PROSPECTUS
Dated: August 18, 2018
Please Read Section 26 the Companies Act, 2013
100% Fixed Price Issue

Lagnam Spintex

LAGNAM SPINTEX LIMITED

Our Company was incorporated as "Lagnam Spintex Private Limited" at Bhilwara, Rajasthan as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated June 11, 2010 bearing Corporate Identification Number U17119RJ2010PTC032089 issued by Registrar of Companies, Jaipur (Rajasthan). Subsequently, our Company was converted into Public Limited Company pursuant to Shareholders Resolution passed at the Extra – Ordinary General Meeting of our Company held on January 22, 2018 and name of our Company was changed to "Lagnam Spintex Limited" and a Fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company dated January 31, 2018 was issued by Registrar of Companies, Jaipur (Rajasthan). The Corporate Identification Number of our Company is U17119RJ2010PLC032089. For details of Incorporation, change in the Name and Registered Office of our Company, please refer to section titled *"General Information"* and "*Our History and Certain Corporate Matters"* beginning on pages 73 and 185 of this Prospectus.

Registered Office: A-51-53, RIICO Growth Centre Hamirgarh Bhilwara, Rajasthan, India, 311001

Tel. No.: +91 014 82 289210; **Fax No**.: Not Available; **E-mail**:rparashar@lagnam.com **Website**:www.lagnamspintex.com

Contact Person: Rajeev Parashar, Company Secretary and Compliance Officer

PROMOTERS OF OUR COMPANY: Dwarka Prasad Mangal, Anand Mangal & Lagnam Infotech Solutions Private Limited

THE ISSUE

INTIAL PUBLIC ISSUE OF 60,00,000 EQUITY SHARES OF FACE VALUE OF RS.10/- EACH FULLY PAID UP OF LAGNAM SPINTEX LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF RS. 41/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS.31/- PER EQUITY SHARE) AGGREGATING UPTO RS. 2,460.00 LAKHS ("THE ISSUE"), OF WHICH 3,00,000 EQUITY SHARES OF FACE VALUE OF RS.10/- EACH FOR CASH AT A PRICE OF RS.41/- PER EQUITY SHARE AGGREGATING RS. 123.00 LAKHS WILL BE RESERVED FOR SUBSCRIPTIONS BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 57,00,000 EQUITY SHARES OF THE FACE VALUE OF RS.10/- EACH FOR CASH AT A PRICE OF RS.41/- PER EQUITY SHARE AGGREGATING RS.2,337.00 LAKHS IS HEREINAFTER REFERED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 33.96% AND 32.26% RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH AND THE ISSUE PRICE IS RS. 41/- WHICH IS 4.1 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to the chapter titled *"Issue Procedure"* beginning on page no. **308** of this Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME ("SEBI (ICDR) REGULATIONS"). For further details please refer the chapter titled 'THE ISSUE' beginning on page 71 of this prospectus.

RISK IN RELATION TO FIRST ISSUE

This being the first public Issue of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our company is Rs. 10/- each and the Issue Price of Rs. 41/- per Equity Share is 4.1 times of the Face Value. The Issue Price (as determined by our company in consultation with the Lead Managers as stated in chapter titled *"Basis for Issue Price"* beginning on page 133 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their entire 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 this 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 contents of this Prospectus. **Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 20 of this Prospectus.**

COMPANY'S ABSOLUTE RESPONSIBILTY

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

LISTING

The Equity Shares of our Company offered through this Prospectus are proposed to be listed on EMERGE Platform of National Stock Exchange of India Limited. ("NSE EMERGE"), In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time. Our Company has received an in-principal approval letter dated **August 16th,2018** from National Stock Exchange of India Limited for using its name in the Offer document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this issue, The National Stock Exchange of India Limited ("NSE") shall be the designated stock exchange.

LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE
HOLANI CONSULTANTS PRIVATE LIMITED 401-405 & 416-418, 4th Floor, Soni Paris Point, Jai Singh Highway, Bani Park, Jaipur-302016 **Tel.:** +91 0141-2203995 **Fax:** +91 0141-2201259 **Website:** www.holaniconsultants.co.in **Email:** ipo@holaniconsultants.co.in **Investor Grievance Id:** complaints.redressal@holaniconsultants.co.in **Contact Person:** Bharat Mantri **SEBI Registration No.:** INM000012467	**BOI MERCHANT BANKERS LIMITED** "G" BLK, C/5 Bank of India Star House, Bandra Kurla Complex, Bandra (E), Mumbai-400051 **Tel**: 022-6131 2906 **Fax**: Not Available **Website**: www.boimb.com **Email**: info@boimb.com **Investor Grievance Id:** info@boimb.com **Contact Person**: Mr. Siddhesh Hazare **SEBI Registration No**: INM000012201	**BIGSHARE SERVICES PRIVATE LIMITED** 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai -400059 Maharashtra **Tel:** +91 -22- 6263 8200 **Fax:** +91 -22- 6263 8299 **Website**: www.bigshareonline.com **Email**: ipo@bigshareonline.com **Investor Grievance id:** investor@bigshareonline.com **Contact Person**: Mr. Ashok Shetty **SEBI Registration No.**: INR000001385

ISSUE PROGRAMME

ISSUE OPENS ON: September 04, 2018	ISSUE CLOSES ON: September 07, 2018

Lagnam Spintex

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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 of 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 transactions in reliance on Regulations 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 register, listed or otherwise qualified in any other jurisdiction outside India and may not be offered and sold, and application may not be made by person in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

SECTION I – GENERAL

DEFINITION AND ABBREVIATION

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(s)	Description
Articles or Articles of Association or AOA	The Articles of Association of our Company, as amended from time to time
Audit Committee	The committee of the Board of Directors constituted on February 15, 2018 as our Company's Audit Committee in accordance with Section 177 of the Companies Act, 2013
Auditor or Statutory Auditor	The Statutory Auditor of our Company, being M/s. SSMS & Associates, Chartered Accountants.
Bankers to Our Company	Such banks which are disclosed as Bankers to our Company in the chapter titled "General Information" on page 73 of this Prospectus.
"Board" or "Board of Directors" or "our Board"	The Board of Directors of our Company, as duly constituted from time to time including committee(s) thereof.
Chairman	The Chairman of our Company, namely Dwarka Prasad Mangal.
Chief Financial Officer (CFO)	The Chief Financial Officer of our Company, namely Mr. Devi Lal Mundra.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Mr. Rajeev Parashar.
Corporate Social Responsibility Committee	The committee of the Board of Directors constituted on February 15, 2018 as our Company's Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013
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 fully paid up
Equity Shareholders	Persons/ Entities holding Equity Shares of our Company
Group Companies	Such Companies as are included in the chapter titled "*Our Group Companies*" beginning on page no. 212 of this Prospectus
ISIN	International Securities Identification Number, in our case being INE548Z01017.
Key Management Personnel/ KMP	Individuals described in the chapter titled "*Our Management*" on page no. 189 of this Prospectus.
"Lagnam Spintex Limited", "LSL", "Lagnam Spintex", "We" or "us" or "Our Company" or "The Company" or "Issuer" or	Lagnam Spintex Limited, a Public Limited Company incorporated under the Provisions of Companies Act, 1956.

Term(s)	Description
"Issuer Company"	
Memorandum/ Memorandum of Association/ MOA	The Memorandum of Association of our Company, as amended from time to time
Managing Director	The Managing Director of our Company, namely Anand Mangal
Nomination and Remuneration Committee	The committee of the Board of Directors constituted on February 15, 2018 as our Company's Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013.
Peer Review Auditor	Independent auditor holding a valid Peer Review certificate issued by Institute of Chartered Accountants of India, in our case M/s. SSMS & Associates, Chartered Accountants
"Promoter", "Promoters" or "our Promoters" or "Individual Promoters"	Promoters of our Company being • Dwarka Prasad Mangal • Anand Mangal • Lagnam Infotech Solutions Private Limited
Promoter Group	Includes such Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations, 2009 as amended from time to time and as disclosed in the chapter titled "*Our Promoters and Promoter Group*" beginning on page no. 205 of this Prospectus.
Registered Office	The registered office of Our Company situated at A-51-53, RIICO Growth Centre, Hamirgarh, Bhilwara, Rajasthan-311001.
Registrar of Companies/ RoC	The Registrar of Companies, Corporate Bhawan, G/6-7, Residency area, Civil Lines, Jaipur, Rajasthan 302001
Shareholders	Shareholders of our Company
you, your and yours	Prospective investors in the Issue

Issue Related Terms

Term(s)	Description
Acknowledgement Slip	The slip, document or counter foil issued by the Designated Intermediary to an applicant as proof of having accepted application form.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful Applicants.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the equity shares pursuant to the fresh issue of Equity shares to the successful Applicants.
Allottee(s)	Successful Applicant(s) to whom Equity Shares of our Company have been allotted.
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Prospectus. All the applicants should

Term(s)	Description
	make application through ASBA only.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of the Prospectus
Application Collecting Intermediaries	1. a SCSB with whom the bank account to be blocked, is maintained 2. a syndicate member (or sub-syndicate member) If any 3. a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker') if any 4. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity) 5. a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue.
ASBA/ Application Supported by Blocked Amount	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB.
ASBA Account	An account maintained with SCSBs which will be blocked by such SCSBs to the extent of the Application Amount
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Jaipur, Rajkot and Bhilwara.
ASBA Investor/ ASBA applicant	Any prospective investor(s)/ applicant(s) in this Issue who apply(ies) through the ASBA process
Banker/ Refund Banker to the Issue/ Public Issue Bank	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account and Refund Account will be opened and in this case being HDFC Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled "*Issue Procedure*" beginning on page 308 of this Prospectus.
Broker Centre's	Broker centers notified by the Stock Exchanges, where the Applicants can submit the application forms to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers, are available on the website of National Stock Exchange of India Limited.
CAN or Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Applicant who has been or is to be allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number of the Applicant's beneficiary account.
Collecting Centers	Centers at which the Designated Intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP

Term(s)	Description
	Locations for CDPs
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branch/ Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants 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
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details
Depository	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Depository Participant/ DP	A Depository Participant as defined under the Depositories Act, 1996.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility
Designated Date	The date on which the amount blocked by the SCSBs is transferred from ASBA Account to the Public Issue Account or the amount is unblocked in the ASBA Account, as appropriate, after the issue is closed, following which the Equity Shares shall be allotted to the successful Applicants.
Designated Intermediaries/ Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated RTA Locations	Such centers of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time
Designated Stock Exchange	EMERGE Platform of National Stock Exchange of India Limited.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange

Term(s)	Description
Draft Prospectus	The Draft Prospectus dated 14th July,2018 issued in accordance with section 26 and 28 of the Companies Act, 2013 and filed with Emerge Platform of National Stock Exchange of India Ltd 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 the Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
Eligible QFI	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares issued thereby and who have opened dematerialized accounts with SEBI registered qualified depositary participants as QFIs and are deemed as FPIs under the SEBI FPI Regulations.
Emerge Platform of National Stock Exchange of India/ SME Exchange	The Emerge Platform of National Stock Exchanges of India, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR)Regulations
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form
General Information Document/ GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI.
Issue/ Issue size/ Initial Public Offer/ Initial Public Issue/ Initial Public Offering/ IPO	The initial public offer of 60,00,000 Equity Shares of face value of Rs.10/- each for cash at a price of Rs. 41/- each, aggregating Rs. 2,460.00 lakhs comprising the Fresh Issue of 60,00,000 Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. 41/- each.
Issue Agreement	The agreement dated July 05, 2018 between our Company and the LMs, pursuant to which certain arrangements are agreed to or in relation to the issue.
Issue Closing Date	The date on which Issue Closes for Subscription.
Issue Opening Date	The date on which Issue Opens for Subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective Investors may submit their application
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 41/- per Equity Share of face value of Rs. 10/- each fully paid
Issue Proceeds/	The proceeds of the Issue that is available to our Company. For further

Term(s)	Description
Gross Proceeds	information about use of Issue Proceeds, see *"Objects of the Issue" beginning* on page 117 of this Prospectus.
Lead Manager/ LM	Lead Manager to the issue in this case being M/s Holani Consultants Private Limited and BOI Merchant Bankers Limited, both SEBI Registered Category I Merchant Bankers
Listing Agreement	The Equity Listing Agreement to be signed between our Company and National Stock Exchange of India Limited.
Market Making Agreement	Market Making Agreement dated July 05, 2018 between our Company, Lead Manager (LM) and Market Maker.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Maverick Share Brokers Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Maker Reservation Portion	The Reserved Portion of 3,00,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. 41/- per Equity Share aggregating Rs.1,23,00,000/- for the Market Maker in this Issue
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
MITCON	Mitcon Consultancy & Engineering Services Limited.
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
NSE	National Stock Exchange of India Limited
Net Issue	The Issue (excluding the Market Maker Reservation Portion of 3,00,000) of 57,00,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 41/- per Equity Share aggregating Rs. 23,37,00,000/- by our Company
Net Proceeds	Proceeds of fresh issue less our company's share of the issue expenses. For further information about use of the issue proceeds and issue expenses, see *"Objects of the issue"* beginning on page 117 of this Prospectus.
Non-Institutional Investors	All Applicants 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
Non-Resident	A person resident outside India, as defined under FEMA Regulations
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company,

Term(s)	Description
	partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/ or incorporated in the jurisdiction in which it exists and operates, as the context requires
Prospectus	The Prospectus to be filed with ROC containing, inter-alia, the issue size, the issue opening and closing dates and other information.
Public Issue Account	Account opened with the Banker to the Issue i.e. HDFC Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Public Issue Account Agreement/ Banker to the Issue Agreement	Agreement entered on July 05, 2018 amongst our Company, Lead Manager, the Registrar to the Issue and Public Issue Bank/ Banker to the Issue for collection of the Application Amount on the terms and conditions thereof.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations 2009
Refund Account	Account to which Application monies to be refunded to the Applicants
Refund Bank/ Refund Banker	Bank which is/ are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being HDFC Bank Limited.
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.bseindia.com/members/MembershipDirectory.aspx & http://www.nseindia.com/membership/dynaContent/findabroker.htm
Registrar/ Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited having registered office at 1st Floor, Bharat Tin Works Building, Opp. Basant Oasis Apartments, Next to Keys Hotel, Marol, Maroshi Road, Andheri East, Mumbai-400059
Retail Individual Investor	Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their Karta), who apply for an amount less than or equal to Rs 2,00,000
Registrar and Share Transfer Agent or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Resident Indian	A person resident in India, as defined under FEMA
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)

Term(s)	Description
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 Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries or at such other website as may be prescribed by SEBI from time to time.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SME Platform of NSE	The SME Platform of NSE for listing of Equity Shares issued under Chapter XB of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011
Specified Locations	Collection centers where the SCSBs shall accept application form, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.
TEV Report	Techno Economic Viability Report
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the applicant as proof of registration of the Application
Underwriter	Holani Consultants Private Limited and BOI Merchant Bankers Limited
Underwriting Agreement	The agreement dated July 05, 2018 entered into between the Underwriter and our Company
Working Day	Till Application/ Issue closing date: All days other than a Saturday, Sunday or a public holiday; Post Application/ Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical and Industry Related Terms

Term(s)	Description
ARMs	Additional Revenue Measures
ASEAN	Association of Southeast Asian Nations
ASPIRE	A scheme for Promoting Innovation and Rural Entrepreneurs
ASSOCHAM	The Associated Chambers of Commerce and Industry of India
BBB	Better Business Bureaus
BC	Before Christ
BSE	Bombay Stock Exchange
NSE Nifty	Nifty is an index; market indicator of the position of stock that is listed in the NSE (National Stock Exchange)
BTRA	The Bombay Textile Research Association

Term(s)	Description
CAGR	Compound Annual Growth Rate
CAP	Corrective Action Plan
CARE	Credit Analysis and Research (CARE Ratings)
CEO	Chief Executive Officer
CGTMSE	Credit Guarantee Trust Fund for Micro and Small Enterprises
CLCSS	Credit Linked Capital Subsidy Scheme
CoE	Centre for Excellence
CPI	Consumer Price Index
Credit Suisse	Credit Suisse Business Analytics India
CSO	Central Statistics Office
CY	Current Year
DoNER	Ministry of Development of North Eastern Region
E-Commerce	Electronic Commerce
EIEs	Emerging Industrial Economies
EMDEs	Emerging Market and Developing Economies
EMEs	Emerging Market Economies
FDI	Foreign Direct Investment
FOB	Freight on Board or Free on Board
FPI	Foreign Portfolio Investment
FY	Financial Year
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
HTC	High Tech Computer Corporations
IBEF	India Brand Equity Foundation
IIP	Index of Industrial Production
IMF	International Monetary Fund
JV	Joint Venture
MAI	Market Access Initiative
MAT	Minimum Alternative Tax
MDA	Market Development Assistance Scheme
M-o-M	Month-On-Month
MoS	Minister of State
MoU	Memorandum of Understanding
MSECDP	Micro and Small Enterprises- Cluster Development Programme
MSMEs	Micro, Small and Medium Enterprises
MT	Million Tones
MUDRA	Micro Unit Development & Refinance Agency Limited
MYEA	Mid-Year Economic Analysis
NER	North East Region
NITI Aayog	National Institution for Transforming India Aayog
NITRA	Northern India Textile Research Association
NMP	National Manufacturing Policy

Term(s)	Description
OIL	Oil India Limited
ONGC	Oil and Natural Gas Corporation
PC	Pay Commission
PMEGP	Prime Minister's Employment Generation Programme
PMI	Purchasing Managers' Index
PMMY	Pradhan Mantri MUDRA Yojana
PMO	Prime Minister's Office
PPP	Purchasing Power Parity
RIRI	Rational Investor Ratings Index
RMG	Readymade Garments
RRTUFS	Revised Restructured Technology Up Gradation Fund Scheme
SFURTI	Scheme of Fund for Regeneration of Traditional Industries
SITP	The Scheme for Integrated Textile Parks
SITRA	The South India Textile Research Association
SMEs	Small and Medium Enterprises
TADF	Technology Acquisition and Development Fund
TMTT	Technology Mission on Technical Textiles
TUFS	Technology Up gradation Fund Scheme
UAM	Udyog Aadhaar Memorandum
UAN	Udyog Aadhaar Number
UK	United Kingdom
UNIDO	United Nations Industrial Development Organization
UP	Uttar Pradesh
US Fed	United States Federal Reserve
US$/ US dollar	United States Dollar, the official currency of United States of America
US/ U.S./ USA	United States of America
WEO	World Economic Outlook
WIL	Welspun India Ltd
WPI	Wholesale Price Index

Conventional and General Terms/ Abbreviations

Term(s)	Description
A/C	Account
AGM	Annual General Meeting
AIF	Alternative Investments Fund as defined in and Registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS/ Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
AoA	Articles of Association
ASBA	Application Supported by Blocked Amount
BIFR	Board for Industrial and Financial Reconstruction
CAGR	Compounded Annual Growth Rate

Term(s)	Description
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CMD	Chairman and Managing Director
CIN	Corporate Identification Number
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the notified sections
CS	Company Secretary
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.
DGFT	Director General for Foreign Trade
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Ownership Plan
ESPS	Employee Stock Purchase Scheme
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 the FII Regulations and Registered with the SEBI under applicable law in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FIs	Financial Institutions
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India
FPI(s)	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation and has been registered under chapter II of Securities and Exchange Board of India (Foreign Portfolio Investors), Regulations, 2014, which

Term(s)	Description
	shall be deemed to be an intermediary in terms of the provisions of SEBI Act, 1992
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
FV	Face Value
F.Y./FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GoI/ Government	Government of India
HNI	High Net worth Individual
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
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT Rules	The Income Tax Rules, 1962, as amended from time to time
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 189 of this Prospectus
LPH	LitrePer Hour
Ltd.	Limited
MD	Managing Director
MT	Meter
N/A or N.A.	Not Applicable
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
NOC	No Objection Certificate
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

Term(s)	Description
	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	National Stock Exchange of India Limited
NI Act	Negotiable Instrument Act, 1881
p.a.	per annum
PAN	Permanent Account Number
PAT	Profit After Tax
Pvt.	Private
PBT	Profit Before Tax
P/E Ratio	Price Earnings Ratio
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
RONW	Return on Net Worth
Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self-Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2011
SEBI Takeover Regulations/ Takeover Regulations/ Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
Sub-Account	Sub-accounts registered with SEBI under the SEBI (foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate and foreign individuals.
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange(s)	Emerge Platform of NSE Limited
Sq.	Square

Term(s)	Description
Sq. mtr	Square Meter
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
TNW	Total Net Worth
u/s	Under Section
UIN	Unique Identification Number
US/ U.S./ USA/ United States	United States of America
USD or US$	United States Dollar
U.S. GAAP	Generally accepted accounting principles in the United States of America
UOI	Union of India
WDV	Written Down Value
WTD	Whole-time Director
w.e.f.	With effect from
YoY	Year over year

Notwithstanding the following: -

1. In the section titled “Main Provisions of the Articles of Association” beginning on page 348 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
2. In the chapter titled “Financial Statements as Restated” beginning on page 218 of this Prospectus, defined terms shall have the meaning given to such terms in that chapter;
3. In the section titled “Risk Factors” beginning on page 20 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
4. In the chapter titled “Statement of Possible Tax Benefits” beginning on page 136 of this Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
5. In the chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 252 of this 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 Peer Reviewed Auditor, set out in the section titled "Financial Statements as Restated" beginning on page 218 this Prospectus. The Company expansion Project data are extracted from the TEV report of Mitcon Consultancy & Engineering Services Ltd (MITCON). Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, 2013 and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on April 1of each year and ends on March 31 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 as Restated" beginning on page 218 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 AND MARKET DATA

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

Industry Sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their

accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified by the Lead Manager or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "Risk Factors" on page 20 of this Prospectus. Accordingly, investment decisions should not be based solely on such information.

