checkbox"/> (B) ASBA
Cheque/DD No.	Dated
Drawn on (Bank Name & Branch)	Bank A/c No.
	Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVERLEAF. I/WE (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filing up the Bid revision Form given overleaf.

7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)	BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
	3)	
Date : , 2011		

XYZ LIMITED BID REVISION FORM	Acknowledgement Slip for Syndicate Member / SCSB	Bid cum Application Form No.
--	---	---

DPID / CLID	PAN	Stamp & Signature of Banker
Additional Amount Paid (₹)	Bank & Branch	
Cheque / DD/ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

XYZ LIMITED BID REVISION FORM	Acknowledgement Slip for Bidder	Bid cum Application Form No.
Option 1	Option 2	Option 3
No. of Equity Shares		
Bid Price		
Additional Amount Paid (₹)		
Cheque / DD/ASBA Bank A/c No.		
Bank & Branch		

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.3 FIELD 6: PAYMENT DETAILS

- (a) With respect to the Bids, other than Bids submitted by ASBA Bidders, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- (b) All Bidders are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.



- (c) In case of Bids submitted by ASBA Bidder, Bidder may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (d) In case of Bids, other than ASBA Bids, Bidder, may 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. 200,000 if the Bidder wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.
- (e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.
- (f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM

4.4.1 Bidders may submit completed Bid-cum-application form / Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Non-ASBA Application	1) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form 2) To Registered Brokers
ASBA Application	1) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres 2) To the Designated branches of the SCSBs where the ASBA Account is maintained

- (a) Bidders should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.
- (b) Bidders should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder had placed the original Bid.
- (c) Upon submission of the Bid-cum-Application Form, the Bidder will be deemed to have authorized

the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder.

- (d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILD ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid Period, ASBA Bidders may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.
- (b) Non-ASBA Bidders (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.
- (c) In case of ASBA Bidders (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.
- (d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.



5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid Period, the same can be done by submitting request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) In case a RII wishes to withdraw the Bid after the Bid Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
 - i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
 - ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
 - iii. the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
 - iv. With respect to Bids by ASBA Bidders, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalization of the Basis of Allotment. Bidders are advised to note that the Bids are liable to be rejected, *inter-alia*, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids by OCBs; and
- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) DP ID and Client ID not mentioned in the Bid cum Application Form;
- (h) PAN not mentioned in the Bid cum Application Form except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (j) Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- (k) Bids at a price less than the Floor Price & Bids at a price more than the Cap Price;
- (l) Bids at Cut-off Price by NIIs and QIBs;
- (m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids by ASBA Bidders, the amounts mentioned in the Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;
- (n) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (o) In relation to ASBA Bids, submission of more than five Bid cum Application Forms as per ASBA Account;
- (p) Bids for a Bid Amount of more than Rs. 200,000 by RIIs by applying through non-ASBA process;
- (q) Bids for number of Equity Shares which are not in multiples of Equity Shares which are not in multiples as specified in the RHP;
- (r) Multiple Bids as defined in this GID and the RHP;



- (s) Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (t) With respect to ASBA Bids, inadequate funds in the bank account to block the Bid specified in the Bid cum Application Form at the time of blocking such Bid in the bank account;
- (u) Bids where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (v) With respect to ASBA Bids, where no confirmation is received from SCSB for blocking of funds;
- (w) Bids by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/ Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);
- (x) ASBA Bids submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- (y) Bids not uploaded on the terminals of the Stock Exchanges;
- (z) Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form.

5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- (b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.
- (c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.
- (d) Illustration of the Book Building and Price Discovery Process

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs. 20 to Rs. 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

This being a book build issue, this section is not applicable for this issue.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

7.1 BASIS OF ALLOTMENT

Allotment will be made in consultation with the SME Platform of NSE(The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category x number of Shares applied for).
- The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the oversubscription ratio).
- For applications where the proportionate allotment works out to less than 1600 equity shares the allotment will be made as follows:
 - Each successful Bidder shall be allotted 1600 equity shares; and
 - The successful Bidder out of the total bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- If the proportionate allotment to an Bidder works out to a number that is not a multiple of 1600 equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of 1600 equity shares subject to a minimum allotment of 1600 equity shares.
- If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the



successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 1600 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.

- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Applicants as described below:
- i. As the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 - ii. The balance net offer of shares to the public shall be made available for allotment to
 - individual bidders other than retails individual investors and
 - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
 - iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to bidders in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of NSE- the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful

Bidder Depository Account will be completed within 12 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidders' depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP. The Designated Stock Exchange may be as disclosed in the RHP with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the RHP.

If such money is not repaid within 12 working days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of 12 working days, be liable to repay the money, with interest at such rate, as prescribed under Section 40 of the Companies Act, and as disclosed in the RHP/ Prospectus.

8.2.2 MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.



8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded. **Not Applicable**

8.3 MODE OF REFUND

- (a) **In case of ASBA Bids:** Within 12 Working Days of the Bid Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid and also for any excess amount blocked on Bidding.
- (b) **In case of Non-ASBA Bid:** Within 12 Working Days of the Bid Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders and also for any excess amount paid on Bidding, after adjusting for allocation/ allotment to Bidders.
- (c) In case of non-ASBA Bidders, the Registrar to the Issue may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders in their Bid cum Application Forms for refunds. Accordingly, Bidders are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders for any losses caused to them due to any such delay, or liable to pay any interest for such delay.
- (d) In the case of Bids from Eligible NRIs and FIIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may 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 may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

8.3.1 Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, may be done through various modes as mentioned below:

- (a) **NECS** - Payment of refund may be done through NECS for Bidders having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;
- (b) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Bidders' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made

through any one of the other modes as discussed in this section;

- (c) **Direct Credit** - Bidders having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS** - Bidders having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and
- (e) For all the other Bidders, including Bidders who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc Bidders may refer to RHP.

8.3.2 Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if 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 Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders
Allottee	An Bidder to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Application Form	The form in terms of which the Bidder should make an application for Allotment in case of issues other than Book Build Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/(ASBA)/ASBA	An application, whether physical or electronic, used by Bidders to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/ Applicant	Prospective Bidders in the Issue who Bid apply through ASBA
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) may be opened, and as disclosed in the RHP and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders under the Issue
Bid	An indication to make an offer during the Bid Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto.
Bid /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation Bidders may refer to the RHP for the Bid Closing Date
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders may refer to the RHP for the Bid Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the

Term	Description
	Bid Opening Date and the Bid Closing Date inclusive of both days and during which prospective Bidders (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid Period for QIBs one working day prior to the Bid Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders may refer to the RHP for the Bid Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable).
Bid cum Application Form	The form in terms of which the Bidder should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise.
Bidder/Applicant	Any prospective investor (including an ASBA Bidder) who makes a Bid pursuant to the terms of the RHP and the Bid cum Application Form.
Book Build Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP and the Bid cum Application Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Companies Act	The Companies Act, 1956 and The Companies Act, 2013 (to the extent notified)
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RILs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited

Term	Description
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders in accordance with the SEBI ICDR Regulations, 2009.
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder may refer to the RHP
Equity Shares	Equity shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/ Applicant	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPO	Further public offering

Term	Description
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI(Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that were notified on September 12, 2013, February 27, 2014 and March 26, 2014.
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
NSE	National Stock Exchange
Non-Institutional Investors or NIIs	All Bidders, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI

Term	Description
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of atleast 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was inexistence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual bidders other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least two working days in case of an IPO and one working day in case of FPO, prior to the Bid/Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Qualified Financial Investors or QFIs	Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies

Term	Description
QIB Category Qualified Institutional Buyers or QIBs	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)Refund Bank(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders), if any, of the whole or part of the Bid Amount may be made Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than Rs. 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than Rs. 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies

Term	Description
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
SME IPO	Initial public offering as chapter XB of SEBI (ICDR) Regulation
SME Issuer	The Company making the Issue under chapter XB of SEBI (ICDR) Regulation
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of 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. Foreign investment is allowed up to 100 per cent under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") by circular 1 of 2014, with effect from April 17, 2014 ("Circular 1 of 2014"), consolidates and subsumes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, Circular 1 of 2014 will be valid until the DIPP issues an updated circular.