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

FORWARD LOOKING STATEMENT

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

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

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the sectors/areas in which we operate;
- Factors affecting Textile 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;
- 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 252 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, 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 LM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Prospectus, particularly the "Our Business", "Financial Statements as Restated" and related notes, and "Management's Discussion and Analysis of Financial Condition and Results of Operation" on page 157, 218 and 252 respectively of this Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus.

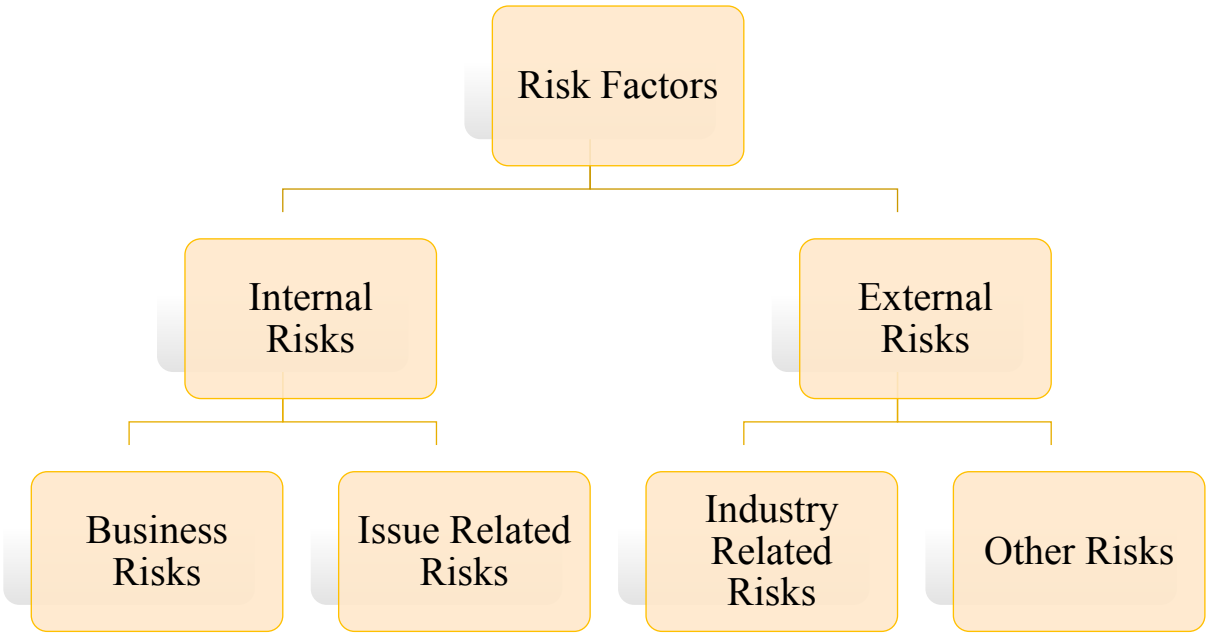
The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the offer, including the merits and the risks involved. You should not invest in this offer unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Unless otherwise stated, the financial information of our Company used in this section is derived from our audited financial statements under Indian GAAP, as restated.

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

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

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



INTERNAL RISK FACTORS

A. Business Specific / Company specific Risk

1. ***There are certain taxation related proceedings, notices and claims pending with relevant statutory authorities at various jurisdictions against Our Company. Any adverse rulings or decisions in such proceedings by such authorities against our Company may render us liable to liabilities and penalties and may have an adverse material impact on our business and results of operations. Our Company and Promoter are involved in certain litigation which is currently pending at various stages. Any adverse decisions in these cases against the Company, Promoter etc. may impact business and operations of the Company.***

   Our company is involved in certain tax related proceedings involving Income Tax, TDS, Excise Matters and labour laws.

   Our company has filed an appeal with Commissioner of Income Tax (Appeals) for the Assessment Year 2013-2014 against the order of Assistant Commissioner of Income Tax passed u/s 154 of the Income Tax for rejection of company claim for excluding subsidies receivable under technology upgradation fund scheme (TUFS) for calculation of book profits under MAT Provisions of Income Tax Act.

   Our company has also filed an appeal with Income Tax Appellate Tribunal for the Assessment Year 2014-15 against the order of Commissioner of Appeals for considering subsidies received under TUFS (Technology Upgradation Fund Scheme) and RIPS (Rajasthan Investment Promotion Scheme) as a part of book profit for the purpose of MAT calculation but exempting from tax under normal tax provisions.

Further there are various TDS related demands aggregating to Rs. 55,590/- appearing in the Traces portal of Income Tax Department for various years against the company towards the short payment of TDS and delayed payment of TDS.

Our Company was issued a show-cause notice dated 28.03.2017 from Dy. Commissioner, Central Excise and Service Tax Division, Bhilwara for wrongly availed CEMVAT Credit of Rs. 24.23 Lacs. The demand is further confirmed by Assistant Commissioner, Central Goods and Service Tax, Bhilwara and penalty of Rs. 24.23 Lacs was levied in additions of demand of Rs. 24.23 lacs. Our company has filed an appeal against the said order.

Further, our Company has received notice from authorities under Employee Provident Fund Act for submission of certain information. The company has provided it however post its submission, our company has not received any communication in this regard.

There are also certain Income Tax and TDS related demand against the promoters of the Company.

A demand of Rs. 31,916 is standing against the name of Mr. Dwarka Prasad Mangal for the Assessment Year 2010-11.

Another promoter of the company Mr. Anand Mangal has filed appeal against the order of CIT for the Assessment Year 2013-14 relating to tax demand of Rs. 2,05,410.

There are various tax demands (Rs. 1,90,530 in total) outstanding against M/s. Lagnam Infotech Solutions Private Ltd. in the Income Tax Act for various assessment years in the Income Tax Portal. The company Statutory Auditor has given a certificate that no such intimation has been received by them for such demand from the Income Tax Department.

Further, there are TDS Demands of Rs. 70,120 for various quarters as against the company for short payment/ delayed payment.

These amounts are a part of aggregate amount involved provided below in table. Also, we cannot assure you that, we, our promoters or our directors may not face legal proceedings in future; any adverse decision in such legal proceedings may impact our business and results of operations.

For further details in relation to legal proceedings involving our Company, Promoters, Directors, Group Company please refer the chapter titled —*Outstanding Litigations and Material Developments* on page 274 of this Prospectus. Except as mentioned above, there are no legal proceedings by or against our Company, Directors and Promoters.

A classification of legal proceedings is mentioned below:

Name of Entity	**Criminal Proceedings**	**Civil/ Arbitration Proceedings**	**Tax Proceedings**	**Labor Disputes**	**Consumer Complaints**	**Complaints under Section 138 of NI Act, 1881**	**Aggregate amount involved (Rs. In lakhs)**
Company							
By the Company	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Against the Company	**Nil**	**Nil**	**4**	**1**	**Nil**	**Nil**	**49.02#**
Promoters							
By the Promoter	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Against the	**Nil**	**Nil**	**5**	**Nil**	**Nil**	**Nil**	**4.98**

Promoter							
Group Companies							
By Group Companies	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Against Group Companies	**Nil**	**Nil**	**1**	**Nil**	**Nil**	**Nil**	**1.88**
Directors other than promoters							
By the Directors	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Against the Directors	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Subsidiaries							
By the Subsidiaries	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Against the Subsidiaries	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

#In respect of two appeal matters, there is no tax demand from Income Tax Department, however, our Company has filed an appeal to claim the benefit of capital subsidies from levying of MAT. In case of matter concerning EPF, there is no amount involved and concerns only procedural matter.

2. ***The implementation of the project of our company into which the proposed issue proceeds are to be invested is under progress and the company has not placed complete orders for machines and equipment's as mentioned in the object to issue.***

   Our company is coming up with its Public Issue for part finance its new project for manufacture of yarn. The cost of the project and means of finance for the project are as under.

Particulars	Amount (in lakhs)
A). **Details of Project**	
Land & Site Development	683
Civil Construction Cost	1,661
Plant & Machinery Cost	8,263
Misc. Fixed Assets	560
Pre-Operating Expense	202
Interest During Construction	322
Contingency Provision	304
Working Capital Margin	545
Total Project Cost	**12,540**
B). Means of Finance	
Proceeds from IPO	2,200
Internal Accruals	940
Term Loan from Banks under consortium	9,400
Total Means of Finance	**12,540**

The major part of the project comprises cost of plant and machinery and equipment's. The company has placed orders for plant and machinery and equipment's amounting for Rs 46.20 crore comprising 55.92% for total cost of Plant & Machinery. The orders for balance amount i.e. Rs.36.43 crore (44.08%) are yet to be placed. In delay in placing the orders for machinery/or supply of plant and machinery or completion of civil work may result in time and cost overruns and may affect our profitability.

Since the part funding for the plant and machinery is from the IPO proceeds, any delay in access to IPO proceeds would eventually delay the process of placing the orders for certain machineries. The purchase of plant and machinery would require us to consider factors including but not limited to pricing, delivery schedule and aftersales maintenance. Our Company is further subject to risks on account of inflation in the price of plant and machinery. There may also be a possibility of delay at the suppliers' end in providing timely delivery of these machineries, which in turn may delay the implementation of our project. For further details, please refer to the chapter titled 'Objects of the Issue' beginning on page no. 117 of this Prospectus.

3. **The TEV study of the project of the company in which proposed issue proceeds are to be invested is assessed by M/s. MITCON Consultancy and Engineering Services Limited (MITCON) which is further appraised and accepted by our lender bankers.**

The MITCON has appraised the project in terms of their engagements with Bank and the company and submitted their report on 26th October, 2017 There has been no changes in the size of the project as envisaged by them in their report however there are some changes inter-se in regard to vendors of the machines, make of the machines and source of machines (Indigenous or import) however cost of the project is same.

The Major weakness and threats in their appraisal report are as under

- *Weaknesses:*

- Exposed to currency fluctuation risk for import of machinery (however, it is an opportunity as well as risk)
- Fluctuation in raw material cost, however, the management will take appropriate & timely measures to address the same by passing the incremental cost to customers by adjusting the selling price accordingly.

- *Threat*

- Competition
- Mitigation: Severe competition in domestic and international markets may lead to pricing pressures on finished goods, volatility in input cost, cotton price, interest rate etc. and consequently the operations of the Company. However, due to quality commitment, established relationship with customers and timely delivery, the company is better equipped to face any competition.

4. **Any increase in cost of the project for setting up additional manufacturing facilities will have material impact on our operations**.

The cost of expansion project of our company is Rs.125.40 Cr. Any increase in the project size beyond this amount will lead to cost overruns in the project. As per terms of sanction letter of banks who financed the above project, any increase in the size of project (Cost overrun) shall be funded by the company. In case we are unable to raise additional debt or equity in our company to finance, we shall require to fund the project from our internal accruals. Any unplanned use of short term resources to long term purposes will affect working capital of the company which may affect the operations of existing plant of our company. For further details, please refer to the chapter titled 'Objects of the Issue' beginning on page no. 117 of this Prospectus

5. **Our company may face time overrun issues in setting up of the proposed unit located at Bhilwara, which is proposed to be made operational by part financing through the IPO proceeds**.

   As per TEV Report, the commercial operations for the new proposed manufacturing unit were expected to being March 2019. The COD was to be finalized by the lenders which was determined as September 2019. Accordingly, and in line with the COD, the company is expected to commence commercial production from September 2019. In case of any future event which may lead to any change in the proposed project, there may be delay in the implementation of the project further leading to cost overrun issues or in case of occurrence of such events, it may affect our growth plans and financial performance.

6. ***Our business is subject to seasonal volatility, which may contribute to fluctuations in our results of operations and financial condition.***

   The major raw material used in our manufacturing operations is Cotton. Due to the seasonal availability of the Cotton, our business is seasonal in nature. The period during which our business may experience higher revenues varies from season to season depending upon the availability of Cotton. During the crop season, we are able to procure the cotton at reasonable terms and in large quantities. Whereas during the off season the availability of the cotton is less and also there are price variations. Accordingly, our revenue in one quarter may not accurately reflect the revenue trend for the whole Financial Year. The seasonality our Cotton industry and its impacts may cause fluctuations in our results of operations and financial conditions.

7. ***Our cost of production is exposed to fluctuations in the prices of raw material like Cotton bales.***

   We are exposed to fluctuations in the prices of raw material like Cotton bales. Thus, we may be unable to control factors affecting the price at which we procure our raw material. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Particularly, we face the risk of our products becoming unaffordable for a segment of the demography, if we pass on the increase in the cost of production to our customers through a corresponding increase in the price of our products in order to maintain our historical margins. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. For further details of our procurement operations and our cost of production, refer chapters titled “Our Business” and “Financial Statements as restated” beginning on page 157 and 218 of this Prospectus.

8. ***Cotton is a highly flammable commodity. Any fire, or such mishaps or accidents at the Company’s facilities could lead to property damages, property loss and accident claims.***

   Cotton being a highly flammable commodity, every stage from procurement, processing, storage and transportation to trading is fraught with an imminent danger of an instant fire. The risk of fire hazard is increased due to increased automation and use of large volume of air for material handling. Blow room and carding area are more prone to such hazard. Any spark generated at these places can not only generate fire but also the same could propagate to other machines through cotton conveying. Though we have taken insurance policy to cover damage caused by fire however, the cover may not be adequate to the loss suffered.

9. ***Our Company has Export Obligations under the Export Promotion Capital Goods (EPCG) Scheme; which are outstanding as on date. Failure to meet export obligation would entail payment of the amount of duty saved together with interest.***

Our Company is engaged in manufacturing of combed and semi combed cotton yarns. Further, our Company has availed benefits and saved Custom duty on import of Capital goods for which we have certain obligations to export under the Export Promotion Capital Goods (EPCG) Scheme. Export Obligations under EPCG Scheme is required to be fulfilled in 6-8 years reckoned from authorization issue date by export of goods manufactured by us in proportion of the total duty saved on import of capital goods. Any failure to comply with export Obligations will affect the financial position of our Company. For further details please refer to the chapter titled "*Our Business*" and "Government and other Statutory Approvals" beginning on page 157 and 282 respectively of this Prospectus.

10. ***Our Company is dependent on third party transportation providers for the delivery of 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 finished goods. 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 also 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.

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

12. ***Our debt financing agreements contain restrictive covenants or lenders' options that may affect our interest.***

    Some debt financing agreements entered into by our Company, contain restrictive covenants, and/or events of default that limit our ability to undertake certain types of transactions, which may adversely affect our business and financial condition. Further, we have provided bank guarantees to secure obligations under the respective contracts for our projects. If we are unable to provide sufficient collateral to secure the bank guarantees or to perform the conditions of such agreements, our ability to enter into new contracts could be limited. We may not be able to continue obtaining new bank guarantees in sufficient quantities to match our business requirements. Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities or entering into certain transactions. These financing agreements also require us to maintain certain financial ratios like debt equity ratio, debt service coverage ratio and asset coverage ratio. Typically, restrictive covenants under our financing documents relate to obtaining prior consent of the lender for, amongst others:

    i. changes in the capital structure and shareholding pattern of our Company;

ii. amendment of the Articles and Memorandum of Association of our Company;

iii. take any action of merger, compromise, reconstruction or amalgamation;

iv. dilute our Promoters' shareholding in our Company; and

v. declare dividend for any year.

If our lenders enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our operations and use of assets may be significantly hampered. Our Promoters may also lose our majority shareholding interest or lose management control over us. A material breach of any of the covenants or restrictions contained in the loan agreement could also cause us to default under the applicable agreement, which would permit the applicable lenders to declare all amounts outstanding thereunder to be due and payable, together with accrued and unpaid interest and enforce the security provided for such loans. In such an event, we may be unable to incur additional borrowings and we may be unable to repay the amounts due. This may have a material and adverse effect on our financial condition and results of operation and even cause us to become bankrupt or insolvent. For further details of the restrictive covenants under our financing documents, please see the section entitled "*Financial Indebtedness*" on page 263.

In addition, the lenders of our Company have the option to take over management control if we are in default of our respective debt obligations. Our loan agreements contain an option for the lenders to call for repayment of loans on breach of certain covenants. Upon their exercise of such options, the lender has a right to call for repayment of the entire amount as per the terms of the loan agreement.

We cannot assure you that we have complied with all such restrictive covenants in a timely manner or at all or that we will be able to comply with all such restrictive covenants in the future. A failure to observe the restrictive covenants under our financing agreements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes.

Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. In addition, other third parties may have concerns over our financial position and it may be difficult to market our financial products. Any of these circumstances could adversely affect our business, credit rating, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

13. Our post issue high debt to equity ratio.

Our company has Long term debt equity ratio of 1.04 as on 31.03.2018. The company in its proposed expansion project has taken fresh long-term loan of Rs. 94 crore to fund it from consortium of State Bank of India & Punjab National Bank. The debt equity ratio of our company will rise from its present levels.

Any upward increase in debt equity ratio will affect our financial condition and profitability. For further details in respect of financial indebtedness, refer chapters titled "Financial Indebtedness" beginning on page 263 of the Prospectus.

14. ***Any modification/ alteration in the export treaties that India has with the countries where we export our product could adversely affect our business and financial performance:***

    Our Company is exporting cotton yarn to various countries outside India, where Government of India may have entered into an export treaty with the respective Country's government. Any change in the terms of the export treaties or in their interpretation, as a result of any modification/ alteration/ renegotiation or otherwise, may adversely affect our business operations and financial performance as exports to such countries may reduce, halt or stop.

15. ***As per terms of loan sanction letter of Rs. 94 crores issued by our lender banks for financing our project, our company is required to pledge minimum 50% of promoters shares in favour of consortium of State Bank of India & Punjab National bank and no disbursement will be made until such pledge is created. In the event of any default by us in our repayment obligation under such financing agreements, the lenders may exercise the pledge resulting in dilution of our Promoters shareholding in Our Company.***

    Our Promoters, Lagnam Infotech Solutions Pvt. Ltd and Mrs. Veena Mangal, member of promoter group, have pledged their 49,29,000 and 9,00,000 equity shares, representing 50% of the Pre-IPO equity share capital in favour of consortium of State Bank of India & Punjab National Bank for securing loan of` 94 Crores to our Company, for setting up additional manufacturing facility to manufacturer ring-based yarn. Details of same is mentioned in the *"Object of the Issue"* on page no. 117 of this Prospectus.

    Consortium of Banks State Bank of India & Punjab National Bank will have various rights including right to register and may transfer the pledged shares to any of its associate or to a third party in the case of a default by our Company. In the event that our Promoters are unable to repay the loans in a timely manner or in the event of a default under the terms of such loan agreements, the financial institutions may exercise the pledge and take control of the Equity Shares, which will result in a dilution of our Promoters' shareholding in our Company. If a significant number of shares are transferred to State Bank of India & Punjab National Bank or a third party, there would be a change in control of our Company, which in turn may result in a change of our management and business operations. Further, the lenders have right to disclose the name of our Company and our Directors to the RBI/CIBIL and publish their names as defaulters in the media of its choice, which may result in our loss of reputation and business opportunities. For further details, please see the section entitled "*Financial Indebtedness*" on page 263.

16. ***Our Company may have not complied with the provisions of the Payment of Wages Act 1936 and other labour laws and which can be subject to penalties and regulatory actions.***

    Our Company has not complied with the provision of the Payment of Wages Act 1936. Our Company has made deductions from employee salary at a rate of 5.0% of their CTC contrary to the provisions of Payment of Wages Act 1936. The said deducted amount would be refunded along with agreed additions, upon the termination of service with our Company or only after completion of five years of service. Any severance of service before completion of the five years, will lead to forfeiture of the amount deducted. The deduction of the said amount is a violation of the provisions of Payment of Wages Act 1936 and might attract liability under Section 20 read with other provisions of the said Act.

17. ***We rely on contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and***

such obligations could have an adverse effect on our results of operations and financial condition.

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations in each of our business verticals. Although we do not engage these labourer's directly, we may be held responsible for any wage payments to be made to such labourer's in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourer's as permanent employees. In the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

18. 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. A significant portion of our working capital is utilized towards trade receivables and inventory. We intend to continue growing by reaching out to new customers and also increasing sales to the existing customers and thereby reaching to other geographical areas. 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, may 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 117 of this Prospectus. A brief Summary of our working capital position is given below: -

Particulars	For the Year ended March 31		
	2018	2017	2016
A. Current Assets			
Inventories			
-Raw Material	886.97	555.85	338.73
-Work-in-Progress	48.49	52.12	35.34
-Finished Goods	394.96	140.54	154.46
Trade Receivables	874.55	899.34	922.91
Cash and Cash Equivalents	8.99	2.42	8.42
Short Term Loans & Advances	647.54	517.10	361.35
Other Current Assets	140.70	61.39	66.13
Total Current Assets	**3002.19**	**2228.77**	**1887.35**
B. Current Liabilities			
Short Term Borrowings	1741.97	969.32	1096.65
Trade Payables	233.64	77.31	62.21
Other Current Liabilities	517.19	430.85	329.13
Short term provisions	6.39	3.00	0.16
Total Current Liabilities	**2499.18**	**1480.48**	**1488.14**
Net Working Capital (A-B)	**503.01**	**748.29**	**399.21**

Inventories as % of total current assets	**44.31 %**	**33.58%**	**28.00%**
Trade receivables as % of total current assets	**29.13 %**	**40.35%**	**48.90%**

19. ***We have certain contingent liabilities that have not been provided for in our Company's financials which if materialize, could affect our financial condition.***

As on March 31, 2018, Our Company has following contingent liabilities as per restated financials of the Company:

Particulars Amount (INR in Lakhs)	Amount
Bank guarantee given by Company's Bankers	152.73
Export Bills discounted/ collection	67.83
Excise Demand under Appeal	24.24

In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further details, see the section entitled *"Financial Statements"* on Page 218 of Prospectus

20. ***Failure to comply with the conditions applicable under TUFS and Rajasthan Investment Promotion Scheme 2014 being availed by us, may render Our Company ineligible for interest or capital subsidies***

Our company is regularly receiving the subsidies in respect of past loans eligible for RIPS and RTUFS. However, we cannot guarantee that we will continue to receive them in the future due to any changes from the Government. Further, in respect of fresh loans to the extent of Rs. 94.00 crores sanctioned to us for implementation of the new project would be eligible for interest subsidy @ 6% under Rajasthan Investment Promotion Scheme, 2014 and not under TUFS. If we fail to comply with the conditions stipulated under these policies, our Company may be denied the interest or capital subsidy, making its operations less cost effective.

21. ***Our Company has a negative cash flows from its investing activities as well as financing activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business***

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

(Amount Rs. In Lakhs)

Particulars	For the Year ended March 31			
	2018	2017	2016	2015
Cash Flow from / (used in) Operating Activities	470.77	841.09	635.55	210.03
Cash Flow from / (used in) Investing Activities	(649.10)	(41.11)	(1587.88)	(1057.93)
Cash Flow from / (used in) Financing Activities	184.89	(805.98)	932.37	742.56

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate

sufficient cash flows in future, it may adversely affect our business and financial operations. For further details, see "Financial Statements as restated" on page 218 of this Prospectus. We cannot assure you that our net cash flows will be positive in the future.

22. ***Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of corporate and other law could impact the financial position of the Company to that extent. Our Company has made delay in certain filings under various Statutory Acts applicable to it in the past years.***

    Our Company has not strictly complied with certain provisions of the Companies Act, 1956 and the Companies Act, 2013. There have been some delays in filing of some forms such as *Form 2, Form 5, MGT-14, ADT-1, CHG-1, Form 23AC, Form 23ACA, Form 66 of the company during the Financial Year 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 & 2017-18.* Although no show-cause notice have been issued against the Company till date in respect of above defaults, our company had only paid the additional fees on the filling of the forms in respective years, and in the event of any cognizance being taken by the concerned Registrar of Companies in respect of above, penal actions may be taken against our Company and its directors, in which event the financials of the Company and its directors may be adversely affected.

23. ***We have applied for the licenses/ approvals required by us to implement the proposed project. Implementation of the proposed project will be adversely affected in case of delayed/ non-receipt of such licenses/ approvals***

    We have applied for Licenses for the proposed project, however we are yet to receive those licenses. If there is any delay in receiving those licenses, approvals and/ or the approvals and license are not received, the same could materially affect our ability to implement the proposed project (for details of licenses/ approvals required please refer chapter of "*Government and Other Statutory Approvals*") at page 282 of the Prospectus.

24. ***We require a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Also, some of our existing approvals are required to be transferred in the name of "Lagnam Spintex Limited" from "Lagnam Spintex Private Limited" pursuant to name change of Our Company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.***

    We require a number of approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. Also, we were a private limited company and some of our present licences are in the name of "Lagnam Spintex Private Limited". As per Companies Act, 1956/ 2013, a private limited company can be converted into public limited company. After complying with the relevant procedure of Companies Act, 1956/ 2013, the said private limited company was converted into a public limited company in the year 2018. After conversion there was change of name of the company from "Lagnam Spintex Private Limited" to "Lagnam Spintex Limited". We have initiated necessary steps for transferring the approvals in new name of Our Company. In case we fail to transfer/ obtain the same in name of the company same may adversely affect our business or we may not be able to carry our business. The company has also applied for change of name of these approvals. In case of delay or failure to obtain the same, it could affect our business operations. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. For more information, see chapter "*Government and Other Statutory Approvals*" on page 282 of this Prospectus. Further, our Company had not taken the registration under the Rajasthan Shop and Establishment Act, 1958 for its previous Registered Office situated

at 29, Kamla Enclave, Chittor Road, Bhilwara. Such non-compliance may render us liable to penalties and other regulatory actions under the Rajasthan Shop and Establishment Act, 1958.

25. ***Properties occupied by us, including our Registered Office and factory premises, are not owned by us and we have only leasehold rights. In the event we lose or are unable to renew such leasehold rights, our business, financial condition and prospects may be adversely affected.***

By way of a lease deeds dated February 14, 2011, our Company obtained the site of its present Registered Office and its factory premises situated at A-53, RIICO Growth Centre, Hamirgarh on lease for a period of 99 years. Our company further by way of transfer letter dt. 10.01.2018 received from RIICO Obtained leasehold rights of property situated at A-51 & 52, RIICO Growth Centre, Hamirgarh for a period of 87 years.

Hence, we do not own the premises in which our registered office and factory premises are situated both existing and proposed additional manufacturing facility. In case we cannot adhere to the terms of the lease such arrangements may be terminated by the lessors, including on account of any actual or alleged breach by us by the terms of such lease. We cannot assure you that we will continue to own, or have the right to occupy, these premises in the future, or that we will be able to continue with the uninterrupted use of these premises, on the same or similar commercial terms. Any significant rent escalation or disturbance in the use of such leased premises may adversely affect our business, financial condition and prospects, or may require us to relocate, perhaps at higher cost.

26. ***The shortage, non-availability or increase in the cost of power may adversely affect the manufacturing processes and our performance may be affected adversely.***

The manufacturing processes of our Company require substantial amount of power. The proposed project is to be set up in Bhilwara which is adjacent to the current manufacturing facility and based on the past experiences there are only limited no. of days when there is power outage lasting for only a few hours. Our Company ensures that during such power outage, maintenance required for machines is undertaken. However, if in case the power outage is for a significant period of time, it shall affect our operations and may have an adverse impact in our profitability. Further, any increase in the cost of power may adversely affect our performance.

27. ***We may not be able to realize the amounts, partly or at all, reflected in our Order Book which may materially and adversely affect our business, prospects, reputation, profitability, financial condition and results of operation.***

Future earnings related to the orders in the order book, which stand at Rs. 1.89 crores as on the date of filing the Prospectus, may not be realized and although the orders in the order book represent business that is considered firm, cancellations or scope or schedule adjustments may occur. We maintain a small order book since we attempt to fulfil the order so placed at the earliest. We may also encounter problems executing the orders or executing it on a timely basis. Moreover, factors beyond our control or the control of our clients may postpone some orders or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions, other types of difficulties or obstructions, in relation to the proposed project. Due to the possibility of cancellations or changes in scope of orders, resulting from our clients' discretion or problems we encounter or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent orders forming part of our order book will be performed. Delays in delivering orders can lead to clients delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such orders.

Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to our order book projects or any other incomplete orders, or

disputes with clients in respect of any of the foregoing, could adversely affect our cash flow position, revenues and earnings.

28. ***Our Company faces stiff competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.***

Most of the end-users are price conscious. Pricing is one of the factors that play an important role in selection of our products. The market for our products is highly competitive on account of both the organized and unorganized players. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Growing competition may result in a decline in our market share and may affect our margins.

29. ***Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

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

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

Further due to increased competition for skilled employees in India over the last few years, we may need to increase our levels of employee compensation rapidly to remain competitive in attracting the best possible talent which may result in increased costs and affect our profitability.

30. ***If we are unable to source business opportunities effectively, we may not achieve our financial objectives.***

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the

strategies we use or plans in future to use will be successful under various market conditions.

31. We may not be successful in implementing our business strategies.

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

32. Our Company's failure to maintain the quality standards of the products could adversely impact our business, results of operations and financial condition.

Our products depend on customer's expectations and choice or demand of the customer and trends in the fashion industry. Any failure to maintain the quality standards of our products may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customers' quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see "*Dividend Policy*" on page 217 of this Prospectus.

34. 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 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.

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

After completion of the Issue, our Promoters and Promoter Group will collectively own 65.97% of the Equity Shares. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of Our Company.

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

36. Our Promoters have provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.

Our Promoters have provided personal guarantees to the extent of Rs.54.51 crores as on March 31, 2018 in relation to certain loan facilities availed of by us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

37. Our Company is venturing into ring-spinning manufacturing facility.

Our Company is well experienced and is involved for about half-decades in open-end cotton yarn spinning activity. Our Company is engaged in the manufacturing of open-end cotton yarns and is venturing into ring spinning. Our Promoters are well versed in the spinning activities of ring-spinning yarns but they may face challenges in running the venture successfully and such absence of expertise may affect our cash flows, revenue from operations and which may adversely affect our business, financial condition and results of operations. In order to mitigate the risk, we are equipped with high quality machineries, trained staff and quality control systems.

38. We generate our major portion of sales from our operations in certain geographical regions especially in Gujarat, Rajasthan, Punjab and Maharashtra and any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.

A major portion of our total sales are made in certain regions in the State of Gujarat, Rajasthan, Punjab and Maharashtra. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations.

Factors such as competition, culture, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in which we are currently offering. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local distributors, dealers, relevant government authorities, and are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability

to expand into areas outside Rajasthan, Gujarat, Punjab and Maharashtra market may adversely affect our business prospects, financial conditions and results of operations.

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

We rely on the skills, expertise and experience of our employees to provide quality services to our customers. Our employees may terminate their employment with us prematurely and we may not be able to retain them. Experienced and skilled workers in the textile industry are highly sought after, and competition for talent is intense. If we experience any failure to attract and retain competent personnel's or any material increase in labour costs as a result of the shortage of skilled labour, our competitiveness and business would be damaged, thereby adversely affecting our financial condition and operating results. Further, if we fail to identify suitable replacements of our departed staff, our business and operation could be adversely affected and our future growth and expansions may be inhibited.

40. ***Our top 10 customers contribute 55.64% of our revenues for the period ended March 31, 2018. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

Our top 10 customers contribute majority of our revenues for the period ended March 31, 2018. Further these customers are generally manufacturer who consume our products as raw materials for manufacture for their end products. However, the composition and revenue generated from these clients might change as we continue to add new customers in normal course of business. Any decline in our quality standards, growing competition and any change in the demand for our services by these customers may adversely affect our ability to retain them. We believe that we have maintained good and long-term relationships with our customers. However, there can be no assurance that we will continue to have such long-term relationship with them also any delay or default in payment by these customers may adversely affect our business, financial condition and results of operations. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

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

We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amounts outstanding and payable by us as secured loans were Rs. 4870.75 Lakhs as on March 31, 2018 as per our restated financial statements. Further our company has secured additional loan facilities of Rs.9400 Lakhs for setting up additional manufacturing facilities. In the event we default in repayment of the loans/ facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information on the "*Financial Indebtedness"* please refer to page no. 263 of this Prospectus.

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

Our Directors and key managerial personnel have built relations with clients and other persons who are connected with our business. Our success is substantially dependent on the expertise and services of our Directors and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our

business and our future prospects. Our future performance will depend upon the continued services of these persons. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

43. ***We have entered into certain related party transactions and may continue to do so.***

We have entered into related party transactions with our Promoters and Directors. While we believe that all such transactions have been conducted on the arm's length basis, however it is difficult to ascertain whether more favourable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we will enter into related party transactions in the future. For details of these transactions, please refer to section titled "*Related Party Transactions*" at page 216 of this Prospectus.

44. ***Our company has no insurance policies to cover all risks, specifically risks like product defect, losses due to terrorism. In the event of the occurrence of such events, our company may be subject to possible risk of loss.***

Our Company has obtained insurance coverage in respect of fire and other general risks however risks in respect of loss of profit due to product defect, losses due to terrorism etc. are not covered. If we suffer a significant uninsured loss against such risks, our business, financial condition and results of operations may be materially and adversely affected.

45. ***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 favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

46. ***There is no requirement to appoint monitoring agency by Our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee***.

As per SEBI (ICDR) Regulations, 2009 appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lakhs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the National Stock Exchange of India Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

47. ***We may not be able to maintain similar level of pricing with our customer which may significantly impact our financials and future growth ability***

We may not be able to keep the price at similar level impacting our customer acquisition, financials and future growth materially. It is important in our business to be very cost competitive to attract customer and our inability to cope with increasing competition from global as well as local players may impact our ability to pass similar level of pricing. Also, pricing may be an important business strategy and we may reduce more than the fall in input cost impacting our business profitability.

48. *In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement, if any loan availed by our Company, as Creditors of the Company.*

Our Directors and Key Managerial Personnel ("KMPs") are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and key managerial personnel may also be interested to the extent of their shareholding and dividend entitlement, if any, loan availed from them by our Company and Credit balance due to them if any as Creditors of the Company etc. For further information, see "*Capital Structure", "Our Management" and "Related Party Transactions*" on pages 84, 189 and 216, respectively, of this Prospectus.

49. *Negative publicity could adversely affect our revenue model and profitability.*

Our business is dependent on the trust our customers have reposed in the quality of our products and services. Any negative publicity regarding our Company, brand, or our products due to any other unforeseen events could affect our reputation and our results from operations. Further, our business may also be affected if there is any negative publicity associated with the products and services which are being rendered by our Company which may indirectly result in erosion of our reputation and goodwill.

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

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

51. *The average cost of acquisition of Equity Shares by our Promoters is lower than the issue price.*

Our Promoters' average cost of acquisition of Equity Shares in our Company is lower than the offer Price as decided by the Company in consultation with the Lead Managers. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter title "*Capital Structure*" beginning on page 84 of this Prospectus

B. <u>Risk relating to the Issue</u>

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

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

- Volatility in the Indian and global capital market;

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

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

53. 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 Fixed Price Method. This price is based on numerous factors (For further information, please refer chapter titled "*Basis for Issue Price*" beginning on page 133 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.

54. You will not be able to sell immediately on Stock Exchange any of the Equity Shares you purchase in the offer 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 the Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

55. 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.

EXTERNAL RISK FACTORS

Industry Related Risks

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

Our business and industry are 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.

Other Risks

57. The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in Prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short-term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are

held for more than 12 months is considered as long-term capital gains and currently, such gains are not be subject to capital gains tax in India if Securities Transaction tax ("STT") has been paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. The Finance Bill, 2018, tabled before the Parliament, proposes to withdraw the exemption on long-term capital gains tax from 1 April 2018 and to impose 10%, tax on such long-term capital gains in excess of Rs. 1,00,000. This proposal is subject to parliamentary process. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

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

As stated in the reports of the Auditor included in this Prospectus under chapter "*Financial Statements as restated"* beginning on page no. 218, the financial statements included in this Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Prospectus. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Prospectus should accordingly be limited.

60. 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 computers, servers and other accessories.
- Goods and Service Tax (GST) on certain raw materials and components; 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.

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

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

62. ***We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and industry in which our company operates contained in the Prospectus.***

While facts and other statistics in this Prospectus relating to India, the Indian economy and the industry in which our company operates has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled *'Our Industry'* beginning on page no. 138 of the Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

63. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to "Key Industry Regulations and Policies" on page no. 176 for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge

Currently being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any future amendments may affect our overall tax efficiency and may result in significant additional taxes becoming payable.

Further, the general anti avoidance rules ("GAAR") provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

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

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

65. Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced volatility in the recent times. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading and limited price movements. A closure of, or trading stoppage on the SME Platform of NSE could adversely affect the trading price of the Equity Shares.

66. *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.

67. *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.

68. *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 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.

69. *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.

70. *Natural calamities could have a negative impact on the Indian economy and cause Our Company's business to suffer.*

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

71. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

PROMINENT NOTES

1. Public Issue of 60,00,000 Equity Shares of face value of Rs. 10/- each of our Company for cash at a price of Rs. 41/- per Equity Share (including a share premium of Rs. 31/- per equity share) ("Offer Price") aggregating Rs. 2,460.00 Lakhs, of which 3,00,000 Equity Shares of face value of Rs. 10/- each will be reserved for subscription by Market Maker to the Offer ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion I.e. Net Issue of 57,00,000 Equity Shares of face value of Rs. 10 each is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 33.96 % and 32.26%, respectively of the post Issue paid up equity share capital of the Company.
2. Investors may contact the Lead Manager (LM) or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Offer. For contact details of the Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled "*General Information*" beginning on page 73 of this Prospectus.
3. The Pre-Issue Net worth of our Company was Rs. 2,644.40 Lakhs and Rs. 2,074.71 Lakhs as on March 31, 2018 and March 31, 2017 respectively as per restated financial statements of our Company. The book value of the Equity Shares of our Company was Rs. 23.42 per Equity Share and Rs. 18.51 per Equity Share as on March 31, 2018 and March 31, 2017 respectively. For further details, please refer to chapter titled "*Financial Statements as restated*" beginning on page 218 of this Prospectus.
4. The average cost of acquisition per Equity Share by our Promoter is set forth in the table below:

Name of the Promoters	No. of Shares held	Average cost of acquisition (in INR)
Dwarka Prasad Mangal	29,46,250	9.73
Anand Mangal	11,25,750	10.42
Lagnam Infotech Solutions Private Limited	49,94,000	9.15

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled "Capital Structure" beginning on page no. 84 of this Prospectus.

5. Our Company has entered into related party transactions during the previous years. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer Annexure X "Related Party Transactions"

beginning on page 251 under chapter titled "Financial Statements as Restated" beginning on page 218 of this Prospectus.

6. Investors may note that in case of over subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled "Issue Structure" beginning on page 306 of this Prospectus.
7. Except as disclosed in the chapter titled "*Capital Structure*", "*Our Promoter and Promoter Group", "Our Management" and "Related Party Transactions*" beginning on page 84, 205, 189, and 216 respectively of this Prospectus, none of the Promoters, Directors, or Key Management Personnel has any interest in our Company.
8. Except as disclosed in the chapter titled "Capital Structure" beginning on page 84 of this Prospectus, we have not issued any equity shares for Consideration other than cash.
9. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
10. Investors are advised to refer to the chapter titled "Basis for Issue Price" beginning on page 133 of the Prospectus.
11. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Prospectus with the Stock Exchange.
12. Our Company was incorporated as "Lagnam Spintex Private Limited" at Bhilwara, Rajasthan as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated June 11,2010 bearing Corporate Identification Number U17119RJ2010PTC032089 issued by Registrar of Companies, Jaipur (Rajasthan). Subsequently, our Company was converted into Public Limited Company pursuant to Shareholders Resolution passed at the Extra-Ordinary General Meeting of our Company held on January 22, 2018 and name of our Company was changed to "Lagnam Spintex Limited" and a Fresh Certificate of Incorporation Consequent upon conversion from Private Company to Public Company dated January 31,2018 was issued by Registrar of Companies, Jaipur (Rajasthan). The Corporate Identification Number of our Company is U17119RJ2010PLC032089. The registered office of our company is situated at A-51-53, RIICO Growth Centre Hamirgarh Bhilwara Rajasthan 311001. For further details of Incorporation, change of name of the Registered Office of our Company, please refer to chapter titled "Our History and Certain Other Corporate Matters" beginning on page 185 of this Prospectus.
13. As on date of this Prospectus, our Company has a group company.

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 218 respectively of this Prospectus before deciding to invest in our Equity Shares.

TEXTILE BUSINESS – INDUSTRY OVERVIEW

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13% of total exports. The textiles industry is also labour intensive and is one of the largest employers.

The textile industry has two broad segments. First, the unorganized sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organized sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The textile and apparel industry can be broadly divided into two segments - yarn and fibre, and processed fabrics and apparel. India accounts for 14% of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fibre). India has the highest loom capacity (including hand looms) with 63% of the world's market share.

Increased penetration of organised retail, favourable demographics, and rising income levels are likely to drive demand for textiles. India is the world's second largest exporter of textiles and clothing.

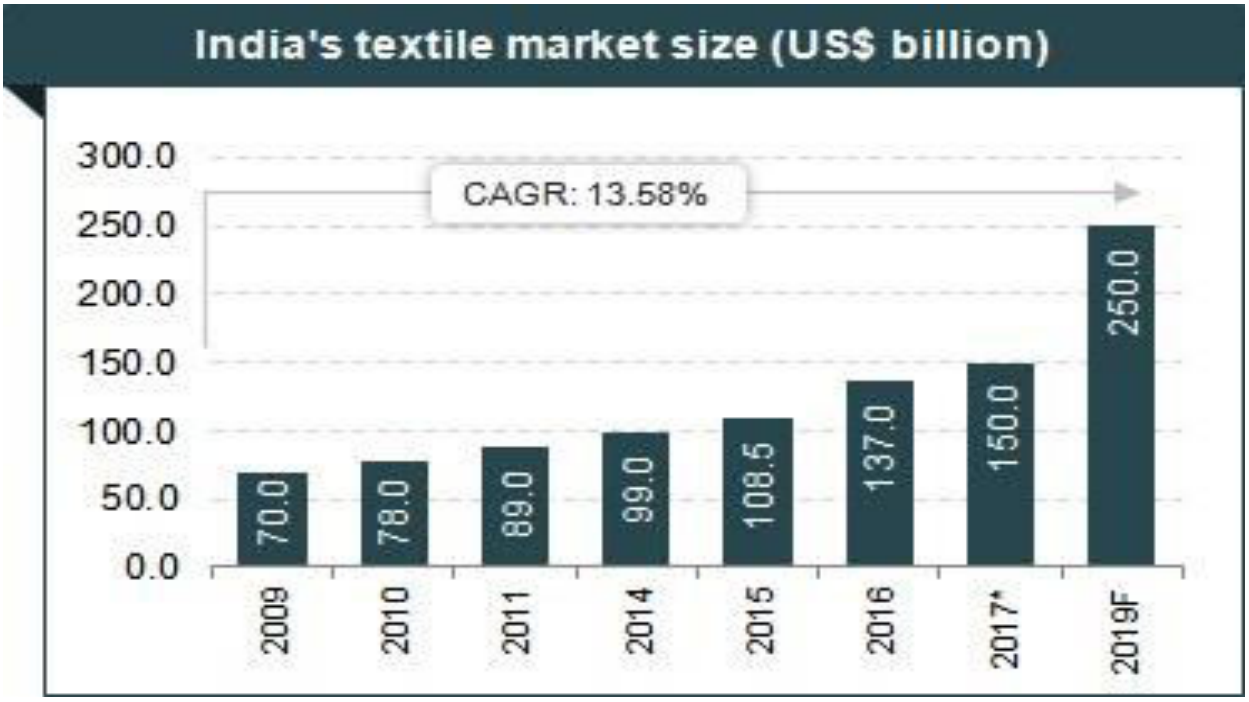
Market Size

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

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

The production of cotton in India is estimated to increase by 9.3% year-on-year to reach 37.7 million bales in FY 2017-18. The total area under cultivation of cotton in India is expected to increase by 7% to 11.3 million hectares in 2017-18, on account of expectations of better returns from rising prices and improved crop yields during the year 2016-17.