RBI has also issued Master Circular on Foreign Investment in India dated July 01, 2014 which is valid till June 30, 2015. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Foreign investment limit is allowed up to 100 per cent under automatic route in our Company, subject to appropriate approvals of the shareholders in general meeting. Currently, the foreign investment in our Company is limited to 24 per cent of the paid up equity share capital of our Company as we have not obtained the approvals of shareholders for a higher limit.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of FIPB or RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectorial limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

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



any other jurisdiction outside India and may not be offered or sold, and Applications/Bid may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants/Bidders. Our 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 Prospectus. Applicants/Bidders are advised to make their independent investigations and ensure that the Applications /Bids are not in violation of laws or regulations applicable to them.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Sr. No	Particulars	
1.	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	Table F Applicable.
	Interpretation Clause	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	Act
	(b) “These Articles” means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	Articles
	(c) “Auditors” means and includes those persons appointed as such for the time being of the Company.	Auditors
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	Capital
	(e) “The Company” shall mean Momai Apparels Limited	
	(f) “Executor” or “Administrator” means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall	Executor or Administrator

Sr. No	Particulars	
	include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	Legal Representative
	(h) Words importing the masculine gender also include the feminine gender.	Gender
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	In Writing and Written
	(j) The marginal notes hereto shall not affect the construction thereof.	Marginal notes
	(k) "Meeting" or "General Meeting" means a meeting of members.	Meeting or General Meeting
	(l) "Month" means a calendar month.	Month
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	Annual General Meeting
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	Extra-Ordinary General Meeting
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	National Holiday
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	Non-retiring Directors
	(q) "Office" means the registered Office for the time being of the Company.	Office

Sr. No	Particulars	
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	Ordinary and Special Resolution
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	Person
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	Proxy
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1)(a) of the Act.	Register of Members
	(v) "Seal" means the common seal for the time being of the Company.	Seal
	(w) "Special Resolution" shall have the meanings assigned to it by Section 114 of the Act.	Special Resolution
	(x) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	Singular number
	(y) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	Statutes
	(z) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	These presents
	(aa) "Variation" shall include abrogation; and "vary" shall include abrogate.	Variation
	(bb) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	Year and Financial Year
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or	Expressions in the Act to bear the same meaning in

Sr. No	Particulars	
	any statutory modifications thereof for the time being in force.	Articles
	CAPITAL	
3.	a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	Authorized Capital.
	b) The minimum paid up Share capital of the Company shall be Rs.5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.	
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	Increase of capital by the Company how carried into effect
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	New Capital same as existing capital
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject	Non Voting Shares

Sr. No	Particulars	
	however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	Redeemable Preference Shares
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	Voting rights of preference shares
9.	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof , the following provisions-shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p>	Provisions to apply on issue of Redeemable Preference Shares

Sr. No	Particulars	
	(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital	
10.	<p>The Company may (subject to the provisions of sections 52, 55, 56, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	Reduction of capital
11.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	Debentures
12.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed there under.	Issue of Sweat Equity Shares
13.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock	ESOP

Sr. No	Particulars	
	Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	
14.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.	Buy Back of shares
15.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	Consolidation, Sub-Division And Cancellation
16.	Subject to compliance with applicable provision of the Act and rules framed there under the company shall have power to issue depository receipts in any foreign country.	Issue of Depository Receipts
17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	Issue of Securities
	MODIFICATION OF CLASS RIGHTS	
18.	If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-	Modification of rights

Sr. No	Particulars	
	<p>fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p>	
19.	<p>The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.</p>	<p>New Issue of Shares not to affect rights attached to existing shares of that class.</p>
20.	<p>Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.</p>	<p>Shares at the disposal of the Directors.</p>
21.	<p>The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and</p>	<p>Power to issue shares on preferential basis.</p>

Sr. No	Particulars	
	62 of the Act and rules framed thereunder.	
22.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	Shares should be Numbered progressively and no share to be subdivided.
23.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	Acceptance of Shares.
24.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	Directors may allot shares as full paid-up
25.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	Deposit and call etc.to be a debt payable immediately.
26.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's	Liability of Members.

Sr. No	Particulars	
	regulations, require on date fixed for the payment thereof.	
27.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	Registration of Shares.
	RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT	
28.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	CERTIFICATES	
29.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall	Share Certificates.

Sr. No	Particulars	
	<p>be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
30.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on</p>	<p>Issue of new certificates in place of those defaced, lost or destroyed.</p>

Sr. No	Particulars	
	<p>payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	
31.	<p>(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.</p>	<p>The first named joint holder deemed Sole holder.</p>
	<p>(b) The Company shall not be bound to register more than three persons as the joint holders of any share.</p>	<p>Maximum number of joint holders.</p>
32.	<p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.</p>	<p>Company not bound to recognise any interest in share other than that of registered holders.</p>
33.	<p>If by the conditions of allotment of any share the whole or</p>	<p>Installment on shares to be</p>

Sr. No	Particulars	
	part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	duly paid.
	UNDERWRITING AND BROKERAGE	
34.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	Commission
35.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	Brokerage
	CALLS	
36.	<p>(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.</p> <p>(2) A call may be revoked or postponed at the discretion of the Board.</p> <p>(3) A call may be made payable by installments.</p>	Directors may make calls
37.	Fifteen days' notice in writing of any call shall be given by	Notice of Calls

Sr. No	Particulars	
	the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	
38.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	Calls to date from resolution.
39.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	Calls on uniform basis.
40.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	Directors may extend time.
41.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	Calls to carry interest.
42.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply	Sums deemed to be calls.

Sr. No	Particulars	
	to such amount or installment accordingly.	
43.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	Proof on trial of suit for money due on shares.
44.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	Judgment, decree, partial payment motto proceed for forfeiture.
45.	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board	Payments in Anticipation of calls may carry interest

Sr. No	Particulars	
	<p>may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	
	LIEN	
46.	<p>The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.</p>	Company to have Lien on shares.
47.	<p>For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of</p>	As to enforcing lien by sale.

Sr. No	Particulars	
	discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	
48.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	Application of proceeds of sale.
	FORFEITURE AND SURRENDER OF SHARES	
49.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant	If call or installment not paid, notice may be given.

Sr. No	Particulars	
	exchange control laws or other applicable laws of India, for the time being in force.	
50.	<p>The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.</p> <p>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p>	Terms of notice.
51.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	On default of payment, shares to be forfeited.
52.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	Notice of forfeiture to a Member
53.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	Forfeited shares to be property of the Company and may be sold etc.
54.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until	Members still liable to pay money owing at time of forfeiture and interest.

Sr. No	Particulars	
	payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	
55.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	Effect of forfeiture.
56.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	Evidence of Forfeiture.
57.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	Title of purchaser and allottee of Forfeited shares.
58.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	Cancellation of share certificate in respect of forfeited shares.
59.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and	Forfeiture may be remitted.

Sr. No	Particulars	
	favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	
60.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	Validity of sale
61.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	Surrender of shares.
	TRANSFER AND TRANSMISSION OF SHARES	
62.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	Execution of the instrument of shares.
63.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form	Transfer Form.

Sr. No	Particulars	
	approved by the Exchange;	
64.	<p>The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.</p>	Transfer not to be registered except on production of instrument of transfer.
65.	<p>Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register—</p> <p>(a) any transfer of shares on which the company has a lien.</p>	Directors may refuse to register transfer.
66.	<p>If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.</p>	Notice of refusal to be given to transferor and transferee.
67.	<p>No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of</p>	No fee on transfer.