Indian exports of locally made retail and lifestyle products grew at a compound annual growth rate (CAGR) of 10% from 2013 to 2016, mainly led by bedding bath and home decor products and textiles.



Notes: *CAGR - Compound Annual Growth Rate, E – Estimated, * as of July 2017, 1 As of June 2017*

Source: *Technopak, Make in India, News articles, Ministry of Textiles, Aranca Research*

(Source: www.ibef.org/industry/textiles.aspx)

YARN INDUSTRY-OVERVIEW

a) Raw Material

Cotton accounts for almost 50% of the worldwide consumption of textile fibre. China, the United States, the Russian Federation, India and Japan are the major cotton-consuming countries. Consumption is measured by the amount of raw cotton fibre purchased and used to manufacture textile materials. Worldwide cotton production is annually about 80 to 90 million bales (17.4 to 19.6 billion` kg). China, the United States, India, Pakistan and Uzbekistan are the major cotton-producing countries, accounting for over 70% of world cotton production. The rest is produced by about 75 other countries. Raw cotton is exported from about 57 countries and cotton textiles from about 65 countries. Many countries emphasize domestic production to reduce their reliance on imports.

Global Cotton prices to soften in CS 2017-18

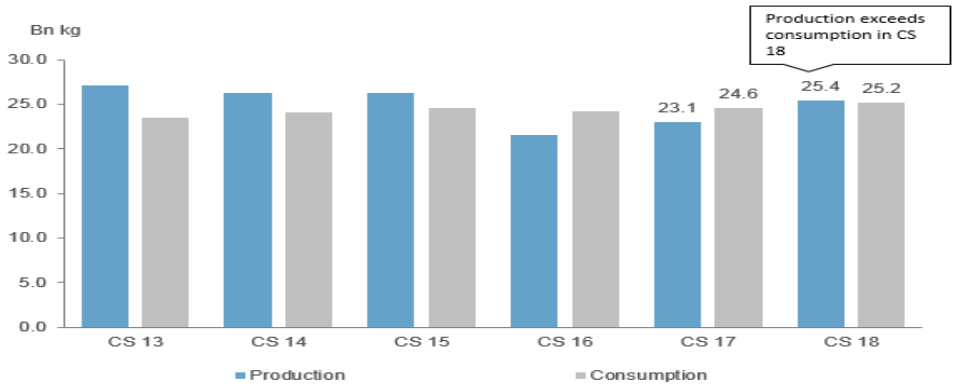
CRISIL Research expects international cotton prices to decline in cotton season (CS) 2017-18, after rising in CS 2016-17. Production is expected to exceed consumption after 2 years of trailing overall demand. Better cotton prices in the previous cotton season compared to other competing crops has resulted in increase in the worldwide cotton acreage. Also, China's policy of continuing with import quotas on cotton, along with steady off-loading of inventory, will continue to act as a dampener on prices (Chinese cotton policy started in CS 14-15 and prior to that China used to account for 30-40% of world imports).

Global Cotton production to Rise

Global cotton production is expected to rise ~10% on-year to 25.4 million tonnes in CS 2017-18.

- Production in India is expected to increase, as estimates indicate ~19% rise in sowing area (~122 lakh hectares). However, we expect yield to decline by ~4% to 534 kg/hectare due to erratic monsoon rains and pressure from pests. Hence, we expect overall production to grow ~14% to ~6.5 million tonnes.
- Among the major cotton-producing nations, the US is expected to account for the highest growth production, up ~23% to 4.6 million tonnes.
- Also, high prices in CS 2016-17 are expected to lead to rise in production in other cotton-producing countries/regions such as Pakistan (by 17% to 2.0 million tonnes), China (by 7% to 5.3 million tonnes) and Brazil (by ~3% to 1.6 million tonnes).

Trends in world cotton production and consumption



Overall, global consumption is also expected to increase 2-3% to ~25 million tonnes, owing to much stronger growth in the global economy in 2017 and 2018. Higher mill use is anticipated in China, India and Pakistan. Bangladesh, and Vietnam, are also expected to see moderate growth, which will fuel consumption.

Note: The years represent international cotton season (August-July).

Total global cotton production: Country-wise break-up and trends

Bn Kg	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 P
INDIA	6.3	6.8	6.6	5.7	5.8	6.5
CHINA	7.6	7.0	6.6	5.2	4.9	5.3
USA	3.8	2.8	3.6	2.8	3.7	4.6
PAKISTAN	2.0	2.1	2.3	1.5	1.7	2.0
BRAZIL	1.3	1.7	1.6	1.3	1.5	1.6
UZBEKISTAN	1.0	0.9	0.9	0.8	0.8	0.8
OTHERS	5.1	4.9	4.8	4.1	4.7	4.7
WORLD	**27.1**	**26.2**	**26.3**	**21.5**	**23.1**	**25.4**

Source: International Cotton Advisory Committee, CRISIL Research

In 2016, ~2.7 million tonnes of cotton were sold in China's state reserve sales. The government's cotton reserve sale in 2017 began on March 6 and was initially scheduled to be suspended temporarily at the end of August. However, the government had extended sales to continue until the end of September 2017 in order to further reduce reserve stocks. With the current offloading continuing in the next cotton season, we believe ending stocks in China could reach ~8.9 million tonnes. However, ending stocks (at ~13 months of consumption) would still

be higher than 4-5 months of consumption, which was the case before China's state support purchase programme started, and led to huge inventory build-up. Hence, with increase in global production and offloading of Chinese cotton, we expect international cotton prices to correct, after the sharp rise witnessed in CS 2016-17.

(Source: Crisil Report)

b) Process

Yarn manufacturing is a sequence of processes that convert raw cotton fibres into yarn suitable for use in various end-products. A number of processes are required to obtain the clean, strong, uniform yarns required in modern textile markets. Beginning with a dense package of tangled fibres (cotton bale) containing varying amounts of non-lint materials and unusable fibre (foreign matter, plant trash, motes and so on), continuous operations of opening, blending, mixing, cleaning, carding, drawing, roving and spinning are performed to transform the cotton fibres into yarn.

Yarn manufacturing produces yarns for various woven or knitted end-products (e.g., apparel or industrial fabrics) and for sewing thread and cordage. Yarns are produced with different diameters and different weights per unit length. While the basic yarn manufacturing process has remained unchanged for a number of years, processing speeds, control technology and package sizes have increased. Yarn properties and processing efficiency are related to the properties of the cotton fibre.

(Source http://iloencyclopaedia.org/component/k2/item/880-cotton-yarn-manufacturing)

c) Methods-Spinning

Spinning is the twisting together of drawn-out strands of fibres to form yarn and is a major part of the textile industry. The yarn is then used to create textiles, which are then used to make clothing and many other products. There are several industrial processes available to spin yarn, as well as hand-spinning techniques where the fibre is drawn out, twisted, and wound onto a bobbin.

Ring spinning is one of the most common spinning methods in the world. Other systems include air-jet and open-end spinning, a technique where the staple fibre is blown by air into a rotor and attaches to the tail of formed yarn that is continually being drawn out of the chamber. Other methods of break spinning use needles and electrostatic forces.

(Source: https://en.wikipedia.org/wiki/Spinning_(textiles)

Ring Spinning machine

Open end spinning- (Rotor Spinning)

The processes to make yarn short-staple yarn (typically spun from fibres from 0.75 to 2.0") are blending, opening, carding, pin-drafting, roving, spinning, and—if desired—plying and dyeing. In long staple spinning, the process may start with stretch-break of tow, a continuous "rope" of synthetic fibre. In open-end and air-jet spinning, the roving operation is eliminated. The spinning frame winds yarn around a bobbin. Generally, after this step the yarn is wound to a cone for knitting or weaving.

In a spinning mule, the roving is pulled off bobbins and sequentially fed through rollers operating at several different speeds, thinning the roving at a consistent rate. The yarn is twisted through

the spinning of the bobbin as the carriage moves out and is rolled onto a cop as the carriage returns. Mule spinning produces a finer thread than ring spinning. Spinning by the mule machine is an intermittent process as the frame advances and returns. It is the descendant of a device invented in 1779 by Samuel Crompton, and produces a softer, less twisted thread that is favoured for fines and for weft.

The ring was a descendant of the Arkwright water frame of 1769 and creates yarn in a continuous process. The yarn is coarser, has a greater twist, and is stronger, making it more suitable for warp. Ring spinning is slow due to the distance the thread must pass around the ring. Similar methods have improved on this including flyer and bobbin and cap spinning.

The pre-industrial techniques of hand spinning with spindle or spinning wheel continue to be practiced as a handicraft or hobby, and enable wool or unusual vegetable and animal staples to be used.

Spinning is the single most costly step in converting cotton fibers to yarn. Currently, over 85% of the world's yarn is produced on ring-spinning frames, which are designed to draft the roving into the desired yarn size, or count, and to impart the desired amount of twist. The amount of twist is proportional to the strength of the yarn. The ratio of the length to the length fed can vary on the order of 10 to 50. Bobbins of roving are placed onto holders that allow the roving to feed freely into the drafting roller of the ring-spinning frame. Following the drafting zone, the yarn passes through a "traveler" onto a spinning bobbin. The spindle holding this bobbin rotates at high speed, causing the yarn to balloon as twist is imparted. The lengths of yarn on the bobbins are too short for use in subsequent processes and are doffed into "spinning boxes" and delivered to the next process, which may be spooling or winding.

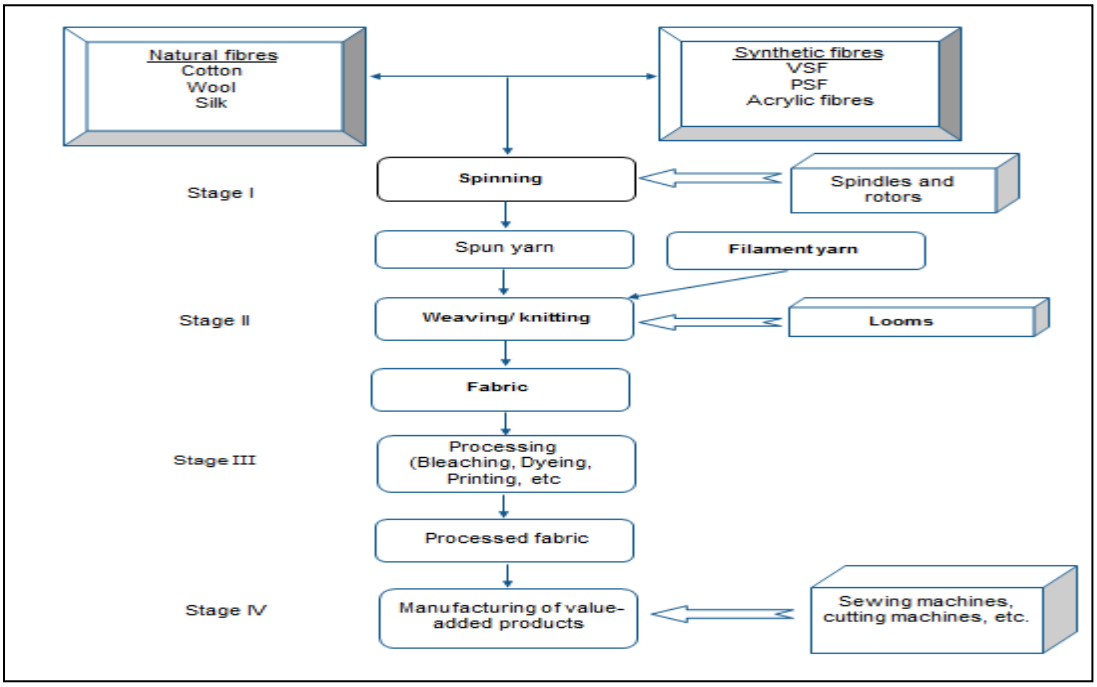
In the modern production of heavier or coarse yarns, open-end spinning is replacing ring spinning. A sliver of fibers is fed into a high-speed rotor. Here the centrifugal force converts the fibers into yarns. There is no need for the bobbin, and the yarn is taken up on the package required by the next step in the process.

Considerable research and development efforts are being devoted to radical new methods of yarn production. A number of new spinning systems currently under development may revolutionize yarn manufacturing and could cause changes in the relative importance of fiber properties as they are now perceived. In general, four of the different approaches used in the new systems appear practical for use on cotton. Core-spun systems are currently in use to produce a variety of specialty yarns and sewing threads. Twistless yarns have been produced commercially on a limited basis by a system that bonds the fibers together with a polyvinyl alcohol or some other bonding agent. The twistless yarn system offers potentially high production rates and very uniform yarns. Knit and other apparel fabrics from twistless yarn have excellent appearance. In air-vortex spinning, currently under study by several machinery manufacturers, drawing sliver is presented to an opening roller, similar to rotor spinning. Air-vortex spinning is capable of very high production speeds, but prototype models are particularly sensitive to fiber length variations and foreign matter content such as trash particles.

(Source:http://www.iloencyclopaedia.org/component/k2/item/880-cotton-yarnmanufacturing)

Industry structure – Spinning

Textiles value chain



Source: CRISIL Research

(Source: Crisil Report)

INDIAN COTTON YARN INDUSTRY

Indian Scenario of Cotton Prices

Cotton is one of the most important cash crops and accounts for around 25% of the global fibre production. In the raw material consumption basket of the Indian Textile Industry, the proportion of cotton is around 59%. It plays a major role in sustaining the livelihood of an estimated 5.8 million cotton farmers and 40-50 million people engaged in related activities such as cotton processing & trade. The consumption of cotton is more than 300 lakh bales (170 kg each) per year.

Yarn demand to rebound in 2017-18 after a decline observed in 2016-17

Overall yarn demand declined ~1% on-year in 2016-17, as derived demand (yarn used for manufacturing readymade garments and home textiles that are exported) slowed down considerably and direct yarn exports had declined sharply as high domestic cotton prices rendered yarn exports unviable. In 2017-18, we expect direct yarn exports to slightly improve (3-4%) on back of favourable cotton prices. Domestic demand is expected to grow moderately (4-5%) in fiscal 2018 as demand slowed down in H1 FY 18 on account of GST rollout.

Over the long term, yarn demand is expected to slow down at 3-3.5% CAGR, from 5.5% growth in previous five years. While domestic and derived demand will offer respite, exports are expected to slow down in the long term. Exports are expected to slacken as China's domestic yarn production is pegged to become more viable due to market-oriented cotton auctions which reduce the incentive for yarn imports.

Cotton prices to decrease in 2017-18 season

CRISIL Research expects domestic cotton prices to decline from ~117 per kg in cotton season (CS) 2016-17 to ~ 100-105 per kg in CS 2017-18, due to increase in cotton production. Production has risen as farmers have switched back to cotton following price surge in CS 2016-17. Also, demand is expected to increase slightly due to improvement in domestic consumption.

- We expect production to climb up ~14% on-year to ~385 lakh bales of 170 kg each (6,545 million kg) in CS 2017-18, largely on account of growth in cotton acreage across the country, as farmers have reverted to cotton in the current kharif season. Cotton prices rose 13% in CS 2016-17; farmers who cultivated the crop despite government warnings reaped huge profits. Estimates peg ~19% increase in cotton acreage in CS 2017-18 to ~123 lakh hectares. However, overall yield is expected to fall by ~4% to 534 kg/hectare due to erratic monsoon rains and anticipated pest-related losses.
- Domestic consumption is expected to improve to ~315 lakh bales (5,340 million kg), supported by increased mill usage post favorable cotton prices and higher demand from downstream players post initial disruptions after GST roll out. Continued low tax incidence of cotton value chain (5%) as compared to man-made fibers (18%) under GST will also support demand recovery.
- Owing to high production and relatively slower domestic consumption, we expect cotton imports this year to be low at ~20 lakh bales.
- Stock-to-use ratio is expected to increase to 2.6 months in CS 2017-18 from 1.3 months in previous season.

Bumper cotton sowing estimated this kharif season

According to the Ministry of Agriculture, planted area under cotton reached 123 lakh hectares as of September 29, 2017 compared to 103 lakh hectares in CS 2016/17. Planted area is 19% higher than last year; it is also 7% higher than the 5-year average of 115 lakh hectares.

In Gujarat, cotton planted area is higher by 10% from last year. While there has been flooding in northern Gujarat, most of the cotton area remains in a good condition. In Maharashtra, while acreage for cotton has increased by almost 400,000 hectares compared to the previous year, yields are forecast to be lower than last year due to poor rains. Most cotton-growing districts in the eastern region (Vidarbha) of Maharashtra have received inadequate monsoon rains. Cotton acreage is expected to rise in Telangana and Andhra Pradesh as well, but yield forecasts remain low due to inadequate rainfall and pest pressure in major cotton-growing districts.

Yarn consumption to revive in 2017-18

We believe yarn demand to pick up in 2017-18 due to expected revival in direct yarn exports after sharp decline in 2016-17 on account of high cotton prices. Domestic demand is expected to grow moderately in 2017-18 as demand slowed down in H1 2017-18 on account of GST rollout. Derived demand is expected to revive slightly as demand from non-traditional markets recovers, and the US and EU markets show improvement in clothing consumption.

However, strong rupee and reduction in duty drawback rates will ensure that the derived demand growth falls below the five-year average of 3.5-4.0% in 2017-18. Cotton fabric production is estimated to have declined by 4% in H1 FY 18 which serves as an indicator of weak domestic and derived demand. Also, direct yarn exports are estimated to have fallen by ~10% in H1 FY 18. However, we expect the demand to pick up in second half of the year as GST operational issues get streamlined as well as low cotton prices support direct yarn exports. Overall, we expect the yarn demand to post 3.5-4% growth in FY 18. In the long run, improved economic activity and rising disposable income are expected to support domestic demand.

The estimate consumption of cotton yarn to be driven by three factors:

1. Domestic use in clothing and home textiles
2. Derived demand, i.e., cotton yarn used in apparel, home textiles, and exported fabrics
3. Direct exports of yarn

INDIAN COTTON BALANCE SHEET - SEASON 2017-2018
ESTIMATED ON 31MAY 2018
(IN LAKHS BALES OF 170 KGS EACH)
(1 MILLION = 10.00 LAKHS)

	2017-18		2016-17	
	IN LAKHS BALES	IN '000 TONS	IN LAKHS BALES	IN '000 TONS
SUPPLY				
OPENING STOCK	54.37	924.29	42.25	718.25
CROP	382	6494	345.75	5877.75
IMPORT	18	306	30.94	525.98
TOTAL SUPPLY	454.37	7724.29	418.94	7121.98
DEMAND				
MILL CONSUMPTION	279	4743	262.66	4465.22
SMALL MILL CONSUMPTION	27	459	26.2	445.4
NON MILL CONSUMPTION	18	306	17.5	297.5
EXPORT	76	1292	58.21	989.57
TOTAL DEMAND	400	6800	364.57	6197.69
CARRY OVER	54.37	924.29	54.37	924.29
STOCK TO MILL USE RATIO	0.17	0.17	0.18	0.18

Source: *Galiakotwala*

Domestic demand to grow at a moderate pace in fiscal 2018

CRISIL Research projects cotton yarn demand to post a compound annual growth rate (CAGR) of 3-4% between 2016-17 and 2021-22, on expectations of increased economic activity. A steady rise in ready-made garments (RMG) and home-textile sales in an improving economy will spur cotton yarn offtake in the long run. However, substitution towards man-made yarn due to cost competitiveness in the domestic market will cap the long-term demand growth.

Long-term derived demand to fray

We expect derived demand growth to slightly recover in 2017-18, as demand from non-traditional markets recover and apparel consumption in the United States (US) and European Union (EU) improves. However, strong rupee and reduction in duty drawback benefits under GST (from ~7.5% to 2%) will impact price competitive RMG and home textile exports industry. Hence, derived demand is expected to grow at 2-3% in 2017-18, lower than the average growth of 3.5-4.0% witnessed over the past five years.

Minimal impact of declining labour intensity on operating margins

A continuous rise in the employee cost has led to high automation in the industry. As per primary research, the labour cost has increased 7-8% in past five years and is currently at Rs

300/shift. Due to the faster rise in costs and higher government incentives for modernisation through Technology Upgradation Fund Scheme (TUFS), the industry's labour intensity has gradually declined. Compared with 20 employees required per 1000 spindles in 2005-06, the intensity has come down to 17 employees. Even though the current automation is at high levels, some areas such as inter-process material transfer and packaging departments are still highly labour intensive. Hence, with incremental improvements in productivity and a slower rise in spun yarn production, we expect a 25% fall in incremental employee addition over the next five years. However, with relatively lower labour intensity (compared with readymade garments) and an increase in higher-paid skilled labour requirement, the impact on the overall operating profitability would be marginal in the near term. Major gains on this front can be expected only when the overall demand picks up and the industry's utilisation improves significantly.