Sr. No	Particulars	
	administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	
68.	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	Closure of Register of Members or debenture holder or other security holders.
69.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	Custody of transfer Deeds.
70.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	Application for transfer of partly paid shares.
71.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	Notice to transferee.
72.	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a</p>	Recognition of legal representative.

Sr. No	Particulars	
	<p>Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	
73.	<p>The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.</p>	<p>Titles of Shares of deceased Member</p>
74.	<p>Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.</p>	<p>Notice of application when to be given</p>

Sr. No	Particulars	
75.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	Registration of persons entitled to share otherwise than by transfer. (transmission clause).
76.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	Refusal to register nominee.
77.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	Board may require evidence of transmission.
78.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice	Company not liable for disregard of a notice prohibiting registration of transfer.

Sr. No	Particulars	
	prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	
79.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form SH-4 hereof as circumstances permit.	Form of transfer Outside India.
80.	No transfer shall be made to any minor, insolvent or person of unsound mind.	No transfer to insolvent etc.
	NOMINATION	
81.	<p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p>	Nomination

Sr. No	Particulars	
	iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.	
82.	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	Transmission of Securities by nominee
	DEMATERIALISATION OF SHARES	
83.	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	Dematerialisation of Securities

Sr. No	Particulars	
	JOINT HOLDER	
84.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	Joint Holders
85.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	Joint and several liabilities for all payments in respect of shares.
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	Title of survivors.
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	Receipts of one sufficient.
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	Delivery of certificate and giving of notices to first named holders.
	SHARE WARRANTS	
86.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the	Power to issue share warrants

Sr. No	Particulars	
	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.	
87.	<p>(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>	Deposit of share warrants
88.	<p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.</p>	Privileges and disabilities of the holders of share warrant
89.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	Issue of new share warrant coupons
	CONVERSION OF SHARES INTO STOCK	
90.	The Company may, by ordinary resolution in General Meeting.	Conversion of shares into stock or reconversion.

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	a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	
91.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	Transfer of stock.
92.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose. but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	Rights of stock holders.
93.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.	Regulations.
	BORROWING POWERS	
94.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body	Power to borrow.

Sr. No	Particulars	
	for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	
95.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	Issue of discount etc. or with special privileges.
96.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	Securing payment or repayment of Moneys borrowed.
97.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such	Bonds, Debentures etc. to be under the control of the Directors.

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	consideration as they shall consider to be for the benefit of the Company.	
98.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	Mortgage of uncalled Capital.
99.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	Indemnity may be given.
	MEETINGS OF MEMBERS	
100.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	Distinction between AGM & EGM.
101.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the Members.	Extra-Ordinary General Meeting by Board and by requisition
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as	When a Director or any two Members may call an Extra Ordinary General Meeting

Sr. No	Particulars	
	possible as that in which meeting may be called by the Directors.	
102.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	Meeting not to transact business not mentioned in notice.
103.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	Chairman of General Meeting
104.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	Business confined to election of Chairman whilst chair is vacant.
105.	<p>a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>	Chairman with consent may adjourn meeting.
106.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have	Chairman's casting vote.

Sr. No	Particulars	
	casting vote in addition to the vote or votes to which he may be entitled as a Member.	
107.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	In what case poll taken without adjournment.
108.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	Demand for poll not to prevent transaction of other business.
	VOTES OF MEMBERS	
109.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	Members in arrears not to vote.
110.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	Number of votes each member entitled.

Sr. No	Particulars	
111.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	Casting of votes by a member entitled to more than one vote.
112.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	Vote of member of unsound mind and of minor
113.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	Postal Ballot
114.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	E-Voting
115.	<p>a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	Votes of joint members.
116.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	Votes may be given by proxy or by representative

Sr. No	Particulars	
117.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	Representation of a body corporate.
118.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	Members paying money in advance.
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	Members not prohibited if share not held for any specified period.
119.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased or insolvent members.
120.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case	No votes by proxy on show of hands.

Sr. No	Particulars	
	such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	
121.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Appointment of a Proxy.
122.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	Form of proxy.
123.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	Validity of votes given by proxy notwithstanding death of a member.
124.	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	Time for objections to votes.
125.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	Chairperson of the Meeting to be the judge of validity of any vote.

Sr. No	Particulars	
	DIRECTORS	
126.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	Number of Directors
127.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	Qualification shares.
128.	<p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	Nominee Directors.

Sr. No	Particulars	
129.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	Appointment of alternate Director.
130.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	Additional Director
131.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	Directors power to fill casual vacancies.
132.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	Sitting Fees.
133.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling,	Travelling expenses Incurred by Director on Company's business.

Sr. No	Particulars	
	hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	
	PROCEEDING OF THE BOARD OF DIRECTORS	
134.	<p>(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.</p> <p>(b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	Meetings of Directors.
135.	<p>a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.</p> <p>b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.</p>	Chairperson
136.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	Questions at Board meeting how decided.
137.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	Continuing directors may act notwithstanding any vacancy in the Board
138.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may	Directors may appoint committee.

Sr. No	Particulars	
	<p>from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.</p>	
139.	<p>The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.</p>	Committee Meetings how to be governed.
140.	<p>a) A committee may elect a Chairperson of its meetings.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>	Chairperson of Committee Meetings
141.	<p>a) A committee may meet and adjourn as it thinks fit.</p> <p>b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p>	Meetings of the Committee
142.	<p>Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a</p>	Acts of Board or Committee shall be valid notwithstanding defect in appointment.

Sr. No	Particulars	
	Director.	
	RETIREMENT AND ROTATION OF DIRECTORS	
143.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	Power to fill casual vacancy
	POWERS OF THE BOARD	
144.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	Powers of the Board
145.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	Certain powers of the Board
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	To acquire any property , rights etc.
	(2) Subject to the provisions of the Act to purchase, take	To take on Lease.

Sr. No	Particulars	
	on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	To erect & construct.
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	To pay for property.
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	To insure properties of the Company.
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	To open Bank accounts.

Sr. No	Particulars	
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	To secure contracts by way of mortgage.
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	To accept surrender of shares.
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	To appoint trustees for the Company.
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	To conduct legal proceedings.
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	Bankruptcy & Insolvency
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	To issue receipts & give discharge.
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments.	To invest and deal with money of the Company.

Sr. No	Particulars	
	Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	
	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	To give Security by way of indemnity.
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	To determine signing powers.
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	Commission or share in profits.
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	Bonus etc. to employees.
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the	Transfer to Reserve Funds.

Sr. No	Particulars	
	<p>interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.</p>	
	<p>(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p>	<p>To appoint and remove officers and other employees.</p>
	<p>(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the</p>	<p>To appoint Attorneys.</p>

Sr. No	Particulars	
	<p>Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.</p>	
	<p>(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.</p>	<p>To enter into contracts.</p>
	<p>(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.</p>	<p>To make rules.</p>
	<p>(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.</p>	<p>To effect contracts etc.</p>
	<p>(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification</p>	<p>To apply & obtain concessions licenses etc.</p>

Sr. No	Particulars	
	of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	To pay commissions or interest.
	(26) To redeem preference shares.	To redeem preference shares.
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	To assist charitable or benevolent institutions.
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other	

Sr. No	Particulars	
	institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
	<p>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept</p>	

Sr. No	Particulars	
	<p>payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
	MANAGING AND WHOLE-TIME DIRECTORS	
146.	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	Powers to appoint Managing/ Wholetime Directors.
147.	<p>The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.</p>	Remuneration of Managing or Wholetime Director.

Sr. No	Particulars	
148.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors</p>	<p>Powers and duties of Managing Director or Whole-time Director.</p>

Sr. No	Particulars	
	of the Company.	
	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer	
149.	<p>a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>	Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer
	THE SEAL	
150.	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	The seal, its custody and use.
151.	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that	Deeds how executed.

Sr. No	Particulars	
	behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	
	Dividend and Reserves	
152.	<p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	Division of profits.
153.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	The company in General Meeting may declare Dividends.
154.	a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for	Transfer to reserves

Sr. No	Particulars	
	<p>equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	
155.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	Interim Dividend.
156.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	Debts may be deducted.
157.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	Capital paid up in advance not to earn dividend.
158.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	Dividends in proportion to amount paid-up.
159.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	Retention of dividends until completion of transfer under Articles .
160.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct	No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.

Sr. No	Particulars	
	from the interest or dividend payable to any member all such sums of money so due from him to the Company.	
161.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	Effect of transfer of shares.
162.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	Dividend to joint holders.
163.	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	Dividends how remitted.
164.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	Notice of dividend.
165.	No unclaimed dividend shall be forfeited and no unpaid dividend shall bear interest as against the Company.	No interest on Dividends.
	CAPITALIZATION	
166.	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way</p>	Capitalization.

Sr. No	Particulars	
	<p>of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	
167.	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may</p>	Fractional Certificates.

Sr. No	Particulars	
	<p>require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	
168.	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	Inspection of Minutes Books of General Meetings.
169.	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	Inspection of Accounts
	FOREIGN REGISTER	

Sr. No	Particulars	
170.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	Foreign Register.
	DOCUMENTS AND SERVICE OF NOTICES	
171.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	Signing of documents & notices to be served or given.
172.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	Authentication of documents and proceedings.
	WINDING UP	
173.	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	

Sr. No	Particulars	
	INDEMNITY	
174.	<p>Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.</p>	Directors' and others right to indemnity.
175.	<p>Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.</p>	Not responsible for acts of others

Sr. No	Particulars	
	SECRECY	
176.	<p>(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p>	Secrecy
	<p>(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.</p>	Access to property information etc.



SECTION IX-OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered or are to be entered into by our Company:

1. Issue Agreement dated September 13, 2014 between our Company and the Book Running Lead Manager.
2. Agreement dated August 20, 2014 between our Company and the Registrar to the Issue.
3. Escrow agreement dated September 3, 2014 among our Company, the Book Running Lead Manager, the Escrow Collection Banks, and the Registrar to the Issue.
4. Underwriting agreement dated September 13, 2014 between our Company, Book Running Lead Manager and Market Maker.
5. Market Making Agreement dated September 13, 2014 between our Company, the Book Running Lead Manager and the Market Maker.
6. Agreement among NSDL, our Company and the Registrar to the Issue dated August 5, 2014
7. Agreement among CDSL, our Company and the Registrar to the Issue dated August 12, 2014
8. Syndicate agreement dated September 13, 2014 between our Company the Book Running Lead Manager and the Syndicate member.
9. SME Fundamental Grading Report dated September 9, 2014 from CARE.

MATERIAL DOCUMENTS

1. Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
2. Resolution of the Board dated July 18, 2014 authorizing the Issue.
3. Special Resolution of the shareholders passed at the Extra Ordinary General Meeting dated July 28, 2014 authorizing the Issue.
4. Statement of Tax Benefits dated August 10, 2014, issued by Statutory Auditors, M/s Bagaria & Co
5. Report of the Statutory Auditors, August 10, 2014 on the Restated Financial Statements for the Financial Year ended as on March 31, 2010, 2011, 2012, 2013, and 2014 of our Company.
6. Consents of Directors, Company Secretary and Compliance Officer, Statutory Auditors, Underwriter, Market Maker, Peer Reviewed Auditors, Bankers to our Company, the Book Running Lead Manager, Registrar to the Issue, Bankers to the Issue/Escrow Collection Banks, Refund Banker to the Issue, to act in their respective capacities.

7. Copy of approval from NSE *vide* letter dated August 27, 2014 to use the name of NSE in this offer document for listing of Equity Shares on SME Platform of NSE.
8. Due Diligence Certificate dated August 21, 2014 to Stock Exchange from the Book Running Lead Manager.

These contracts, copies of which have been attached to the copy of Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereinabove, may be inspected at the Registered Office of our Company located at Shop No 305-309, 3rd Floor, Pacific Plaza Plot No 570 TPS IV Off B.S. Road Mahim Division Dadar West, Mumbai 400028, from date of filing the Red Herring Prospectus with RoC to Bid / Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



DECLARATION

We, the Directors, hereby certify and declare that, all relevant provisions of the Companies Act, 1956, or other applicable replaced provision of the new Companies Act and the guidelines issued by the Government of India or the regulations / guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 1956 or other applicable replaced provision of the new Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

Signed by the Directors of our Company

Name	Designation	Signature
Mr. Harshad Thakkar	Managing Director	
Mr. Dinesh C Sodha	Executive Director	
Mr. Hitesh Punjani	Executive Director	
Mr. Shrikant Maheshwari	Independent Director	
Mr. Alok Nag	Independent Director	
Mr. Tarak Gor	Independent Director	
Ms. Bhoomi Mewada	Company Secretary	

Date: October 7, 2014

Place: Mumbai

Annexure A

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED

Sr No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	Closing price on listing date	% change in price on listing date (closing) vs issue price	Benchmark index on listing date (closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar day from listing day (closing)	Closing price as on 20 th calendar day from listing agreement	Benchmark index as on 20 th calendar day from listing day (closing)	Closing price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar day from listing day (closing)
1.	Si. Vi. Shipping Corporation Limited	6.855	25.00	March 06, 2014	26.10	26.10	4.40	21,513.87	36.15	21,832.61	34.80	22,095.30	35.00	22,343.45
2.	Women's Next Loungeries Limited	6.50	65.00	April 21, 2014	67.00	67.50	3.85	22,764.83	70.00	22,403.89	70.00	23,551.00	71.00	24,298.02
3	The final Prospectus of Ultracab (India) Limited was filed by Pantomath Capital Advisors Private Limited on September 6, 2014. The issue closed on September 23, 2014. The company is in process of listing its shares.													

Sources: All share price data is from www.bseindia.com

Note:-

1. The BSE Sensex is considered as the Benchmark Index
2. Price on BSE is considered for all of the above calculations
3. In case 10th/20th/30th day is not a trading day, closing price on BSE of the next trading day has been considered

SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on listing date			Nos of IPOs trading at Premium on listing date			Nos of IPOs trading at discount on 30 th Calender day from listing date			Nos of IPOs trading at premium on 30 th Calender day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
13-14	1	6.855	-	-	-	-	-	1*	-	-	-	-	1*	-
14-15	1	6.500	-	-	-	-	-	1**	-	-	-	-	-	1**

*The script of Si. Vi. Shipping Corporation Limited was listed on March 6, 2014.

**The script of Women's Next Loungeries Limited was listed on April 21, 2014.

Momai Apparels Limited

Intimate and Comfort Wear



SME Fundamental Grade 4 / 5 - Very Good fundamentals

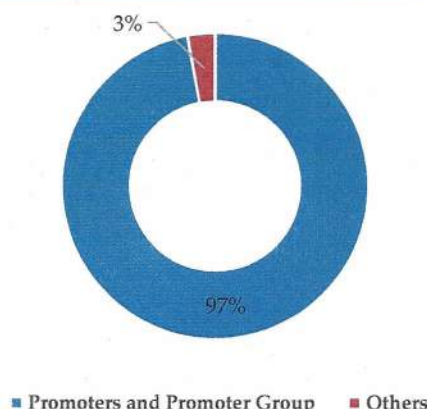
Date- September 09, 2014

ISSUE DETAILS

Issue price	Book building method (Band of Rs.78-90/ share)
Face value	Rs.10 per share
No. of shares offered	Book building method
Total no. of shares (post issue)	Book building method
Issue size	Rs.41.00 crores [#]
Pre-issue net-worth*	Rs.17.26 crores
Proposed Exchange	NSE SME Exchange (filed draft red herring prospectus on August 21, 2014)
Lead Managers	Pantomath Capital Advisors Pvt. Ltd.
Legal Advisors to the issue	Kanga and Co. Advocates and Solicitors
Registrar to the issue	Link Intime India Private Ltd.