Bt cotton aims to improve and protect cotton yields

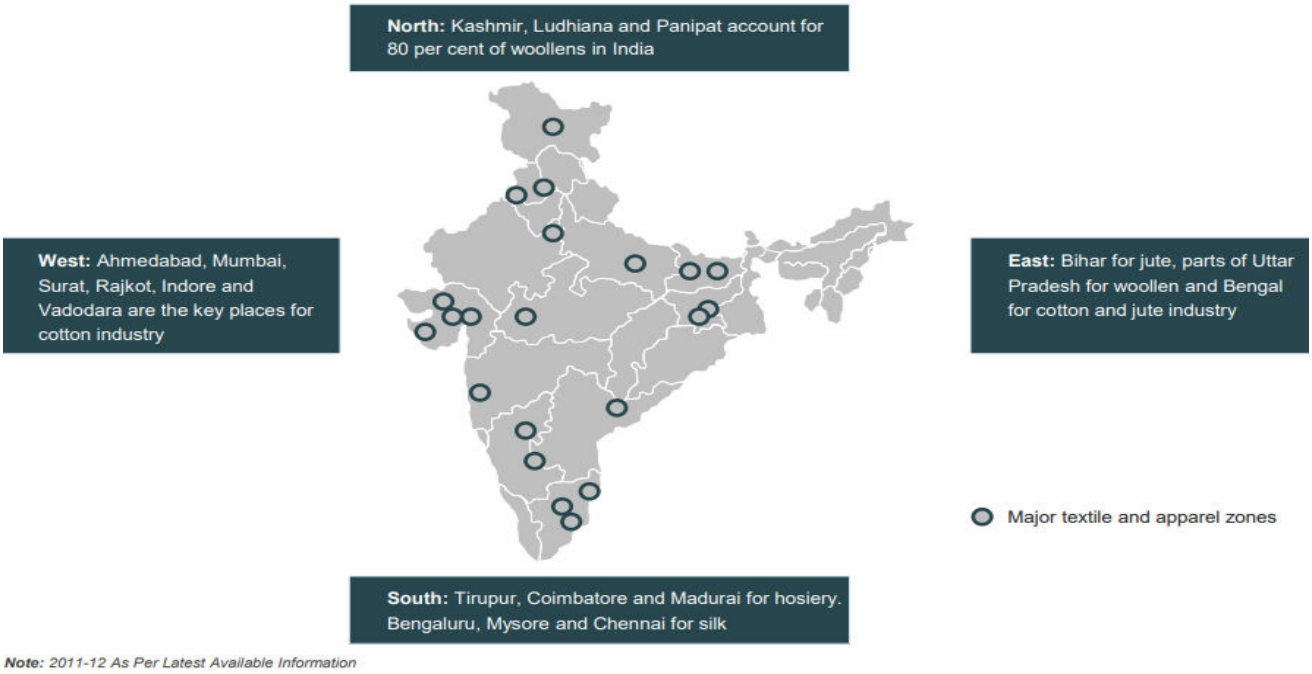
Cotton, the key input in cotton yarn, accounts for 55-60% of the operating income of cotton yarn producers. In India, the cotton season is from October to September, with cotton arrivals peaking during November to February. Most spinning companies purchase cotton during these months. To improve cotton yields, Bacillus thuringiensis (Bt) cotton seed was introduced in March 2002. Bt cotton is a genetically engineered cotton seed that protects the yield against pests, such as bollworm and budworms. It is the first and only transgenic crop to be approved by the Genetic Engineering Approval Committee (GEAC). It is used for commercial cultivation in the majority of states and still accounts for more than 90% of area.

Domestic production expected to increase in CS 2017-18

We expect production to climb up ~14% on-year to ~385 lakh bales of 170 kg each (6,545 million kg) in CS 2017-18, largely on account of growth in cotton acreage across the country, as farmers have reverted to cotton in the current kharif season. Estimates peg ~19% increase in cotton acreage in CS 2017-18 to ~123 lakh hectares.

(Source: Crisil Report)

KEY COTTON YARN ZONES IN INDIA



Note: 2011-12 As Per Latest Available Information

(Source: Textile and Apparel Report April2018 - India Brand Equity Foundation www.ibef.org

CHALLENGES FACED BY THE INDIAN COTTON YARN INDUSTRY

The problems of Cotton Industry in India:

- Long staple cotton is not well grown in many parts of India.
- Many of the factories are old and, as such, productivity has been lowered. The plants and machinery employed in many of our textile mills are now out of date. They were put to intensive use and have considerably deteriorated.
- High cost of advanced machinery is an unavoidable hindrance for the procurement of new machinery. For this reason, the much-needed replacement had to be deferred for many years.
- The high cost of production is also effectively retarding the growth of this important industry.
- There is competition from synthetic fibres like polyester, etc.
- There is competition in the International Market from Bangladesh, Japan, China, and Britain, etc.
- Great difficulties are being experienced by mill-owners in obtaining the capital needed for modernization.

(Source: https://www.importantindia.com/20480/cotton-textile-industry-in-india/)

GOVERNMENT POLICIES

Favourable government policies helped industry

Government policies have a significant impact on the Textile industry. The National Textiles Policy aims to ensure that the industry is internationally competitive in terms of manufacturing practices and exports. The government launched textile packages such as the Technology Upgradation Fund Scheme (TUFS) -introduced in 1999 - to improve productivity and make the industry cost-competitive. Similarly, the EXIM Policy contains export promotion measures such as the Duty Entitlement Pass Book Scheme (DEPB) and duty drawback schemes.

Various schemes

Foreign trade policy for the period 2015 to 2020

The government announced the new foreign trade policy (FTP) on 1st April 2015 for the period 2015 to 2020. This policy provides a framework for increasing exports of goods and services to $900 billion by 2020. The policy introduced two new schemes vis-a-vis Services Exports from India Scheme (SEIS) and Merchandise Exports from India Scheme (MEIS).

- SEIS in order to boost exports of notified services. The rates of rewards under SEIS will range from 3-5 per cent as compared to 5-10 per cent range earlier.
- MEIS targeting export of specified goods to specified markets. The rates of rewards under MEIS will range from 2-5 per cent as compared to earlier 2-7 per cent range.

The textile sector has been granted duty scrips of 2 per cent for cotton textile products and 5 per cent for handloom, carpet and coir products. However, cotton yarn is not expected to get any benefits under this scheme.

Technology Upgradation Fund Scheme (TUFS)

The textiles industry is capital-intensive and requires huge investments. The investments were hindered as interest rates in India were very high during the 1990s. So, the Union Ministry of Textiles launched TUFS in 1999 to upgrade technology at textile units. The Union Government set up a ~250 billion fund under the TUFS for providing aid to textile projects. The scheme commenced on April 1, 1999. It initially provided a 5 per cent interest subsidy on loans borrowed

from specified institutions to all segments within the textiles value chain. Spinning has benefited the most through TUFS. As of June 2010, spinning mills received 34 per cent of the total funds disbursed under TUFS.

In 2011-12, the scheme was renamed as Restructured Technology Upgradation Fund Scheme (R-TUFS) with a few changes. The refurbished scheme provided a reimbursement of 5 per cent on interest charged by the lender, for loans taken to upgrade technology at a textile unit. However, for spinning machinery the scheme provided a 4 per cent interest reimbursement for new standalone spinning machinery or for replacement/ modernisation of the same. However, spinning units, which also have equivalent weaving/ knitting/ processing/ garmenting capacities, will be granted a 5% reimbursement.

On 13th January 2016, a new scheme "Amended technology Upgradation Scheme (ATUFS)" has been approved by the government, which will provide one-time capital subsidy for investments in the employment and technology intensive segments of the textile value chain. Under ATUFS, no subsidy will be provided for spinning sector. Every other individual entity will be eligible for one-time Capital subsidy only as per the rates and the overall subsidy cap

Sl No.	Segment	Rate of Capital Investment Subsidy	CIS per individual entity
1	Garmenting, Technical Textiles	15 % on eligible machines	Rs 0.3 Bn*
2	Weaving for brand new shuttle-less looms(including weaving preparatory and knitting),Processing, Jute, Silk and Handloom	10 % on eligible machines	RS 0.2 Bn*
3(a)	Composite Unit /Multiple segments - If the eligible capital investment in respect of Garmenting and Technical textiles category is more than 50 % of eligible project cost	15 % on eligible machines	RS 0.3 Bn*
3(b)	Composite Unit /Multiple segments - If the eligible capital investment in respect of Garmenting and Technical textiles category is less than 50 % of eligible project cost	10 % on eligible machines	RS 0.2 Bn*

* In case the applicant had availed subsidy earlier under RR-TUFS, he will be eligible for only the balance amount within the overall ceiling fixed for an individual entity

indicated below:

Rajasthan Investment Promotion Scheme, 2014

The Government of Rajasthan vide their notification No.F.12(28)FD/Tax/2010 Pt.I-114 Jaipur, dated October 08, 2014 implemented the interest and other subsidy scheme for the textile sector. Under this scheme all enterprises manufacturing/processing all kind of fibres, yarn, fabrics, garments, apparels, hosiery, made-ups using such processes as spinning (which includes blow room to yarn packaging, Ring Spinning, Rotors or Jet Spinning), Weaving, Dyeing & Processing, Knitting, Machine Carpeting, Machine Embroidery and any other activities/process like crimping, texturizing, twisting, winding, sizing etc. within the entire Textile value chain are eligible for the subsidy.

The details of subsidy for textile sector under the scheme are as under:

Enterprises making a minimum investment of twenty five lakh rupees in the textile sector shall be granted the following benefits for the period as mentioned in clause 10.7 of the Scheme:

(a) 5% interest subsidy;

(b) additional 1% interest subsidy for enterprises making investment more than Rs.25 crore;

(c) 7% interest subsidy for Technical Textile Sector;

(d) Capital Subsidy on zero liquid discharge based effluent treatment plant equivalent to 20% of amount paid to the suppliers for the plant excluding civil work, subject to a maximum of Rs.1crore;

(e) 50% reimbursement of VAT on purchase of yarn, fibre, recycled fibre yarn, cotton and pet bottles for use in manufacture of goods within the State, for sale by him; and

(f) 50% exemption from payment of Entry Tax on capital goods, for setting up of plant for new unit or for expansion of existing enterprise or for revival of sick industrial enterprise, brought into the local areas before the date of commencement of commercial production/operation

GST impact mildly positive for cotton spinners

It is expected increased cotton yarn usage in blended fabrics owing to relatively higher tax incidence on manmade fibre following higher tax compliance in the value chain. Also, with the implementation of the Goods and Services Tax, there is significant central sales tax savings as the spinning industry depends heavily on interstate procurement (Tamil Nadu accounts for ~45% of spindle capacity but only ~2% of cotton production). Operating margin will be relatively unaffected as pricing pressure from downstream segments will likely be offset by benefits obtained under input tax credits not received earlier (duty on packaging, service tax on transportation, etc). Working capital requirements are unlikely to increase significantly because of similar tax incidence on raw material, i.e. GST on cotton is 5%, which is relatively similar to the previous value-added tax.

(Source: Crisil Report)

SUMMARY OF BUSINESS

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and the chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page nos. 20, 218 and 252 respectively of this Prospectus.

Unless the context otherwise requires, in relation to business operations, in this chapter of this Prospectus, all references to "we", "us", "our" and "our Company" are to Lagnam Spintex Limited as the case may be.

OVERVIEW

Our company was originally incorporated on June 11, 2010 as a Private Limited under the name and style of Lagnam Spintex Pvt Ltd under the provisions of the Companies Act, 1956 with the Registrar of Companies, Jaipur Rajasthan. Subsequently our company was converted into the public company vide special resolution passed by the shareholders at the EGM held on January, 22, 2018 and the name of the company was converted into Lagnam Spintex Limited.

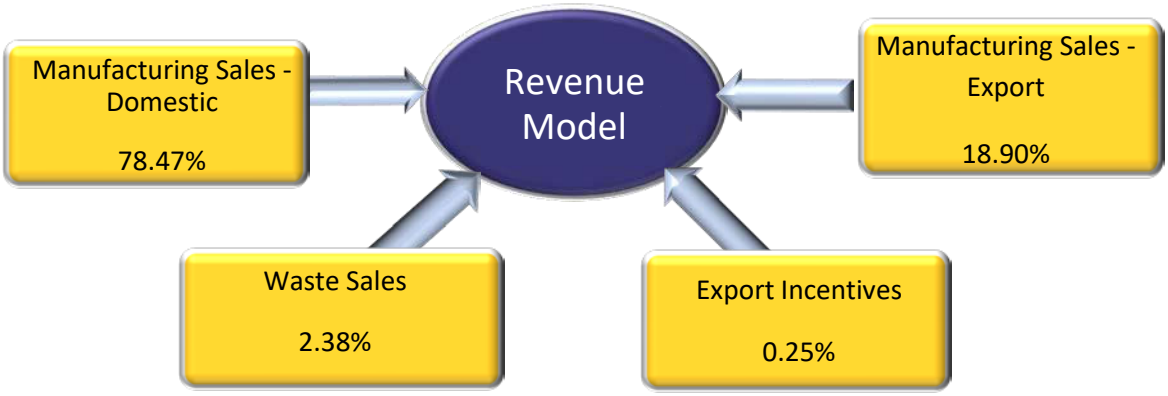
Our company is an **ISO 9001:2015** certified Company engaged in the business of manufacture of high quality yarn for domestic and export market ranging from count Ne 4 to Ne 20 which is used in Denim, Terry Towels, Bottom Wears, Home Textiles and Industrial Fabrics etc.

The manufacturing facility of Our Company is situated at A- 53, RIICO Growth Centre, Hamirgarh of Bhilwara District in Rajasthan State and spreads over 10,000 square meters. Our Company has at present an installed capacity of 1,920 rotors for cotton yarn having capacity to produce16.5 tonnes per day of high quality yarn. We have continuously expanded and modernized our facilities in line with the industry trend. Our plant is equipped with modern and automatic plant and machinery. The level of advancement determines the productivity of machines and labour, which in turn, determines the production, operating cost and profitability of Our Company. Our technical team in spinning is well equipped with modern spinning technology and processing techniques by virtue of which we are able to ensure quality yarn. Technology is a crucial aspect of the cotton yarn industry.

Our company has been recognised as "One Star Export House" by the Director General of Foreign Trade with a certificate valid from 2017 to 2022. We have also received OEKO Tex certification. We have a dedicated in-house Testing and Quality Control Team which undertakes rigorous testing and quality management. We are one of the few cotton yarn manufacturers globally who have received certification from USTER Technologies AG. We ensure that all product manufactured is of the optimum quality for which we run our yarn through USTER's QC Machines. For details, please refer to "Our Business - Quality Control" on page no. 168 of this Prospectus.

Our Company is presently exporting cotton yarns to countries like Portugal, Italy, Germany, Belgium, South Africa, Slovenia, Columbia, China, Pakistan, Bangladesh and others. We supply to customers, who are in fields like apparel and garment industry, industrial fabrics, towels, Denims etc. At present, Our Company is exporting its products to countries, which are expected to grow in forthcoming times thereby offering more scope for Our Company to develop new markets and to increase our presence accordingly.

The following diagram depicts the breakup of revenue, percentage-wise for the year ending March 31, 2018.



To cope with the continuous growing demand in the overseas and domestic markets and to attain economies of scale, our Company proposes setting up a new manufacturing facility for high quality Ring Spun carded and combed yarn with capacity of 18.61 TPD with 25,536 spindles at A- 51,52 RIICO Growth Centre Hamirgarh, Bhilwara, Rajasthan. The Company has already purchased the leasehold right for the site where it wishes to set up its new project. The project shall be set up on the land admeasuring 38,263 Sqmt. which is adjacent to existing unit of the company.

With this proposed expansion, the uses for our company's product i.e. yarn will significantly increase by further diversifying end use scope for our current offering i.e. increasing product variety in Denim, Terry Towel, Home textiles, Industrial Fabric and also adding Suiting & Shirting, Linen and Home furnishing fabrics to the end use purposes. The company will also be diversifying its product by being able to offer Double yarn on (Two for One twister) and Slub yarn which will be used in Fancy fabric.

In the past five years our revenues have increased from INR4,983.41 lakhs in F. Y. 2014-15 to INR 5,656.41 lakhs in F.Y. 2015-16, INR 7,538.43 lakhs in F.Y. 2016-17 and to INR 8,454.47 lakhs in F.Y. 2017-18 showing a CAGR of almost 19% over the three years. Our Net Profit after tax for the above-mentioned periods are INR 157.82 lakhs, INR 208.50 lakhs, INR 367.09 lakhs and INR 468.49 lakhs, respectively, showing that the profit after tax of our Company for the last three years has grown at a CAGR of almost 43%.

OUR STRENGHTS

1. **Focus on Quality and Innovation**

We believe that quality and innovation are bed rock of any successful strategy. We stress on and constantly strive to maintain and improve the quality of our services and products. Our focus on quality and innovation helps us to compete against our peers in the yarn and textile industry.

2. **Our Experienced Management**

Our Directors and Key Managerial Persons have been engaged in the yarn & textile industry for around quite a few decades now and have a rich experience and goodwill in the market which provides the business with a competitive edge. It is through the constant efforts and experience of our management team that we have been able to build a sustainable business model. We also have employed people in different areas of work who have the required technical competence and qualifications. We strongly believe that the success of our organization lies in the efforts of our human resources.

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

Our Company has taken various steps in order to ensure adherence to timely fulfilment and also to achieve greater cost efficiency as timely fulfilment of the orders is a prerequisite in our industry. These steps include identifying quality yarn, smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. Our Company also has enjoyed good relations with our suppliers and as a consequence have the benefit of timely supplies of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfilment of orders of our customers. Our Company constantly endeavours to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

4. **Existing relationship with the clients**

We focus on building long term client relationship and constantly try to cater customer needs with products in demand. Since we are mainly engaged in B2B business model, our existing clients provide us mandate for continuous services. We trust that our existing relationship and goodwill serves as a competitive advantage in gaining new clients and increasing our business with existing clients.

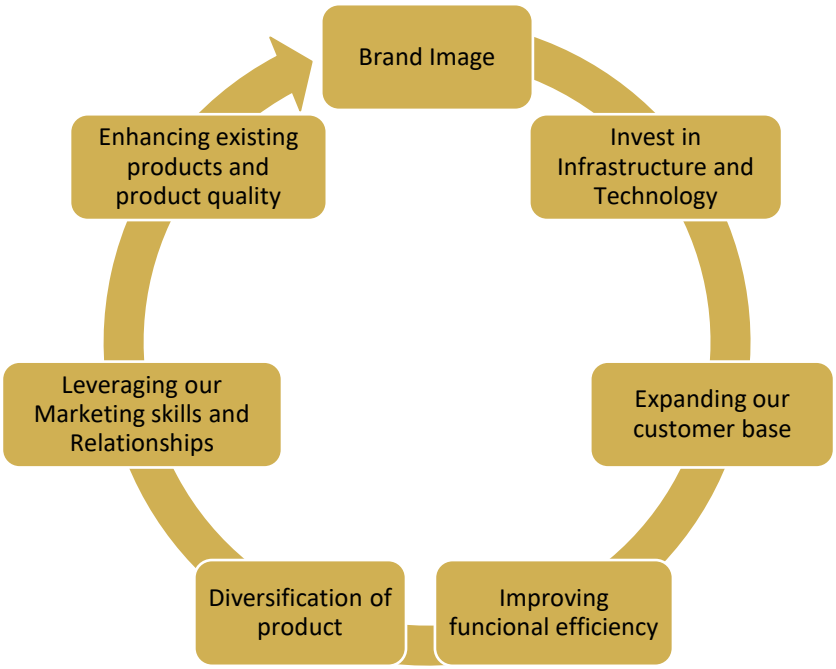
5. **Cordial relationship between management and labor**

We enjoy cordial relations with our employees and there has been no union of employees. Further, there have been no strikes, lock-out or any labour protest in our organization since inception.

6. **Strong Technological Capabilities**

We use latest technology and machinery procured from suppliers/distributors in the world. Not only have we installed the latest machinery to produce high quality yarn, we have also use USTER's state of the art quality check machine thereby ensuring the quality of yarn. These modern machineries also help us in maintaining high quality standards and thus retain various national and multi-national customers.

OUR STRATEGIES



Our vision is to grow in existing and new markets by providing quality services and products. We intend to capitalize on the growing demand for our products in India and abroad. In line with this version, our company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business.

1. Brand image

We intend to build our brand primarily through continued investment in product innovation supported by research and development initiatives, marketing activities and the establishment of long-term relationships with our customers. In the face of increased competition, we believe that it is critical that we maintain the advantages that our products offer over our competitors. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers.

2. Invest in infrastructure and technology

Our Company believes in making investments for continuously achieving higher levels of excellence in its products and implement dynamic and diverse specifications of our customers. We have invested significantly in equipping our manufacturing facilities with the latest and specialized infrastructure and modern technology. As a part of our expansion and diversification strategy, we propose to set up an additional facility, a spinning unit, to manufacture ring spun carded and combed yarn with a capacity of 18.61 tonnes per day.

3. Expanding our customer base

Our company has limited clientele as on date and our 55.64% revenue is contributed from top 10 customers only and 38.93% of revenue is contributed from top 5 customers as on 31st March 2018. The company will strive to expand its business operations throughout India and overseas by quality services and latest equipment and marketing of our services.

4. Improving functional efficiency

Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, customer service and technology development. We continue to invest in operational excellence throughout the organization. We ensure a strong quality commitment by our employees.