Source: Draft Red Herring Prospectus (DRHP), * As on March 31, 2014
[#] As per the management, they are in advance discussion with HNI investors of Pre-IPO Placement of around Rs.13.33 crore. This capital will have a lock-in period for minimum one year.

SHAREHOLDING PATTERN



Source: DRHP

BRIEF PROFILE

Chairman and Managing Director	Mr. Harshad Thakkar
Registered Office	Dadar (West), Mumbai
Auditors	M/s. Bagaria and Co. LLP
Status of default/delays	Nil as per NDS dated August 27, 2014
Willful Defaulter as per CIBIL	No, as on June 30, 2014
Banker and Auditors Feedback	Satisfactory
Outstanding Rating	CARE SME1 in April 2014

BACKGROUND AND BUSINESS OVERVIEW

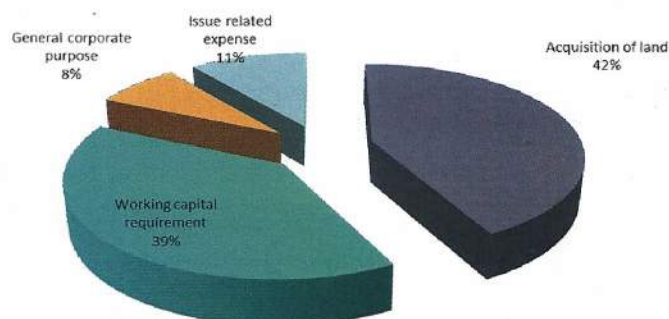
Momai Apparels Limited [MAL, erstwhile Momai Apparels Private Limited (MAPL)] is involved in the business of manufacturing lounge wear, comfort wear and intimate wear primarily for Ashapura Intimates Fashion Limited (AIFL, rated CARE BBB-). MAL is group company of AIFL and had been initially promoted by Mr. Harshad Thakkar and his relatives.

MAL was incorporated in FY12 and during the same period used to supply raw materials i.e. cotton and other fabrics to the three entities i.e. Momai Apparels (MA), Jehaan Clothing (JC) and AIFL. MA and JC were initially incorporated by the promoters of MAL for manufacturing of intimate and comfort wears. MA and JC were absorbed into MAL forming a single company from October 01, 2012.

From April 2012, MAL started manufacturing comfort wear, lounge wear, intimate wear and other apparels for the above said three entities under their respective brand names...

During FY14, MAL achieved total income of Rs.11,729 lakh and PAT of Rs.939 lakh as compared to total operating income of Rs.9,997 lakh and PAT of Rs.195.38 Lakh in FY13.

UTILIZATION OF IPO PROCEEDS



Source: DRHP

FINANCIAL SNAPSHOT

(Rs. Lakh)	FY13	FY14	FY15P	FY16P
Net revenues	9,997	11,729	14,265	30,883
PBILDT	428	893	1,038	3,286
PAT	195	327	388	1380
EPS (Rs.)	59.25	5.96	3.34*	9.62
ROCE (%)	22.75	19.35	13.32	23.76
RONW (%)	83.45	30.67	10.87	22.29

* Calculated assuming that shares post IPO will be allotted from October 01, 2014. Number of shares assumed for calculation of EPS is 56.67 lakhs based on lower band.

SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> Experienced management Wide distribution network with established brand presence through group company AIFL. Growth in scale of operations along with moderate operating profitability 	<ul style="list-style-type: none"> Modest scale of operations Highly leveraged capital structure Long operating cycle with high working capital utilization Highly fragmented and competitive industry Absence of formal agreement with AIFL for off-take of MAL's produce
Opportunities	Threats
<ul style="list-style-type: none"> Growth potential in both domestic and international market Thrust by the government to promote textile sector as it is one of the largest employment generator for the economy. Increased disposable income in the hands of consumer resulting in increased demand. 	<ul style="list-style-type: none"> Increased competition from low cost manufacturing companies in China and Bangladesh Competition from both organized as well un-organized sector. The raw material prices are volatile; which may adversely impact profitability and thereby its cash flows. Low entry barriers in this industry, which expose the company to the threat of competition from new entrants.

KEY MILESTONES

Year	Milestone
2010	Momai Apparels Limited (erstwhile Momai Apparels Private Limited) incorporated
2010	Commencement of activities
2012	Acquisition of Jehan Clothing (Proprietorship concern of Mr. Hitesh Punjani) and Momai Apparels (Proprietorship concern of Mr. Dinesh Sodha)
2012	Set-up Factory at Bhiwandi. Signed Lease agreement with AIFL
2013	Machineries Lease Agreement with AIFL
2013	Change in Registered Address of Company
2013	Reconstituted as a Public company
2013	Achievement of Rs.100 crore turnover

Source: DRHP

MANAGEMENT

The chairman and managing director of MAL, Mr. Harshad Thakkar has more than 16 years of experience in the readymade garments business. He looks after the day-to-day operations of the company and takes strategic decisions for the company. Further Mr. Thakkar is also the Chairman of Lingerie committee, Clothing Manufacturing association of India.

The other Director, Mr. Dinesh Sodha, has more than sixteen years of experience in textile industry. To assist them, the senior management comprises of well qualified people having adequate experience in their respective field. All the key management executives report directly to the promoters, therefore it can be inferred that ownership and management are not completely separable.

BUSINESS OVERVIEW

MAL, till FY12, was only into the business of providing raw materials to MA, JC and AIFL. From April 2012, MAL, the company started manufacturing comfort wear, lounge wear, intimate wear and other apparels for the above said three entities under their respective brand names. During FY13, MA and JC was absorbed into MAL with effect from October 01, 2012. Later in FY13, MAL entered into exclusive agreement with AIFL to supply its demand which lead to considerable increase in sale. In future, even with the discontinuation of contract in February 2014, the company's plans to supply considerable portion to AIFL.

Operational and financial synergies with AIFL with its captive consumption

MAL, as stated earlier, had entered into an exclusive supply agreement with AIFL in January 2013 which was dissolved in February 2014. However, MAL continues to be the major supplier to AIFL. During FY14, MAL's manufacturing facilities were able to supply 60% of AIFL's requirement and 90% of MAL's sales were to AIFL. Going forward MAL will continue to be major supplier to AIFL. AIFL's strong operational support benefits MAL which is given in detail as below -

Diverse Product Portfolio with well established brand name – MAL manufacturers products for all the brand names which are owned by AIFL. AIFL has diverse product portfolio (loungewear, bridal night wear, honeymoon sets, bathrobes, nighties, maternity feeding nighties, lingerie and others) catering to different segments (women, men, couples, teenagers, kids and toddlers), thereby diversifying its revenue stream. Following is a brief snapshot of the various products developed under various well established brands:

Name of the brand	Category	Variety
Valentine and N-Line	Relax Wear/Lounge Wear	Bermudas, Capris, Pajamas and T-Shirts
	Bridal Lingerie	Bridal sets in power net, chiffon, satin and other silky fabrics
	Bathrobes	Individual sets and couple sets in terry fabric
Night and Day	Home Wear and Maternity Wear	Nighties in cotton, PV, PC viscose and satin fabrics, Maternity feeding nighties, Satin 2 piece nighties
Valentine Sports	Sportswear, gym wear and yoga wear	Comfort wear garments for gyming and yoga.
Valentine Secret Skin	Slip, camisole, cycling shorts	Cotton lycra, lycra-rib, interlock
Valentine Pink	Lingerie, corsets	Cotton-lycra, nylon, stretched net, laces, knits with elastics

Leasing of manufacturing facility of AIFL to MAL – To manufacture the above a range of products, AIFL has set-up a manufacturing facility at Bhiwandi with an installed capacity of 32,50,000 pieces as on March 31, 2014. The lease is for a period of five years starting from 2013.

Well Established Distribution Network - AIFL's products are marketed through a chain of around 105 distributors and have presence in more than 13500 retail counters and exclusive lingerie shops across the country. Its top customers include well established retail players like Amarsons, Red Lounge, Vishal Retail and others. Moreover, AIFL also has Exclusive Brand Outlets (EBO) to market its products, which are currently franchisee owned and franchisee operated model. The above forward integration into retail, shall entail AIFL more presence in the market, however it shall form only a small portion of its overall sales. Nevertheless, retail being a capital intensive business, its ability to successfully manage shall be vital for its future growth strategy. This well established distribution network is expected to benefit the growth in operations of MAL.

Growth in operations of AIFL – The total operating income of AIFL has grown at an CAGR of ~49% (over FY11-FY14) and by ~28% y-o-y in FY14 primarily on account of increasing brand presence and increase in number of distributors and increasing retail presence.

With increasing brand presence, AIFL has been able to command higher prices for its products and the same has resulted in increasing in the operating margins from 10.96% in FY12 to 11.98% in FY14.

Stock price performance of AIFL – Below is the stock market performance of AIFL's stock from the day of listing, April 15, 2013 to August 25, 2014.



Raw Material Price Risk – Majority of the raw material used in intimate garments are cotton or polyester or blended versions of the same. However these raw materials are volatile in nature, thereby its ability to pass on the increase in raw material cost amidst the increasing competition and fragmented nature of the industry shall be critical for its future growth.

Contract manufacturing for other brands – Earlier MAL had an exclusivity contract with AIFL for supply of lounge and intimates i.e. the facilities of MAL will exclusively be used only for manufacturing of AIFL's products. However, with the discontinuation of exclusivity clause, MAL can manufacture for other brands. This will benefit MAL, since with the increased capacity, it proposes to undertake contract manufacturing for many domestic and international on account of huge demand for the same (as given in future strategy below). This will aid MAL in the form of diversification of its customer base and reducing dependence on single customer. However, the same may also impact the operating margins, as margins earned on job work are expected to lower.

INDUSTRY OUTLOOK

India is the world's second largest producer of textiles and garments after China. The Indian Textile industry contributes about 14% to the industrial production, 4% to the country's gross domestic product and 17% to India's export earnings. The apparel segment is expected to witness major growth due to rise in disposable income leading to impulsive buying among the Indian consumers.

In the apparel segment, MAL operates in the intimate wear segment, which has immense growth potential which is evident from the entry of large international brands in the Indian market in the last few years. Nevertheless, the same has also lead to increasing competition not only from the well established organized players but also large un-organized market. Moreover, ability of MAL to tap the growth potential in the intimate wear market by successfully influencing the choice of consumers and developing on durability, brand price, look and feel shall be critical for its future growth.

FUTURE STRATEGY AND EXPANSION PLANS

As per the DRHP, MAL plans to:

- Expand its manufacturing facilities. The proposed addition to the existing capacity of MAL is as follows -

Particulars	Proposed Capacity (Qty in Pieces)
Loungewear	25,50,000
Nighties	10,12,500
Slips, Leggings and Sports Wear	76,87,500
Kids Undergarments	50,00,000
Total	1,62,50,000

- The total cost of new manufacturing facility will be

Particulars	Amount (Rs. crore)
Land	700
Construction cost	1,200
Plant and Machinery	700
Total	2,600

The cost will be met with a combination of bank debt (in-principle sanctioned), IPO proceeds and own funds.

- Out of the total capacity post expansion, the company intends to sale 85% of its production in domestic market while 15% is proposed to be utilized for supplies to International brands.
- Increase geographic penetration by entering new markets

CORPORATE GOVERNANCE

- Size, composition and independence of Board** - MAPL's board has six Directors, of which three are Executive Directors and three are Non-Executive Independent Directors. Further Mr. Harshad Thakkar is spearheading, the Board as a Chairman and Executive Director. Thus, the company has three Independent Directors (50% of the Board) thereby complying with the Clause 52 of the SME Model Listing agreement for Corporate Governance requirements.
- Compliance with regulatory authorities** - Pursuant to the SEBI Guidelines, the promoters' contribution constituting not less than 20 percent post-issue capital would be locked-in for a period of three years from the date of allotment in the issue. The lock-in details are as under -

Name of the promoter	No. of Shares	Face Value	% of post issue paid up capital	Lock-in period
Ashapura Intimates Fashion Limited	28,66,500	Rs.10	20.00	3 years

In addition, the entire pre-issue equity share capital would be locked-in for a period of one year from the date of allotment of the equity shares in this issue.

- Constitution details of various committees -**

Particulars	Date of Constitution	Members
Audit Committee	August 16, 2014	Mr. Shrikant Maheshwari (Chairman); Mr. Tarak B. Gor; Mr. Harshad Thakkar
Remuneration Committee	August 16, 2014	Mr. Shrikant Maheshwari (Chairman); Mr. Alok Nag; Mr. Tarak. B. Gor;
Share Transfer and Investors Grievance Committee	August 16, 2014	Mr. Shrikant Maheshwari (Chairman); Mr. Tarak. B. Gor; Mr. Harshad Thakkar

All the three committees are headed by the Independent Directors, as per the listing guidelines of the exchange.

Board of Directors

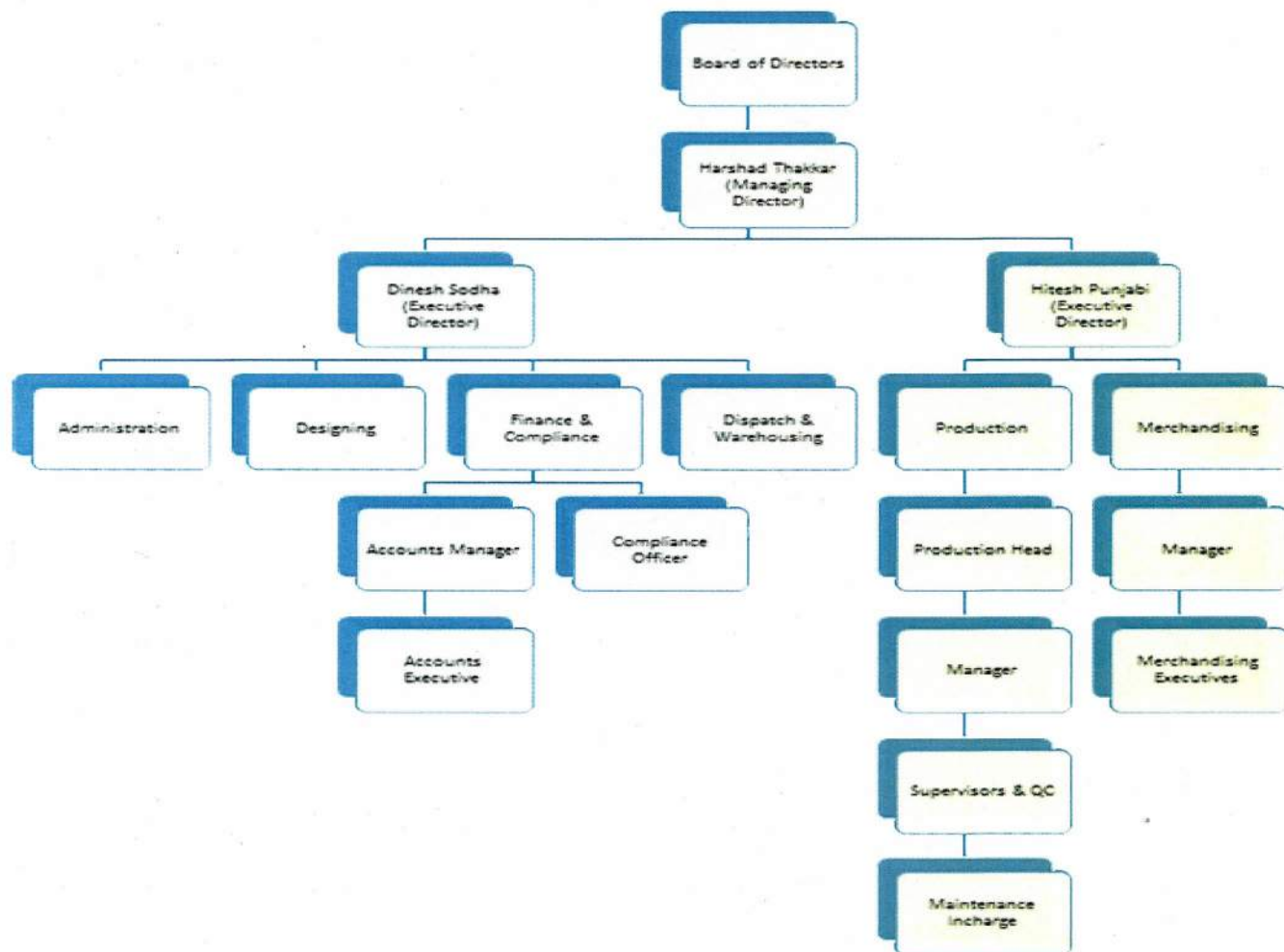
Person	Qualification	Designation	Professional background	Other Directorships/ Association Chairman
Mr. Harshad Thakkar	Pre-university	Chairman and Managing Director	16 years of experience of readymade garments business.	Ashapura Intimates Fashion Limited <i>Chairman of the Lingerie Committee, Clothing Manufacturing of India</i>
Mr. Dinesh C. Sodha	Pre-university	Executive Director	Over 15 years of experience in intimate garments industry	Ashapura Intimates Fashion Limited
Mr. Hitesh S. Punjani	Pre-university	Executive director	Over 12 years of experience in intimate garments industry	Ashapura Intimates Fashion Limited Proprietor of Jehaan Clothing
Mr. Shrikant. Maheshwari	CA	Independent non executive director	Over 8 years of experience in the field of audit, compliance, accountancy, taxation and financial management.	Ashapura Intimates Fashion Limited. R P Share Traders Private Limited. Mahindra Realtors and Infrastructure Private Limited. Folksreise Tours Pvt. Ltd.
Mr. Tarak B. Gor	CA	Independent non-executive director	NA	Optimo Finance Private Limited Optimo Realty Private Limited
Mr. Alok Nag	MBA	Independent non executive director	NA	Prime Resource Finserv Private Limited