5. Diversification of product

The company has been currently producing open end carded cotton yarn from count range NE 4 to 20 which is primarily used in denim, terry towels, home textile and industrial fabric sector, the company is now proposing to extend its product offering in its expansion plan by manufacturing ring spinning carded and combed yarn with counts from 20 to 30, thereby increasing the count range.

6. Leveraging our Marketing skills and Relationship

Leveraging our marketing skills and relationship is a continuous process in our organization. We believe in imparting training to our employees for enhancing their marketing skills. Further we aim to undertake some marketing initiatives as well to increase our brand visibility. Such initiatives shall include print and electronic advertisements, sponsorships, participating in industrial exhibitions on both domestic and international levels, etc.

7. Enhancing existing products and product quality

We believe quality service and products of global standards will be of much importance for customer retention and repeat-order flow. We intend to have close interaction with our customers in a bid to strengthen our relationships with them and enabling us to understand the market perception and demand. We train our employees to consistently design and deliver client focused solutions. We will continue to focus on creating innovative designs through R&D effort.

PRODUCTS

Our Company is engaged into production of cotton yarns, which is used for Denim, Terry Towel, Knitting, Weaving, Home Textile and Industrial Fabric.

Yarn is the end product of spinning. It is the primary component for any Cotton woven or knitted fabric. Cotton yarn is used to make different type of fabrics. In some cases, the cotton yarn is blended with some other yarn in different ratios to provide different effects like shining or to lend more elasticity to the yarn. It is the yarn count and the twisting mode of the yarn that actually determines the overall strength and look of the manufactured fabric.

Cotton Yarns are usually used by various manufacturers for the following end uses:

- Denim

- Bottom Wears
- Industrial fabrics
- Home Textile
- Bed Sheets
- Terry Towels

We are supplying cotton yarn so produced to customers in India and also to customers based out of Germany, Portugal, Slovenia, Pakistan, Columbia, Italy, Belgium, Turkey, China, Bangladesh etc.

With the proposed expansion, we will be manufacturing high quality Ring spun carded and combed yarn which will increase the variety of end product offering as mentioned above and also add Suiting & Shirting, Linen and Home furnishing fabrics as the end use purposes for the manufacturers thereby increasing the scope of yarn produced by our Company. The company will further be diversifying its product by being able to offer Two for One yarn and Slub yarn which will be used in Fancy fabric.

SUMMARY OF FINANCIAL STATEMENTS

LAGNAM SPINTEX LIMITED						
Annexure I - SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED						
		(Amount in INR lakhs)				
Sr. No.	Particulars	As at 31st March				
		2018	2017	2016	2015	2014
ASSETS						
A.	**Non-current assets**					
	Fixed assets					
	Tangible assets	5188.90	4816.60	5037.03	3423.54	2511.73
	Intangible Assets	21.20	29.88	38.82	37.75	17.65
	Capital work in Progress	79.99	23.55	0.00	216.30	230.89
	Non-current Investments	25.70	33.20	30.20	22.20	15.70
	Long term loans and advances	0.00	21.00	0.00	99.56	33.36
	Other non-current assets	53.12	34.53	59.70	55.26	50.55
	Total non-current assets	**5368.91**	**4958.76**	**5165.75**	**3854.61**	**2859.87**
B.	**Current assets**					
	Current investments	0.00	0.00	0.00	0.00	0.00
	Inventories	1330.42	748.51	528.53	560.71	417.10
	Trade receivables	874.55	899.34	922.91	674.03	587.48
	Cash and bank balances	8.99	2.42	8.42	28.38	133.71
	Short term loans and advances	647.54	517.10	361.35	249.25	106.90
	Other current assets	140.70	61.39	66.13	31.87	35.91
	Total current assets	**3002.19**	**2228.77**	**1887.35**	**1544.24**	**1281.09**
LIABILITIES						
C.	**Non-current liabilities**					
	Long term borrowings	2741.15	3256.68	3676.14	2885.35	1949.99
	Deferred Tax Liabilities (Net)	459.28	354.94	170.79	61.24	32.52
	Other Non-current Liabilities	0.00	0.00	0.00	0.00	0.00
	Long term provisions	27.09	20.71	10.40	7.14	3.41
	Total non-current liabilities	**3227.52**	**3632.33**	**3857.33**	**2953.73**	**1985.92**
D.	**Current liabilities**					
	Short term borrowings	1741.97	969.32	1096.65	668.59	682.53
	Trade payables	233.64	77.31	62.21	33.71	53.19
	Other current liabilities	517.19	430.85	329.13	243.61	177.97
	Short term provisions	6.39	3.00	0.16	0.09	0.05
	Total current liabilities	2499.18	1480.48	1488.14	946.00	913.74
	Net Worth	**2644.40**	**2074.71**	**1707.63**	**1499.12**	**1241.30**
	(A+B-C-D)					
	Represented by:					

E.	Share capital	1166.90	226.80	226.80	226.80	206.80
F.	Reserves and surplus	1477.50	1847.91	1480.83	1272.32	1034.50
	Net Worth (E+F)	**2644.40**	**2074.71**	**1707.63**	**1499.12**	**1241.30**

Annexure II - SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
Revenue					
Revenue from operations	8390.61	7503.30	5617.34	4946.36	4187.90
Other income	63.86	35.13	39.06	37.06	18.09
Total Revenue	**8454.47**	**7538.43**	**5656.41**	**4983.41**	**4205.99**
Expenses					
Cost of Material Consumed	6161.59	5190.53	3736.74	3443.15	3080.65
Purchase of Stock in Trade	0.00	0.00	74.68	0.00	0.00
Changes in Inventories of FG & WIP	(214.59)	19.62	(34.63)	71.93	(115.96)
Employee benefit expense	151.53	117.06	121.70	94.39	75.87
Finance cost	284.52	342.69	395.28	330.47	279.92
Depreciation and Amortization	261.25	260.39	191.96	136.42	136.70
Other expenses	1237.33	1056.91	852.63	720.52	572.20
Total Expenses	**7881.63**	**6987.20**	**5338.35**	**4796.88**	**4029.39**
Profit before tax	572.84	551.24	318.05	186.54	176.60
Tax Expenses					
Current tax	117.28	115.07	64.85	20.48	19.50
MAT Credit Entitlement	(117.28)	(115.07)	(64.85)	(20.48)	(19.50)
Deferred tax	104.35	184.15	109.55	28.72	31.89
Total Tax Expenses	104.35	184.15	109.55	28.72	31.89
Net profit as restated	**468.49**	**367.09**	**208.50**	**157.82**	**144.71**

Lagnam Spintex

Annexure III - STATEMENT OF CASH FLOWS, AS RESTATED					(Amount in INR lakhs)
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net profit before tax, as restated	572.84	551.24	318.05	186.54	176.60
Adjustments for:					
Depreciation and amortization	261.25	260.39	191.96	136.42	136.70
Finance Cost	255.94	322.84	384.78	323.86	275.69
Loss on sale of fixed assets	1.37	0.00	0.37	15.71	0.00
Interest income	(26.09)	(16.44)	(10.71)	(18.03)	(4.06)
Provision for employees Benefit	9.77	13.15	3.32	3.78	1.65
Liabilities no longer required written back	0.00	(1.40)	(0.96)	(3.44)	(0.03)
Exchange Fluctuation	(15.79)	(0.95)	(0.09)	0.00	0.00
Miscellaneous Expenses written off	4.23	0.08	0.08	0.08	0.00
Operating profit before working capital change	**1063.52**	**1128.90**	**886.80**	**644.91**	**586.55**
Adjustments for Increase / Decrease in					
Trade Payable	156.33	15.10	28.50	(19.49)	(3.07)
Other Liabilities	20.22	28.13	(15.09)	24.09	1.66
Loans and Advances	(9.92)	(61.69)	58.49	(161.64)	(47.43)
Inventories	(581.91)	(219.98)	32.18	(143.61)	1.30
Trade Receivable	24.79	23.57	(248.88)	(86.55)	(88.91)
Other Assets	(102.13)	29.83	(38.78)	(0.76)	(24.28)
Cash generated from operations	**570.90**	**943.86**	**703.22**	**256.95**	**425.83**
Income taxes paid	100.13	102.77	67.67	46.92	31.15
Net Cash from Operating activities	**470.77**	**841.09**	**635.55**	**210.03**	**394.68**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchases of fixed assets including out of grant	(688.69)	(54.79)	(1592.44)	(1104.46)	(231.40)
Sale of Fixed Assets	6.00	0.24	1.85	35.00	10.74
Net Purchase and Sale of Investments	7.50	(3.00)	(8.00)	(6.50)	(6.50)
Interest income	26.09	16.44	10.71	18.03	4.06
Net cash used in investing activities	**(649.10)**	**(41.11)**	**(1587.88)**	**(1057.93)**	**(223.10)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from Shares	46.00	0.00	0.00	20.00	20.00
Proceeds from Premium	55.20	0.00	0.00	80.00	80.00
Changes in Long Term Borrowings	(448.80)	(356.77)	889.00	980.36	(85.00)
Changes in Short Term Borrowings	772.65	(127.33)	428.06	(13.94)	116.76
Interest Paid	(255.94)	(322.84)	(384.78)	(323.86)	(275.69)
Exchange Fluctuation	15.79	0.95	0.09	0.00	0.00
Net Cash from/used in financing activities	**184.89**	**(805.98)**	**932.37**	**742.56**	**(143.93)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**6.57**	**(6.00)**	**(19.96)**	**(105.34)**	**27.65**
Opening cash and cash equivalents	2.42	8.42	28.37	133.71	106.06
Closing cash and cash equivalents*	**8.99**	**2.42**	**8.42**	**28.37**	**133.71**

THE ISSUE

The following table summarizes the Issue details: -

Particulars	Details of Equity Shares
Issue of Equity shares by Our Company	60,00,000 Equity Shares of face value of Rs.10/- each fully paid up of the Company for cash at price of Rs. 41/- per Equity Share aggregating Rs. 2,460.00 lakhs
Of which:	
Market Maker Reservation Portion	3,00,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at price of Rs. 41 /- per Equity Share aggregating Rs. 123.00 lakhs
Net Issue to the Public	57,00,000 Equity Shares of face value of Rs.10/- each fully paid up of the Company for cash at price of Rs.41/- per Equity Share aggregating Rs. 2,337.00 lakhs
	Of which:
	28,50,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at price of Rs. 41/- per Equity Share aggregating Rs. 1,168.50 lakhs will be available for allocation for allotment to Investors of up to Rs. 2 lakhs
	28,50,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at price of Rs. 41/- per Equity Share aggregating Rs. 1,168.50 lakhs will be available for allocation to investors above Rs. 2 lakhs
Pre and Post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,16,69,000 Equity Shares
Equity Shares outstanding after the Issue	1,76,69,000 Equity Shares
Use of proceeds of this Issue	For further details please refer chapter titled ***"Objects of the Issue"*** beginning on page 117 of this Prospectus for information on use of Issue Proceeds.

Notes:

1. The Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. The Issue is being made through the Fixed Price Method and hence, as per regulation 43, sub regulation (4) of SEBI (ICDR) Regulations, at least 50% of the Net Issue to public will be available for allocation on a proportionate basis to Retail Individual Applicants, subject to valid Applications being received at the Issue Price.

   The allocation in the "Net Issue to the Public" category shall be made as follows:

   a) Minimum fifty percent to retail individual investors; and

   b) Remaining to:

      i. Individual applicants other than retail individual investors; and

      ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

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

For further details please refer to section titled ***"Issue Information*** "beginning on 301 of this Prospectus.

2. The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on 06th February, 2018 and by the shareholders of our Company *vide* a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on 10th February, 2018.

For further details please refer to chapter titled *"Issue Information"* beginning on page 301 of this Prospectus.

GENERAL INFORMATION

Our Company was incorporated as "Lagnam Spintex Private Limited" at Bhilwara, Rajasthan as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated June 11,2010 bearing Corporate Identification Number U17119RJ2010PTC032089 issued by Registrar of Companies, Jaipur (Rajasthan). Subsequently, our Company was converted into Public Limited Company pursuant to Shareholders Resolution passed at the Extra-Ordinary General Meeting of our Company held on January 22, 2018 and name of our Company was changed to "Lagnam Spintex Limited" and a Fresh Certificate of Incorporation Consequent upon conversion from Private Company to Public Company dated January 31,2018 was issued by Registrar of Companies, Jaipur (Rajasthan). The Corporate Identification Number of our Company is U17119RJ2010PLC032089.

For details of Incorporation, Change of Name and Registered Office of our company, please refer to chapter titled "*Our History and Certain Other Corporate Matters*" beginning on page no. 185 of this Prospectus.

REGISTERED OFFICE

LAGNAM SPINTEX LIMITED

A-51-53, RIICO Growth Centre Hamirgarh

Bhilwara, Rajasthan, India, 311001

Tel: +91 014 82 289210

Fax: Not Available

Email: rparashar@lagnam.com

Website: www.lagnamspintex.com

Corporate Identification Number: U17119RJ2010PLC032089

REGISTRAR OF COMPANIES

Registrar of Companies, Jaipur

Corporate Bhawan, G/6-7, Residency area,

Civil Lines, Jaipur, Rajasthan 302001

DESIGNATED STOCK EXCHANGE

Emerge Platform of National Stock Exchange of India Limited

Exchange Plaza, C/1, G Block,

Bandra-Kurla Complex,

Bandra (E), Mumbai – 400051

Maharashtra, India

BOARD OF DIRECTORS OF OUR COMPANY

Sr. No.	Name	Age (In Years)	DIN	Address	Designation
1.	Mr. D P Mangal	69	01205208	A-22, New Friends Colony, New Delhi-110025	Whole time Director and Chairman
2.	Mr. Anand Mangal	35	03113542	A-22, New Friends Colony, New Delhi – 110025	Managing Director
3.	Mr. Vijay Singh Bapna	69	02599024	1801, 18thFloor, Sumer Trinity Tower 1, New Prabhadevi Road Mumbai, Maharashtra–400025	Non- Executive Director
4.	Mr. Jagdish Chandra Laddha	68	00118527	37, Kamla Enclave, Chittorgarh Road, Bhilwara, Rajasthan – 311001	Independent Director
5.	Mr. Anil Shah	64	00145396	18 – H & 18 – I Ambav Garh Udaipur, Rajasthan – 313001	Independent Director
6.	Ms. Dipali Mathur	36	07732611	B4/157 Block B4 Safadarjung Enclave, New Delhi – 110029	Independent Director

For further details of our Directors, please refer to the chapter titled *"Our Management"* beginning on page no. 189 of this Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER

MR. RAJEEV PARASHAR
LAGNAM SPINTEX LIMITED
F-356, Behind Hotel Amit Palace, Rama Vihar,
Bhilwara (Rajasthan)-311001
Tel: +91 94616 56067
Fax: Not Available
Email: rparashar@lagnam.com

CHIEF FINANCIAL OFFICER

MR. D.L. MUNDRA
LAGNAM SPINTEX LIMITED
1-A-8, Shivaji Park, RC Vyas Colony, Bhilwara, Rajasthan.
Tel No.: +91 9414453111
Fax: Not Available
Email: dlmundra@lagnam.com

Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue and/ or the Lead Manager(s), in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or unblocking of ASBA Account, etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted (at ASBA Locations), giving full details such as name, address of the applicant, number of Equity Shares applied for, Amount blocked, ASBA Bank Account number and the Designated Branch of the relevant SCSBs to whom the Application Form was submitted (at ASBA Locations) by the Applicants.

STATUTORY AUDITOR

M/s. SSMS & ASSOCIATES
16, Basement, Heera Panna Market
Pur Road, Bhilwara-311001, Rajasthan
Tel: +91 94141 12295
Fax: Not Available
Email: ssms2405@gmail.com
Contact Person: CA Satish Somani
Firm Registration No: 19351C
Membership No: 076241

PEER REVIEWED AUDITOR

M/s. SSMS & ASSOCIATES
16, Basement, Heera Panna Market
Pur Road, Bhilwara-311001, Rajasthan
Tel: +91 94141 12295
Fax: Not Available
Email: ssms2405@gmail.com
Contact Person: CA Satish Somani
Firm Registration No: 19351C
Membership No: 076241

M/s SSMS & ASSOCIATES., Chartered Accountants holds a peer reviewed certificate dated April 21, 2017 issued by the Institute of Chartered Accountants of India, Delhi.

LEAD MANAGER TO THE ISSUE

HOLANI CONSULTANTS PRIVATE LIMITED
401-405 & 416-418, 4th Floor, Soni Paris Point,
Jai Singh Highway, Banipark,
Jaipur Rajasthan 302016 IN
Tel: +91-141-2203995
Fax: +91-141-2201259
Email: ipo@holaniconsultants.co.in
Website: www.holaniconsultants.co.in
Contact Person: Mr. Bharat Mantri
SEBI Registration No: INM000012467

CO-LEAD MANAGER TO THE ISSUE

BOI MERCHANT BANKERS LIMITED
Bank of India, Star House
7th Floor, C-5 G Block, Bandra Kurla Complex,
Bandra (East), Mumbai-400051
Tel: 022-61312906
Fax: N.A.
Email: info@boimb.com
Website: www.boimb.com
Contact Person: Mr. Siddhesh Hajare
SEBI Registration No: INM000012201

REGISTRAR TO THE ISSUE

BIGSHARE SERVICES PRIVATE LIMITED
1st Floor, Bharat Tin Works Building
Opp. Vasant Oasis, Makwana Road
Marol, Andheri East, Mumbai -400059
Maharashtra
Tel:+91 -22- 6263 8200
Fax:+91 -22- 6263 8299
Email Id :ipo@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Ashok Shetty
SEBI Registration No: INR000001385

LEGAL ADVISOR TO THE ISSUE

Chir Amrit corporate LLP
6th Floor, 'Unique Destination'
Opp. Times of India, Tonk Road
Jaipur - 302015
Tel: +91 0141-4044500(EXT: 118)/ +91-98295-00420
Fax: +91 0141-4044522
E-mail:ritu@chiramritlaw.com
Contact Person: Ritu Soni
Website:www.chiramritlaw.com

BANKER TO THE COMPANY

STATE BANK OF INDIA
2-S, 10-18, Dumas Presidency, Basant Vihar, Bhilwara- 311001, Rajasthan
Tel: 01482-232513
Fax: 01482- 239201
Email: sbi.31094@sbi.co.in
Website: www.sbi.co.in

HDFC BANK LIMITED
"A" Block, Vatika Atrium, Golf course Road,
Sector- 53, Gurgaon- 122 002.

Tel: 0124- 466 4000
Fax: 0124- 466 4318
Email: ranjan.guglani@hdfcbank.com
Website: www.hdfcbank.com

PUNJAB NATIONAL BANK
Nagori Garden Branch
Near Session Court
Bhilwara -311001 (Raj)
Tel:- 01482 -236440
E Mail: bo3575@pnb.co.in

PUBLIC ISSUE BANK/ BANKER TO THE ISSUE

HDFC BANK LIMITED
FIG- OPS Department- Lodha,
I Think Techno Campus O-3 Level,
Next to Kanjurmarg, Railway Station,
Kanjurmarg (East) Mumbai- 400042
Tel: +91 30752927/28/2914
Fax: +91 25799801
E-mail: Vincent.Dsouza@hdfcbank.com , Siddharth.Jadhav@hdfcbank.com , prasanna.uchil@hdfcbank.com
Contact Person: Vincent Dsouza, Siddharth Jadhav, Prasanna Uchil.
Website: www.hdfcbank.com
SEBI Registration No: INBI00000063

REFUND BANKER TO THE ISSUE

HDFC BANK LIMITED
FIG- OPS Department- Lodha,
I Think Techno Campus O-3 Level,
Next to Kanjurmarg, Railway Station,
Kanjurmarg (East) Mumbai- 400042
Tel: +91 30752927/28/2914
Fax: +91 25799801
E-mail: Vincent.Dsouza@hdfcbank.com , Siddharth.Jadhav@hdfcbank.com , prasanna.uchil@hdfcbank.com
Contact Person: Vincent Dsouza, Siddharth Jadhav, Prasanna Uchil.
Website: www.hdfcbank.com
SEBI Registration No: INBI00000063

DESIGNATED INTERMEDIARIES

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/sebiweb/home/detail/32931/yes/List-of-Self-Certified-Syndicate-Banks-SCSBs-for-Syndicate-ASBA. For details on Designated Branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

Registered Brokers

Applicants can submit Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the National Stock Exchange of India Limited, as updated from time to time. In relation to ASBA Applications submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Registrar to Issue and Share Transfer Agents

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at National Stock Exchange of India Limited, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at National Stock Exchange of India Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CREDIT RATING

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

IPO GRADING

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

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. 10,000 Lakhs. Since the Offer size is only of 2460 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Below mentioned table set forth the inter-se allocation of responsibilities for various activities among the Lead Managers i.e. Holani Consultants Private Limited (“HCPL”) and BOI Merchant Bankers Limited (“BOI MBL”)

S.No.	Activities	Responsibility	Coordinator
1.	Capital Structuring with the relative components and formalities such as type of instruments etc.	HCPL BOI MBL	HCPL
2.	Due Diligence of the company’s operations/ management/ business/ plans/ legal, etc. Drafting and design of offer document and of statutory advertisement including memorandum containing salient	HCPL	HCPL

	feature of the Prospectus/ Prospectus. The Lead Manager shall ensure compliance with stipulated requirements and completion of prescribed formalities with the stock exchange(s), ROC and SEBI including finalization of the Prospectus/ Prospectus and filing the Prospectus with the ROC.		
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure etc.	HCPL BOI MBL	HCPL
4.	Appointment of registrar and other agencies to the issue.	HCPL	HCPL
5.	Appointment of all other intermediaries including bankers to issue, printers, advertisement agency etc.	HCPL	HCPL
6	• Developing marketing strategy which will cover inter alia, • Formulation marketing strategies, preparation of publicity budget, • Finalizing media, marketing and public relation strategy; • Finalizing bidding and collection centres; and • Follow-up on distribution of publicity and issue material including form, Prospectus/ Prospectus and deciding on the quantum of the issue material.	HCPL BOI MBL	HCPL
7	Coordination with Stock Exchange for bidding terminals and mock trading.	HCPL	HCPL
8	Management of public issue Bank account and Refund Bank account and allocation.	HCPL	HCPL
9.	Post Bidding activities including coordination for non- Institutional allocation, coordination with Registrar and Banks, intimation of allocation and dispatch of refund Bidders, etc. The Post Issue activities of the issue will involve essential follow up steps, which include finalization of trading and dealing instruments and dispatch of certificates and De-mat delivery of shares, with the work such as Registrar to the Issue, Banker to the Issue and the bank handling refund business, unblocking of ASBA Funds, etc. The Lead Managers shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge the responsibility through suitable agreements with the Issuer Company.	HCPL BOI MBL	HCPL

EXPERT OPINION

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on restated financials for the year ended March 31, 2018, 2017, 2016, 2015 and 2014 as included in this Prospectus, our Company has not obtained any expert opinion.

DEBENTURE TRUSTEE

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

ISSUE PROGRAMME

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

Event	Indicative date
Issue opening date	September 04, 2018
Issue closing date	September 07, 2018
Finalization of basis of allotment with Designated Stock Exchange	September 12, 2018
Initiation of refunds	September 14, 2018
Credit of equity shares to Demat accounts of allottes	September 14, 2018
Commencement of trading of Equity shares on the Stock Exchange	September 18, 2018

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Managers. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the applications and any revision to same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of applications by Retail Individual Investors after taking into account the total number of applications received up to the closure of timings and reported by the Lead Managers to the Stock Exchanges. It is clarified that applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days. Neither our Company nor the Lead Managers are liable for any failure in uploading the applications due to faults in any software/ hardware system or otherwise.

Non Retail investors shall not be allowed to either withdraw or lower the size of their application at any stage. Non Retail investors may revise their application upwards (in terms of quantity of Equity Shares) during the Issue Period. Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular applicant, the Registrar to the Issue shall ask the relevant SCSBs/ RTAs/ DPs/ Stock Brokers, as the case may be, for rectified data.

UNDERWRITER

Our Company and Lead Managers to the issue hereby confirm that the offer is 100% Underwritten. The underwriting agreement is dated July 05, 2018 and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite 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 (INR in Lakhs)	% of the Total Issue size Underwritten
Holani Consultants Private limited 401-405 & 415-418, Soni Paris Point, Jai Singh Highway, Bani Park, Jaipur **Tel:** +91 0141-220-3995 **Fax: +**91 0141-220-1259 **Email:** ipo@holaniconsultants.co.in **Contact Person:** Mr. Ramavtar Holani **SEBI Registration Number**: INM000012467	58,50,000	2,398.50	97.50%
BOI Merchant Bankers Limited Bank of India, Star House 7th Floor, C-5 G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051 **Tel:** 022-61312906 **Fax:** N.A. **Email:** info@boimb.com **Contact Person:** Mr. Siddhesh Hajare **SEBI Registration Number:** INM000012201	1,50,000	61.50	2.50%
Total	60,00,000	2,460	100%

In the opinion of the Board of Directors of the Company, the resources of the above-mentioned underwriter are sufficient to enable them to discharge their respective underwriting obligations in full.

DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the Lead Managers have entered into a tripartite agreement dated July 05, 2018, with the following Market Maker, duly registered with National Stock Exchange of India Limited to fulfil the obligations of Market Making:

Maverick Share Brokers Private Limited
211 – Laxmi Complex, M.I. Road, Jaipur
Tel: + 91 141-4919109
Fax: + 91-141-2360627
E-mail: mantri@maverickgroup.in
Website: www.maverickgroup.in
Contact Person: Mr. Danny Paul
SEBI Registration No.: INZ000103531
Market Maker Registration No.: (SME Segment of NSE): 11604

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

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The Spread (difference between the sell and buy quote shall not be more than 10% or as specified by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to Issue their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of Rs. 41/- per share the minimum lot size is 3,000 Equity Shares thus minimum depth of the quote shall be Rs. 1,23,000 until the same, would be revised by National Stock Exchange of India Limited.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the 3,00,000 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, National Stock Exchange of India Limited may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Maverick Share Brokers Limited is acting as the sole Market Maker.
7. The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on National Stock Exchange of India Limited and market maker will remain present as per the guidelines mentioned under National Stock Exchange of India Limited and SEBI circulars.
8. 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 National Stock Exchange of India Limited, while force-majeure will be applicable for non-controllable reasons. The decision of the National Stock Exchange of India Limited for deciding controllable and non-controllable reasons would be final.
9. The Market Maker(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

   In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead

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

10. Emerge Platform of National Stock Exchange of India Limited will have all margins which are applicable on the National Stock Exchange of India Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.

11. National Stock Exchange of India Limited 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% 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.

12. 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 crores to Rs. 50 crores	20%	19%
Rs. 50 to Rs. 80 crores	15%	14%
Above Rs. 80 crores	12%	11%

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

CAPITAL STRUCTURE

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

Amount (Rs in Lacs except share data)

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
A.	**AUTHORISED SHARE CAPITAL**		
	2,25,00,000 Equity Shares of face value of Rs. 10/- each	2,250.00	
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	1,16,69,000 Equity Shares of face value of Rs. 10/- each	1,166.90	
C.	**PRESENT ISSUE IN TERMS OF THIS PROSPECTUS**		
	Issue of 60,00,000 Equity Shares of face value Rs.10 each at a price of Rs. 41/- per Equity Share	600.00	2,460.00
	Consisting of:		
	Reservation for Market Maker – 3,00,000 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. 41/- per Equity Share	30.00	123.00
	Net Offer to the Public – 57,00,000 Equity Shares of face value of Rs. 10 each at a price of Rs.41/- per Equity Share	570.00	2,337.00
	Of the Net Issue to the Public		
	Allocation to Retail Individual Investors- 28,50,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 41/- per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. 2 Lakhs	285.00	1,168.50
	Allocation to Other than Retail Individual Investors- 28,50,000 Equity Shares of face value of Rs. 10/- each at a price of Rs.41/- per Equity Share shall be available for allocation for Investors applying for a value above Rs. 2 Lakhs	285.00	1,168.50
D.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	1,76,69,000 Equity Shares of face value of Rs. 10 each	1,766.90	
E.	**Securities Premium Account**		
	Before the Issue		55.20
	After the Issue		1,915.20

a. Details of changes in Authorized Share Capital:

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

S.No.	Date of Change	AGM/EGM	Changes in authorized Capital
1	On Incorporation	--	The authorized capital of our company on incorporation comprised of Rs. 1,00,000/- consisting of 10,000 Equity shares of Rs. 10 each.

2.	February 14, 2011	EGM	The authorized share capital of Rs. 1,00,000/- consisting of 10,000 Equity Shares of Rs.10/- each was increased to Rs.2,00,00,000/- consisting of 20,00,000 Equity shares of Rs.10/- each.
3	March 09, 2012	EGM	The authorized share capital of Rs.2,00,00,000/- consisting of 20,00,000 Equity shares of Rs.10/- each was increased to Rs.2,10,00,000/- consisting of 21,00,000 Equity shares of Rs.10/- each.
4	January 20, 2014	EGM	The authorized share capital of Rs.2,10,00,000/- consisting of 21,00,000 Equity shares of Rs.10/- each was increased to Rs.2,50,00,000/- consisting of 25,00,000 Equity shares of Rs.10/- each.
5	December 23, 2017	EGM	The authorized share capital of Rs.2,50,00,000/- consisting of 25,00,000 Equity shares of Rs.10/- each was increased to Rs.22,50,00,000/- consisting of 2,25,00,000 Equity shares of Rs.10/- each.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on 06.02.2018 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1) (c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on 10.02.2018

The company has 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 date of this Prospectus

NOTES TO THE CAPITAL STRUCTURE

1. **History of Share capital of the company:**

A) Equity Share capital:

The following table sets forth the history of the equity share capital of our company.

Date of Allotment/ Fully Paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative number of Equity shares	Cumulative Paid -up Capital (Rs.)
On Incorporation (June 11, 2010)	10,000	10	10	Cash	Subscription to MOA (1)	10,000	100,000
July 05, 2011	5,62,000	10	50 (including premium of Rs. 40)	Cash	Further Allotment (2)	5,72,000	5,720,000
August 24, 2011	2,10,000	10	50 (including premium of Rs. 40)	Cash	Further Allotment (3)	7,82,000	7,820,000
August 24, 2011	2,60,000	10 (Partly Paid-up)	50 (including premium of Rs. 40/- per share Partly paid up)	Cash	Further Allotment (4)	10,42,000	10,420,000
October 21, 2011	1,10,000	10	50 (including premium of Rs. 40)	Cash	Further Allotment (5)	11,52,000	11,520,000
October 21, 2011	2,00,000	10 (Partly Paid-up)	50 (including premium of Rs. 40/- per share Partly paid up)	Cash	Further Allotment (6)	13,52,000	13,520,000
November 12, 2011	70,000	10	50 (including premium of Rs. 40)	Cash	Further Allotment (7)	14,22,000	14,220,000
March 30, 2012	5,90,000	10	50 (including premium	Cash	Further Allotment (8)	20,12,000	20,120,000

			of Rs. 40)				
July 05,2012	86,000	10	50 (including premium of Rs. 40)	Cash	Further Allotment (9)	20,98,000	20,980,000
March 11,2013	4,60,000	2,60,000 shares allotted on August 24,2011 and 2,00,000 shares allotted on October 21,2011 has been Forfeited				16,38,000	
March 07,2014	2,00,000	10	50 (including premium of Rs. 40)	Cash	Further Allotment (10)	18,38,000	18,380,000
March 26,2015	2,00,000	10	50 (including premium of Rs. 40)	Cash	Right Issue (11)	20,38,000	20,380,000
December 29, 2017	91,71,000	10	10	Other than cash	Bonus Issue (12)	1,12,09,000	112,090,000
January 25,2018	4,60,000	10	22 (including premium of Rs. 12)	Cash	Reissue of Forfeited shares (13)	1,16,69,000	116,690,000

1. Initial Subscribers to Memorandum of Association subscribed 10,000 Equity Shares of face value of Rs. 10/- each fully paid at par on June 11, 2010, as per the details given below:

Sr. No.	Name of Person	No. of shares Allotted
1	Veena Mangal	2500
2	Dwarka Prasad Mangal	7500
	Total	**10,000**

2. Further Issue of 5,62,000 Equity Shares of face value of Rs. 10/- each fully paid at Premium of Rs.40/-each on July 05, 2011, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Dwarka Prasad Mangal	2,76,000
2.	Anand Mangal	30,000
3.	Shubh Mangal	20,000
4.	Kavita Mangal	10,000
5.	Lagnam Infotech Solutions Private Limited	2,26,000
	Total	**5,62,000**

3. Further Issue of 2,10,000 Equity Shares of face value of Rs. 10/- each fully paid at Premium of Rs.40/- each on August 24, 2011, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Dwarka Prasad Mangal	20,000
2.	Anand Mangal	10,000
3.	Shubh Mangal	20,000
4.	Vijay Singh Bapna	80,000
5.	Lagnam Infotech Solution Private Limited	80,000
	Total	**2,10,000**

4. Further Issue of 2,60,000 Equity Shares of face value of Rs. 10/- each at Premium of Rs.40/- each partly paid up to Rs.5/- each on Premium of Rs.20/- each on August 24, 2011, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Chancellor Commodeal Private Limited	2,60,000
	Total	**2,60,000**

5. Further Issue of 1,10,000 Equity Shares of face value of Rs. 10/- each fully paid at Premium of Rs.40/- each on October 21, 2011, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Mr. Dwarka Prasad Mangal	30,000
2	Mr. Shubh Mangal	60,000
3	M/s D.P. Mangal (HUF)	20,000
	Total	**1,10,000**

6. Further Issue of 2,00,000 Equity Shares of face value of Rs. 10/- each at a Premium of Rs.40/- each partly paid up to Rs.5/- each on Premium of Rs.20/- each on October 21, 2011, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Chancellor Commodeal Private Limited	2,00,000
	Total	**2,00,000**

7. Further Issue of 70,000 Equity Shares of face value of Rs. 10/- each fully paid at Premium of Rs.40/- each on November 12, 2011, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Dwarka Prasad Mangal	30,000
2.	Lagnam Infotech Solutions Private Limited	40,000
	Total	**70,000**

8. Further Issue of 5,90,000 Equity Shares of face value of Rs. 10/- each fully paid at Premium of Rs.40/- each on March 30, 2012, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Dwarka Prasad Mangal	1,40,000
2.	Anand Mangal	70,000
3.	Shubh Mangal	1,00,000
4.	Vijay Singh Bapna	20,000
5.	Lagnam Infotech Solutions Private Limited	60,000
6.	ASKK Mercantile Pvt. Ltd.	2,00,000
	Total	**5,90,000**

9. Further Issue of 86,000 Equity Shares of face value of Rs. 10/- each fully paid at Premium of Rs.40/- each on July 05, 2012, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Lagnam Infotech Solutions Private Limited	86,000
	Total	**86,000**

10. Further Issue of 2,00,000 Equity Shares of face value of Rs. 10/- each fully paid at Premium of Rs.40/- each on March 07,2014, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Vijay Singh Bapna & Jayshri Bapna	2,00,000
	Total	**2,00,000**

11. Further issue by way of right Issue of 2,00,000 Equity Shares of face value of Rs. 10/- each fully paid at Premium of Rs.40/- each on March 26,2015, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Lagnam Infotech Solutions Private Limited	2,00,000
	Total	**2,00,000**

12. Further issue by way of Bonus Issue of 91,71,000 equity shares of face value of Rs.10/- each fully paid at par on December 29,2017 as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Dwarka Prasad Mangal	23,28,750
2.	Shubh Mangal	9,27,000
3.	Anand Mangal	8,39,250
4.	Lagnam Infotech Solutions Private Limited	40,86,000
5.	Dwarka Prasad Mangal (HUF)	90,000
6.	Kavita Mangal	1,71,000
7.	Sumax Engineering (p) Ltd	4,500
8.	Sudeep Mehta	4,500
9.	Veena Mangal	7,20,000
	Total	**91,71,000**

13. Further issue by way of Re-issue of Forfeited shares of 4,60,000 equity shares of face value of Rs.10/- each fully at Premium of Rs.12/- on January 25,2018 as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Dwarka Prasad Mangal	1,00,000
2.	Shubh Mangal	1,00,000
3.	Anand Mangal	1,00,000
4.	Dwarka Prasad Mangal (HUF)	60,000
5.	Veena Mangal	1,00,000
	Total	**4,60,000**

14. No Equity Shares have been allotted pursuant to any scheme approved under Section 230-240 of the Companies Act, 2013.

15. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

16. Except as mentioned below, no shares have been issued at price below issue price within last one year from the date of this Prospectus.

Date of allotment/ Fully Paid Up	No. of equity share allotted	Face Value (Rs.)	Issue Price (Rs.)	Reason for allotment	Benefits accrued to the company	Allottees	No. of Share allotted
January, 25th 2018	460000	10	22	Reissue of Forfeited shares	Fresh Funds in the company	Dwarka Prasad Mangal	100000
						Shubh Mangal	100000
						Anand Mangal	100000
						Dwarka Prasad Mangal, HUF	60000
						Veena Mangal	100000

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

i) Build-up of Promoters' shareholdings

As on the date of this Prospectus, our Promoters M/s Lagnam Infotech Solutions Private Limited, Dwarka Prasad Mangal and Anand Mangal holds 49,94,000 Equity Shares, 29,46,250 Equity Shares and 11,25,750 equity shares respectively of our Company. Equity shares held by Lagnam Infotech Solutions Private Limited, being our promoter, are subject to pledge with Project Term Loan Bankers for securing term loan facilities with them.

a) Lagnam Infotech Solutions Private Limited

Date of Allotment and made fully paid up/ 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	Source of funds	Pledge**
05-Jul-11	2,26,000	10	50	Further Allotment	1.94%	1.28%	1 Year	Business Receipts & Bank Overdraft Facility	Yes
24-Aug-11	80,000	10	50	Further Allotment	0.69%	0.45%	1 Year	Borrowings	Yes
12-Nov-11	40,000	10	50	Further Allotment	0.34%	0.23%	1 Year	Business Receipts & Borrowings	Yes
30-Mar-12	60,000	10	50	Further Allotment	0.51%	0.34%	1 Year	Business Receipts &Borrowings	Yes
05-Jul-12	86,000	10	50	Further Allotment	0.74%	0.49%	1 Year	Bank Overdraft Facility	Yes
10-Oct-12	(8,000)	10	50	Transfer	-0.07%	-0.05%	1 Year	Not Applicable	Yes
29-Jan-13	20,000	10	50	Transfer	0.17%	0.11%	1 Year	Bank Overdraft Facility	Yes
14-Feb-13	10,000	10	50	Transfer	0.09%	0.06%	1 Year	Bank Overdraft Facility and Business Receipts	Yes
17-Feb-13	(2,000)	10	50	Transfer	-0.02%	-0.01%	1 Year	Not Applicable	Yes
18-Feb-13	(10,000)	10	50	Transfer	-0.09%	-0.06%	1 Year	Not Applicable	Yes

25-Feb-13	50,000	10	50	Transfer	0.43%	0.28%	1 Year	Bank Overdraft Facility	Yes
26-Feb-13	50,000	10	50	Transfer	0.43%	0.28%	1 Year	Bank Overdraft Facility	Yes
26-Feb-13	20,000	10	50	Transfer	0.17%	0.11%	1 Year	Bank Overdraft Facility	Yes
11-Mar-13	(4,000)	10	50	Transfer	-0.03%	-0.02%	1 Year	Not Applicable	Yes
18-Mar-13	(20,000)	10	50	Transfer	-0.17%	-0.11%	1 Year	Not Applicable	Yes
30-Apr-13	12,000	10	50	Transfer	0.10%	0.07%	1 Year	Bank Overdraft Facility	Yes
30-Apr-13	30,000	10	50	Transfer	0.26%	0.17%	1 Year	Bank Overdraft Facility	Yes
30-Apr-13	10,000	10	50	Transfer	0.09%	0.06%	1 Year	Bank Overdraft Facility	Yes
31-Mar-14	(90,000)	10	50	Transfer	-0.77%	-0.51%	1 Year	Not Applicable	Yes
31-Mar-14	(6,000)	10	50	Transfer	-0.05%	-0.03%	1 Year	Not Applicable	Yes
31-Mar-14	(14,000)	10	50	Transfer	-0.12%	-0.08%	1 Year	Not Applicable	Yes
31-Mar-14	(12,000)	10	50	Transfer	-0.10%	-0.07%	1 Year	Not Applicable	Yes
31-Mar-14	2,40,000	10	50	Transfer	2.06%	1.36%	1 Year	Bank Overdraft Facility	Yes
30-Jun-14	(54,000)	10	50	Transfer	-0.46%	-0.31%	1 Year	Not Applicable	Yes
30-Jun-14	(50,000)	10	50	Transfer	-0.43%	-0.28%	1 Year	Not Applicable	Yes
30-Jun-14	1,00,000	10	50	Transfer	0.86%	0.57%	1 Year	Bank Overdraft Facility	Yes
07-Jul-14	2,000	10	50	Transfer	0.02%	0.01%	1 Year	Bank Overdraft Facility	Yes
15-Dec-14	8,000	10	50	Transfer	0.07%	0.05%	1 Year	Bank Overdraft Facility	Yes
15-Dec-14	1,00,000	10	50	Transfer	0.86%	0.57%	1 Year	Bank Overdraft Facility	Yes
18-Feb-15	(28,000)	10	50	Transfer	-0.24%	-0.16%	1 Year	Not Applicable	Yes
18-Feb-15	(8,000)	10	50	Transfer	-0.07%	-0.05%	1 Year	Not Applicable	Yes

18-Feb-15	(10,000)	10	50	Transfer	-0.09%	-0.06%	1 Year	Not Applicable	Yes
18-Feb-15	(1,00,000)	10	50	Transfer	-0.86%	-0.57%	1 Year	Not Applicable	Yes
26-Mar-15	2,00,000	10	50	Right Issue	1.71%	1.13%	1 Year	Bank Overdraft Facility	Yes
31-Mar-15	30,000	10	50	Transfer	0.26%	0.17%	1 Year	Bank Overdraft Facility	Yes
31-Mar-15	(10,000)	10	50	Transfer	-0.09%	-0.06%	1 Year	Not Applicable	Yes
30-Apr-15	(10,000)	10	50	Transfer	-0.09%	-0.06%	1 Year	Not Applicable	Yes
31-Jul-15	(10,000)	10	50	Transfer	-0.09%	-0.06%	1 Year	Not Applicable	Yes
31-Jul-15	(10,000)	10	50	Transfer	-0.09%	-0.06%	1 Year	Not Applicable	Yes
28-Sep-15	(10,000)	10	50	Transfer	-0.09%	-0.06%	1 Year	Not Applicable	Yes
31-Dec-15	(60,000)	10	50	Transfer	-0.51%	-0.34%	1 Year	Not Applicable	Yes
31-Dec-15	(40,000)	10	50	Transfer	-0.34%	-0.23%	1 Year	Not Applicable	Yes
18-Mar-16	(10,000)	10	50	Transfer	-0.09%	-0.06%	1 Year	Not Applicable	Yes
18-Mar-16	60,000	10	50	Transfer	0.51%	0.34%	1 Year	Bank Overdraft Facility	Yes
18-Mar-16	60,000	10	50	Transfer	0.51%	0.34%	1 Year	Bank Overdraft Facility	Yes
18-Mar-16	(20,000)	10	50	Transfer	-0.17%	-0.11%	1 Year	Not Applicable	Yes
18-Mar-16	(10,000)	10	50	Transfer	-0.09%	-0.06%	1 Year	Not Applicable	Yes
11-Jul-16	1,00,000	10	65	Transfer	0.86%	0.57%	1 Year	Bank Overdraft Facility	Yes
11-Jan-17	(50,000)	10	65	Transfer	-0.43%	-0.28%	1 Year	Not Applicable	Yes
08-Feb-17	(20,000)	10	65	Transfer	-0.17%	-0.11%	1 Year	Not Applicable	Yes
07-Mar-17	(10,000)	10	65	Transfer	-0.09%	-0.06%	1 Year	Not Applicable	Yes
29-Dec-17	40,86,000	10	0	Bonus Issued	35.02%	23.13%	1 Year	Not Applicable	Yes (Partly)#
Total	**49,94,000**				**42.80%**	**28.26%**			

**Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment.*

***Shares are subjected to pledge with project term lenders of Rs. 94 Crores for securing the term loan facilities with them. The funds raised are part of the object to the issue.*

#Out of 40,86,000 Shares only 40,21,000 shares are subjected to pledge with project term lenders of Rs. 94 Crores securing the term loan facilities with them.