Source: DRHP

CONTINGENT LIABILITIES AND PENDING LITIGATIONS

There are no contingent liabilities or litigations against the company, its promoters/promoter group or directors.

ORGANISATIONAL STRUCTURE



Source: DRHP

IPO DETAILS

Size and Terms of Issue

The total size of the issue is Rs.41 crore. Since the issue is under book building process, with a band of Rs.78-90/share, the number of shares tendered for issue cannot be estimated at this time.

As per the management, they are in advance discussion with HNI Investors for pre-IPO placement of around Rs.13.33 crore (part of Rs.41 crore IPO). This capital will have a lock-in period for minimum one year.

Objective

The main objects of the issue are as follows:

Usage of the Net proceeds	Total Cost (Rs. Lakhs)	Expense incurred as of July 21, 2014	To be financed by IPO	Estimated Utilization	
				FY15	FY16
Acquisition of Land for setting up new facility	700	-	700	700	-
Long term Working Capital requirement	2400	-	2400	2400	-
Meet Issue Expenses	300	7.86	300	300	-
General Corporate Purposes	700	-	700	700	-
Total	4100	7.86	4100	4100	

Source: DRHP. No independent agency has appraised the fund requirements and the same is based on the management estimates.

Acquisition of land – The Company intends to expand its operations and hence proposes to setup a new manufacturing facility. For the same MAPL intends to use Rs.700 lakh out of its IPO proceeds towards acquisition of new land in order to setup new manufacturing plant. The company is in the process of identifying suitable locations and is negotiating with the vendors with regards to the same. However the company has not entered into any agreement related to land acquisition as the proceeds are to be met out of capital raised through IPO. The estimated cost of land is ascertained based on the certificate issued by Kulkarni Valuers Private Limited dated August 14, 2014. The remaining project cost will be met by bank debt and own funds. A brief on expansion plans is given under *Future Strategy*.

Margin for working capital utilization – Increase in overall operations of the company coupled with its working capital intensive nature, will subsequently lead to increased requirement for working capital funds. During FY14 the company's working capital funding from banks was high, which is estimated to increase significantly post capacity expansion. Accordingly the working capital requirement during FY15 is estimated at Rs.5197.77 lakh. However according to the information mentioned in DRHP the company draws working capital facilities amounting to Rs.2700 lakh from Punjab National Bank. Further, in order to bridge the gap the company intends to use Rs.2,400 lakh of its IPO proceeds towards Long term working capital requirement.

Expenses related to Issue – Out of the IPO proceeds, MAPL intends to use Rs.300 lakh towards Issue related expenses like issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to Stock Exchange. As on July 21, 2014 the Company has incurred Rs.7.86 lakh towards issue expenses.

General Corporate Purpose – Out of the IPO proceeds, MAL intends to use the balance Rs.700 lakh for general corporate purpose like financing normal capital expenditure, repayment of loans, strategic initiatives, expanding into new

geographies, pre operative expenses, brand building, funding routine working capital and strengthening marketing initiatives.

SHAREHOLDING PATTERN

Name of the promoter	Stake held (%)
Ashapura Intimates Fashion Limited	32.30
Mr. Hitesh Punjani	16.84
Mr. Dinesh Sodha	13.69
K Kalidas Fashion Pvt. Ltd.	10.14
Ms. Ranjanben Thakkar	6.26
Mr. Rasiklal Thakkar	6.26
Mr. Manish Thakkar	3.69
Ms. Dimple Thakkar	3.65
Mr. Harshad Thakkar	2.59
Ms. Riya Kotak	1.67

As on March 31, 2014 (Source- DRHP)

Details of changes in shareholding pattern – As per the information mentioned in the DRHP the Company has 18 shareholders in total. Further the Promoter i.e. AIFL held 32.30 percent stake till the date of filing DRHP.

Issue of Equity Shares during last 1 year at a price that may be below the Issue Price –

Sr. No.	Date of issue	Allottees	Number of Equity Shares	Price (in Rs.)
1.	May 27, 2013	Ashapura Intimates Fashion Limited	15,92,500	10
2.	February 28, 2014	Ashapura Intimates Fashion Limited (Bonus Shares)	12,74,000	-
3.	February 28, 2014	Harshad Thakkar (Bonus shares)	19,996	-
		Dinesh C. Sodha (Bonus shares)	5,40,000	-
		Hitesh Punjani (Bonus shares)	6,64,000	-
		Vinay Parmar (Bonus shares)	1	-
		Navin Daiya (Bonus shares)	1	-
		Venji Sodha (Bonus Shares)	1	-
		Dharmendra Parmar (Bonus Shares)	1	-
		Manish Thakkar (Preferential Allotment)	27,775	27
		Dimple Thakkar (Preferential Allotment)	27,775	27
4.	March 4, 2014	Dimple Thakkar (Preferential Allotment)	55,555	27
		Manish Thakkar (Preferential Allotment)	55,555	27
	March 8, 2014	Alka Thakkar (Preferential Allotment)	18,515	27
		Nilesh Thakkar (Preferential Allotment)	18,515	27
		Nitin Panchal (Preferential Allotment)	18,515	27
	March 10, 2014	Nilesh Thakkar (Preferential Allotment)	25,925	27
	March 11, 2014	K Kalidas Fashions Pvt. Ltd. (Preferential Allotment)	3,33,330	27
		Rasiklal Thakkar (Preferential Allotment)	2,77,775	27
		Ranjanben Thakkar (Preferential Allotment)	2,77,775	27
5.	March 12, 2014	Riya Kotak (Preferential Allotment)	1,48,145	27

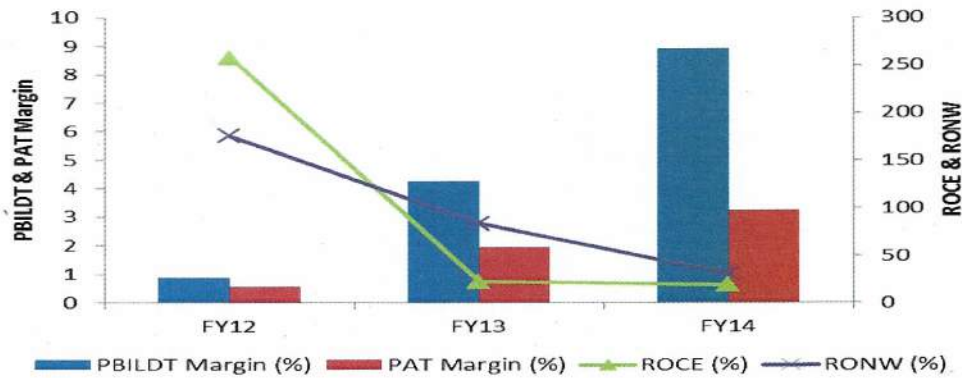
Sr. No.	Date of issue	Allottees	Number of Equity Shares	Price (in Rs.)
		Ranjanben Thakkar (Preferential Allotment)	2,77,775	27
		Alka Thakkar (Preferential Allotment)	11,110	27
6.	March 13, 2014	Rasiklal Thakkar (Preferential Allotment)	2,77,775	27
7.	March 28, 2014	K Kalidas Fashion Pvt. Ltd. (Preferential Allotment)	5,66,670	27
		Manish Thakkar (Preferential Allotment)	55,555	27
		Nilesh Thakkar	37,035	27
		Purbi C. Sodha (Preferential Allotment)	72,405	27
8.	March 29, 2014	Dimple Thakkar (Preferential Allotment)	2,40,735	27
		Harshad Thakkar (Preferential Allotment)	1,85,185	27
		Manish Thakkar (Preferential Allotment)	1,88,885	27
		Nitin Panchal (Preferential Allotment)	18,515	27
		Alka Thakkar (Preferential Allotment)	37,035	27
Total		-	73,44,335	

FINANCIAL ANALYSIS

(Rs. crore)

Particulars	FY12	FY13	FY14
	A	A	A
Net Sales	31.53	99.97	117.29
Income from Operations	31.53	99.98	117.45
PBILDT	0.88	4.28	8.93
Depreciation	0.00	0.07	0.40
PBIT	0.88	4.21	8.53
Interest	0.00	1.17	3.62
PBT	0.88	3.04	4.91
PAT (After def Tax)	0.58	1.95	3.27
Gross Cash Accruals	0.58	2.02	3.79
Financial Position			
T Net Worth	0.62	4.06	17.26
Total Debt	0.00	32.20	34.56
Key Ratios			
Profitability (%)			
PBILDT / Total OI	2.80	4.28	7.60
APAT / Total OI	1.85	1.95	2.78
ROCE	NM	22.75	19.35
RONW	NM	83.45	30.67
EPS(Rs)	NM	116.41	59.25
Solvency(times)			
Debt Equity Ratio	0.00	3.75	0.45
Overall Gearing	0.00	7.93	2.00
Interest coverage	NM	3.67	2.47
Term Debt/GCA	0.00	7.51	2.06
Liquidity (times)			
Current ratio	1.09	1.35	1.34
Quick ratio	0.96	0.90	0.44
Avg. Collection Period (days)	NM	67	74
Avg. Inventory (days)	NM	33	96
Avg. Creditors (days)	NM	46	55
Op. cycle (days)	NM	54	115

- Till FY12, the company was only into the business of providing raw materials to MA, JC and AIFL. From April 2012, MAL, the company started manufacturing comfort wear, lounge wear, intimate wear and other apparels for the above said three entities under their respective brand names. During FY13, MA and JC was absorbed into MAL with effect from October 01, 2013. Later in FY13, MAL entered into exclusive agreement with AIFL to supply its demand which lead to considerable increase in sale. In future, the company's plans to supply considerable portion of AIFL's demand with the total operating income.
- The PBILDT margin has improved over the period FY12-14 on account shift from trading to manufacturing. This has also lead to improvement in the PAT margin. However, the return on capital employed (ROCE) and return on net worth (RONW) declined on account of infusion of funds to support the increasing scale leading to higher base for net worth and capital employed.



- Earnings per share (EPS) reduced significantly from Rs.116.41 in FY12 to Rs.5.94 in FY14 share on account of issue for shares on cash to promoters and bonus issue.

▪ **Growth in EPS and Book Value**

For the period ending/As on March 31.	FY12	FY13	FY14
No. of months	12	12	12
Book value per share (Rs.)	124.71	26.53	19.38
Earnings per share (EPS)*	116.41	59.25	5.96
Number of Shares outstanding	50,000	15,30,000	88,74,335
Weighted average of shares outstanding	50,000	329,781	54,84,578

*Weighted average number of shares as per AS 20; calculations are made considering wt. avg. number of shares

- The equity share capital increased to Rs.1.53 crore as on March 31, 2013 on account issue of shares for absorption of MA and JC. Further in FY14, equity share capital increased on account of Bonus issue in the ratio of 0.8:1 and preferential allotment to AIFL and other related parties.
- The overall gearing had improved in FY14 due to accretion of profits and infusion of promoter capital.
- Interest coverage deteriorated over the years on account of incremental working capital borrowings to fund the increase in scale of operations which lead to higher interest cost.
- The increase in working capital cycle was mainly due to incremental inventory due to change in nature of operations over the past years. From only supplier of raw materials to MA, JC and AIFL (which required lower inventory maintenance) to manufacturing for those entities to supplying solely to AIFL lead to higher inventory for MAL. This lead to higher inventory requirement for MAL. The collection increased on account of higher credit period provided to AIFL. However, the same been at market standard of two months, as stated by the management. High working capital cycle of the company resulted into high working capital utilization for the company.

Comment on projections

- Currently MAL is able to supply around 60% of AIFL's requirement, thus once additional facilities are operational MAL would be able to supply 100% of AIFL's requirement. Furthermore, MAL proposes to provide contract manufacturing to various international and national intimate and comfort wear brands for which it is currently receiving number orders. Furthermore, growth rate in future on account of increasing demand of its products and extensive marketing and branding strategies adopted by its group company, AIFL.
- The profitability margin is expected to improve in FY16 on account of economies of scale and addition new hi tech machinery which will result in higher efficiencies. Furthermore, the increasing contribution of high margin lingerie business to the revenues will lead to higher margins.

- DE ratio and overall gearing improves in FY15 on account of increase in the networth due to IPO proceeds.
- EPS is expected to reduce drastically in FY15 on account of IPO which will lead to addition of considerable number of shares during the year.
- Increase in equity share capital and share premium in FY13 and FY14 pertain to private issue to promoters and bonus issue. Increase in equity share capital and share premium in FY15 pertains to IPO. MAL plans to raise Rs.41 crore through IPO.
- Increase in long term loan in FY13 is on account of loan from bank and financial institutions to fund purchase of galas and other fixed asset and from related parties to fund the increase in scale of operations.
- Repayment in FY14 pertains to repayment of unsecured loans from related parties, which were simultaneously brought in as equity capital.

Annexure

SME Fundamental Grading – Grading Symbols and Definition

SME Fundamental Grade	Definition
SME Fundamental Grade 5 /5	Strong fundamentals
SME Fundamental Grade 4 /5	Very Good fundamentals
SME Fundamental Grade 3 /5	Good fundamentals
SME Fundamental Grade 2 /5	Modest fundamentals
SME Fundamental Grade 1 /5	Weak fundamentals

The SME fundamental grade reflects the fundamentals of the company as compared to other SMEs in India.