Details of Borrowings of M/s. Lagnam Infotech Solutions Private Limited

S.No.	Name of the Lender	Amount (In INR)	Address
1.	Citibank N.A	Out of overdraft facility of 3,00,00,000	G & 1st Floor, DFL Capitol Point, Baba Kharak Singh Marg, Connaught Place, New Delhi – 110001.
2	Amrit Sales Promotions Private Ltd	25,00,000	20, Floor-10, 3 Navjivan Comm. Prem. Co-op. Society, Lamington Road, Dr. Dadasaheb Bhadkamkar Marg, Mumbai – 400008.
3	Lagnam Procon Private Ltd	15,00,000	A-22, New Friends Colony, New Delhi-110025.
4	Primer Placement Overseas Private Limited	25,00,000	Plot No- D-19/1, F.F. Okhla Industrial Area- Phase-II, New Delhi- 110020.
5	Takmin Trading Private Limited	15,00,000	Office No. 21, 12th Floor, Bldg. No.3, Navjivan Commercial Premises Co-op Soc Ltd., Lamington Road, Mumbai - 400008.

b) Dwarka Prasad Mangal

Date of Allotment and made fully paid up/ 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	Source of funds	Pledge
On Incorporation	7,500	10	10	Subscription to MOA	0.06%	0.04%	3 Years	Savings	No
5-Jul-11	2,76,000	10	50	Further Allotment	2.37%	1.56%	3 Years	Savings & Borrowings	No
24-Aug-11	20,000	10	50	Further Allotment	0.17%	0.11%	3 Years	Savings & Borrowings	No
21-Oct-11	30,000	10	50	Further Allotment	0.26%	0.17%	3 Years	Savings & Borrowings	No
12-Nov-11	30,000	10	50	Further Allotment	0.26%	0.17%	3 Years	Savings	No
30-Mar-12	1,40,000	10	50	Further Allotment	1.20%	0.79%	3 Years	Borrowings	No
26-Feb-13	(50,000)	10	50	Transfer	-0.43%	-0.28%	3 Years	Not applicable	No
2-Mar-13	20,000	10	50	Transfer	0.17%	0.11%	3 Years	Savings & Borrowings	No
18-Mar-13	20,000	10	50	Transfer	0.17%	0.11%	3 Years	Savings	No
30-Apr-13	1,00,000	10	59	Transfer	0.86%	0.57%	3 Years	Savings & Borrowings	No
30-Apr-13	(12,000)	10	50	Transfer	-0.10%	-0.07%	3 Years	Not applicable	No
31-Mar-14	12,000	10	50	Transfer	0.10%	0.07%	3 Years	Savings	No
31-Mar-14	(2,40,000)	10	50	Transfer	-2.06%	-1.36%	3 Years	Savings	No

30-Jun-14	54,000	10	50	Transfer	0.46%	0.31%	3 Years	Savings	No
18-Feb-15	1,00,000	10	50	Transfer	0.86%	0.57%	3 Years	Borrowings	No
31-Jul-15	10,000	10	50	Transfer	0.09%	0.06%	3 Years	Savings	No
31-Dec-15	40,000	10	50	Transfer	0.34%	0.23%	3 Years	Borrowings	No
18-Mar-16	(60,000)	10	50	Transfer	-0.51%	-0.34%	3 Years	Not applicable	No
18-Mar-16	20,000	10	50	Transfer	0.17%	0.11%	3 Years	Savings	No
29-Dec-17	23,28,750	10	NA	Bonus Issued	19.96%	13.18%	19,90,550 shares for 3 years and 3,38,200 shares for 1 year	NA	No
25-Jan-18	1,00,000	10	22	Reissue of forfeited shares	0.86%	0.57%	1 year	Borrowings	No
Total	**29,46,250**				**25.25%**	**16.67%**			

**Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment*

Details of Borrowings of Dwarka Prasad Mangal

S.No.	Name of the Lender	Amount (In INR)	Address
1	Veena Mangal	1,17,75,000	A-22, New Friends Colony, New Delhi-110025
2	Sumax Engineering Private Ltd	50,00,000	Plot No. 45, Shantiniketan Colony, Mahendra Hills, East Marredpally, Secunderabad – 500026
3	Sudiva Spinner Pvt Ltd	25,00,000	91 k.m. Stone, N.H. 79, Village – Dhunwalia, P.O. Sareri, Teh.-Hurda, Bhilwara –– 311024
	Grand Total	**1,92,75,000**	

c) **Anand Mangal**

Date of Allotment and made fully paid up/ 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	Source of funds	Pledge
2-Mar-11	2,500	10	10	Transfer	0.00	0.01%	3 Years	Savings	No
05-Jul-11	30,000	10	50	Further Allotment	0.26%	0.17%	3 Years	Personal Income, Savings & Borrowings	No
24-Aug-11	10,000	10	50	Further Allotment	0.09%	0.06%	3 Years	Borrowings	No
30-Mar-12	70,000	10	50	Further Allotment	0.60%	0.40%	3 Years	Borrowings	No
10-Oct-12	8,000	10	50	Transfer	0.07%	0.05%	3 Years	Savings	No
29-Jan-13	(20,000)	10	50	Transfer	-0.17%	-0.11%	3 Years	Not Applicable	No
18-Feb-13	10,000	10	50	Transfer	0.09%	0.06%	3 Years	Savings	No
26-Feb-13	(20,000)	10	50	Transfer	-0.17%	-0.11%	3 Years	Not Applicable	No
02-Mar-13	(20,000)	10	50	Transfer	-0.17%	-0.11%	3 Years	Not Applicable	No
30-Apr-13	(30,000)	10	50	Transfer	-0.26%	-0.17%	3 Years	Not Applicable	No
31-Mar-14	14,000	10	50	Transfer	0.12%	0.08%	3 Years	Borrowings	No
31-Mar-14	14,000	10	50	Transfer	0.12%	0.08%	3 Years	Personal Income & Savings	No
07-Jul-14	(2,000)	10	50	Transfer	-0.02%	-0.01%	3 Years	Not Applicable	No
18-Feb-15	10,000	10	50	Transfer	0.09%	0.06%	3 Years	Personal Income & Borrowings	No
31-Mar-15	10,000	10	50	Transfer	0.09%	0.06%	3 Years	Personal Income & Borrowings	No

31-Jul-15	10,000	10	50	Transfer	0.09%	0.06%	3 Years	Borrowings	No
31-Dec-15	60,000	10	50	Transfer	0.51%	0.34%	3 Years	Savings & Borrowings	No
31-Dec-15	10,000	10	50	Transfer	0.09%	0.06%	3 Years	Borrowings	No
08-Feb-17	20,000	10	65	Transfer	0.17%	0.11%	3 Years	Savings	No
29-Dec-17	8,39,250	10	NA	Bonus Issued	7.19%	4.75%	3 Years	NA	No
25-Jan-18	1,00,000	10	22	Reissue of forfeited shares	0.86%	0.57%	1 year	Borrowings	No
Total	**11,25,750**				**9.65%**	**6.37%**			

**Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment.*

Details of Borrowings of Anand Mangal

S.No.	Name of the Lender	Amount (In INR)	Address
1	Dwarka Prasad Mangal (HUF)	2,75,000	A-22, New Friends Colony, New Delhi-110025
2	Dwarka Prasad Mangal	15,00,000	A-22, New Friends Colony, New Delhi-110025
3	Manish Enterprises	20,00,000	32, Ezra Street, Room No 756, Kolkata 700001
4	Kedar Nath Agarwal	10,00,000	14, Radha Bazar Lane, Kolkata 700001
5	Nakodar Finance Private Limited	20,00,000	Offine No 312, Manish Chamber Premises, CHS Ltd., 3rd Floor, Sonawala Road, Goregaon (E), Mumbai - 400063
6	Chancellor Commodeal Private Ltd	10,00,000	15, Noormal Lohia Lane, 3rd Floor, Kolkata - 700006
7	Emery Tie Up Private Limited	20,00,000	40a, W.C. Banerjee Street, Girish Park, Kolkata – 700006
8	S.C. Rana	10,00,000	S.P. 9, Love Kush Nagar First, J P Fatak, Tonk Road, Jaipur- 302015
9	Shubh Mangal	22,00,000	A-22, New Friends Colony, New Delhi-110025
	Grand Total	**1,29,75,000**	

Details of Promoters' Contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations, an aggregate of 20% 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 Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting 20% of the post issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment and made fully paid up/ Transfer	No. of Shares Allotted/ Transferred	Face Value	Issue Price	Nature of Allotment	% of Post Issue shareholding	Lock in Period
Dwarka Prasad Mangal						
On Incorporation	5,500	10	10	Subscriber to MOA	0.03%	3 Years
July 05, 2011	26,000	10	50	Further Allotment	0.15%	3 Years
August 24, 2011	20,000	10	50	Further Allotment	0.11%	3 Years
October 21, 2011	30,000	10	50	Further Allotment	0.17%	3 Years
November 12, 2011	20,000	10	50	Further Allotment	0.11%	3 Years
March 30, 2012	1,00,000	10	50	Further Allotment	0.57%	3 Years
March 02, 2013	20,000	10	50	Transfer from Anand Mangal	0.11%	3 Years
March 18, 2013	20,000	10	50	Transfer from Lagnam Infotech Solutions Private Limited	0.11%	3 Years
April 30, 2013	50,000	10	59	Transfer from Vijay Singh Bapna	0.28%	3 Years
March 31, 2014	12,000	10	50	Transfer from Lagnam Infotech Solutions Private Limited	0.07%	3 Years
June 30, 2014	54,000	10	50	Transfer from Lagnam Infotech Solutions Pvt Ltd	0.31%	3 Years
February 18, 2015	1,00,000	10	50	Transfer from Lagnam Infotech Solutions Pvt Ltd	0.57%	3 Years
December 31,	40,000	10	50	Transfer from	0.23%	3 Years

2015				Lagnam Infotech Solutions Pvt Ltd		
March 18, 2016	20,000	10	50	Transfer from Lagnam Infotech Solutions Private Limited	0.11%	3 Years
December 29, 2017	19,90,550	10	NA	Bonus shares	11.27%	3 Years
Total	**25,08,050**				**14.19%**	**3 Years**
Anand Mangal						
March 02, 2011	500	10	10	Transfer from Veena Mangal	0.00%	3 Years
March 03, 2012	20,000	10	50	Further Allotment	0.11%	3 Years
October 10, 2012	8,000	10	50	Transfer from Shubh Mangal	0.05%	3 Years
February 18, 2013	10,000	10	50	Transfer from Lagnam Infotech Solutions Pvt Ltd	0.06%	3 Years
March 31, 2014	14,000	10	50	Transfer from Shubh Mangal	0.08%	3 Years
March 31, 2014	14,000	10	50	Transfer from Lagnam Infotech Solutions Pvt Ltd	0.08%	3 Years
February 18, 2015	10,000	10	50	Transfer from Lagnam Infotech Solutions Pvt Ltd	0.06%	3 Years
March 31, 2015	10,000	10	50	Transfer from Lagnam Infotech Solutions Pvt Ltd	0.06%	3 Years
July 31, 2015	10,000	10	50	Transfer from Lagnam Infotech Solutions Pvt Ltd	0.06%	3 Years
December 31, 2015	60,000	10	50	Transfer from Lagnam Infotech Solutions Pvt Ltd	0.34%	3 Years
December 31, 2015	10,000	10	50	Transfer from Shubh Mangal	0.06%	3 Years
February 08, 2017	20,000	10	65	Transfer from Lagnam Infotech Solutions Pvt Ltd	0.11%	3 Years
December 29, 2017	8,39,250	10	NA	Bonus shares	4.75%	3 Years
Total	**10,25,750**				**5.81%**	**3 Years**

The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI (ICDR) Regulations. The Equity

Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI ICDR Regulations. In connection, we confirm the following: -

a) *The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the three years preceding the date of this Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;*

b) *The minimum Promoters' contribution does not include Equity Shares acquired during the one year preceding the date of this Prospectus at a price lower than the Issue Price;*

c) *Our Company has not been formed by the conversion of a partnership firm into a Company and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm;*

d) *The Equity Shares held by the Promoters and offered for minimum Promoters' contribution are not subject to any pledge;*

e) *All the Equity Shares of our Company held by the Promoter are in the process of being dematerialized; and*

f) *The Equity Shares offered for Promoters' contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoters' contribution subject to lock-in*.

iii) Details of Equity Shares locked-in for one year

Other than the above Equity Shares that are locked in for three years, the entire pre-Issue Equity Share capital of our Company shall be locked-in for a period of one year from the date of allotment in the Public Issue.

iv) Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

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

Further, pursuant to Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI (ICDR) Regulations has ended, subject to compliance with the Takeover Code, as applicable

We further confirm that our Promoter's Contribution of 51.31% of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

8. Except below, there is no shares purchased/ sold by the promoters and promoters group directors and their immediate relatives during last six months: -

Date of transfer	Name of the Transferee/ transferor	Party Category	No. Of Shares Allotted/ Transferred	Face value	Transfer Price	Nature of Allotment
January 25, 2018	Anand Mangal	Promoter	1,00,000	10	22	Re-issue of forfeited shares
January 25, 2018	Dwarka Prasad Mangal	Promoter	1,00,000	10	22	Re-issue of forfeited shares
January 25, 2018	Shubh Mangal	Promoter Group	1,00,000	10	22	Re-issue of forfeited shares
January 25, 2018	Veena Mangal	Promoter Group	1,00,000	10	22	Re-issue of forfeited shares
January 25, 2018	Dwarka Prasad Mangal HUF	Promoter Group	60,000	10	22	Re-issue of forfeited shares

9. **Our Shareholding Pattern**

The table below represents the shareholding pattern of our Company as per Regulation 31 of the SEBI Listing Regulations 2015: -

Summary of Shareholding Pattern as on date of this Prospectus:

Category	Category of Shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares*		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII = IV + V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
A	Promoter and Promoter Group	7	1,16,58,000	-	-	1,16,58,000	99.91	1,16,58,000	99.91	-	99.91	-	-	-	-	1,16,58,000
B	Public	2	11,000	-	-	11,000	0.09	11,000	0.09	-	0.09	-	-	-	-	11,000
C	Non-Promoter Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares	-	-	-	-	-	-	-	-	-	-	,-	-	-	-	-

Category	Category of Shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares*		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII = IV + V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
	underlying DRs															
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**9**	**1,16,69,000**	**-**	**-**	**1,16,69,000**	**100.00**	**1,16,69,000**	**100.00**	**-**	**100.00**	-	-	-	-	1,16,69,000

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

**All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to Listing of Shares on NSE SME Platform.

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I) Shareholding Pattern of Promoter and Promoter Group

Sr. No.	Category of Shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C+D)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C+D)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights	Total as a % of (A+B+C+D)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
1	Indian																
(A)	Individuals/Hindu undivided Family		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Dwarka Prasad Mangal		1	29,46,250	-	-	29,46,250	25.25	29,46,250	25.25	-	25.25	-	-	-	-	29,46,250
	Anand Mangal		1	11,25,750	-	-	11,25,750	9.65	11,25,750	9.65	-	9.65	-	-	-	-	11,25,750
	Shubh Mangal		1	12,33,000	-	-	12,33,000	10.57	12,33,000	10.57	-	10.57	-	-	-	-	12,33,000

Sr. No.	Category of Shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C+D)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C+D)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights	Total as a % of (A+B+C+D)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	Kavita Mangal		1	2,09,000	-	-	2,09,000	1.79	2,09,000	1.79	-	1.79	-	-	-	-	2,09,000
	Veena Mangal		1	9,80,000	-	-	9,80,000	8.40	9,80,000	8.40		8.40	-	-	-	-	9,80,000
	Dwarka Prasad Mangal HUF		1	1,70,000	-	-	1,70,000	1.45	1,70,000	1.45	-	1.45	-	-	-	-	1,70000
(B)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Financial Institutions/ Banks	-	-	-	-	-	-	-	- -	-	-	-	-	-	-	-	-
(D)	Any Other (Body Corporate)	-			-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category of Shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C+D)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C+D)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights	Total as a % of (A+B+C+D)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								-									
	Lagnam Infotech Solutions Private Limited		1	49,94,000			49,94,000	42.80	49,94,000	42.80	-	42.80	-	-	-		49,94,000
	Sub-total (1)	-	7	1,16,58,000	-	-	1,16,58,000	99.91	11658000	99.91	-	42.80	-	-	-	-	11658000
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category of Shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C+D)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C+D)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights	Total as a % of (A+B+C+D)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (1)+(2)		7	1,16,58,000	-	-	1,16,58,000	99.91	1,16,58,000	99.91	-	99.91	-	-	-	-	1,16,58,000

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II) Shareholding pattern of the Public shareholder

Category of Shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares*		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions / Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any Other (Specify)	-	-												-	-	-
Sub-total (B) (1)	-	-												-	-	-
Central Government/State Government(s)/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

President of India																
Sub-Total (B) (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Institutions																
Individuals		-	-	-	-	-	-	-	-	-	-					
Sudeep Mehta		1	5500			5500	0.05	5500	0.05							
i. Individual shareholders holding nominal share capital up to of Rs. 2 lakhs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any Other	-	1	5500	-	-	5500	0.04	5500	0.04	-	0.04	-	-	-	-	0.04
Sub Total (B)(3)	**-**	2	11000	-	-	11000	0.09	11000	0.09	-	0.09	-	-	-	-	**0.09**
Total Shareholding of Public (B)= (B)(1)+(B)(2)+ (B)(3)	**-**	**2**	**11000**	**-**	**-**	**11000**	**0.09**	**11000**	**0.09**	**-**	**0.09**	**-**	**-**	**-**	**-**	**0.09**

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III) Shareholding pattern of the Non-Promoter Non-Public shareholder

	Category of Shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class eg: X	Class eg: Y	Total								
	I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI = VII + X	XII		XIII		XIV
(1)	Custodian/ DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Name of DR Holder (if applicable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total (C)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal (C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Note: PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.

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

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

10. The details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group" are as under: -

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
A)	**Promoter**				
	Dwarka Prasad Mangal	29,46,250	25.25%	29,46,250	16.67%
	Anand Mangal	11,25,750	9.65%	11,25,750	6.37%
	Lagnam Infotech Solutions Private Limited	49,94,000	42.80%	49,94,000	28.26%
	Sub Total (A)	**90,66,000**	**77.70%**	**90,66,000**	**51.30%**
B)	**Promoter Group**				
	Shubh Mangal	12,33,000	10.57%	12,33,000	6.98%
	Kavita Mangal	2,09,000	1.79%	2,09,000	1.18%
	Veena Mangal	9,80,000	8.40%	9,80,000	5.55%
	Dwarka Prasad Mangal HUF	1,70,000	1.45%	1,70,000	0.96%
	Sub-total (B)	**25,92,000**	**22.21%**	**25,92,000**	**14.67%**
	Total (A+B)	**1,16,58,000**	**99.91%**	**1,16,58,000**	**65.97%**

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.)
Dwarka Prasad Mangal	29,46,250	9.73 per share
Anand Mangal	11,25,750	10.42 per share
Lagnam Infotech Solutions Private Limited	49,94,000	9.15 per share
Total	**90,66,000**	

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

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

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1	Lagnam Infotech Solutions Pvt. Ltd.	49,94,000	42.80%
2	Dwarka Prasad Mangal	29,46,250	25.25%
3	Shubh Mangal	12,33,000	10.57%
4	Anand Mangal	11,25,750	9.65%
5	Veena Mangal	9,80,000	8.40%
6	Kavita Mangal	2,09,000	1.79%
7	Dwarka Prasad Mangal HUF	1,70,000	1.46%
8	Sudeep Mehta	5,500	0.04%
9	Sumax Engineering (P) Ltd.	5,500	0.04%
	Total	**1,16,69,000**	**100.00%**

As on the date of this Prospectus, our Company has only 9 shareholders.

Particulars of top ten shareholders ten days prior to the date of filing this Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1	Lagnam Infotech Solutions Pvt. Ltd.	49,94,000	42.80%
2	Dwarka Prasad Mangal	29,46,250	25.25%
3	Shubh Mangal	12,33,000	10.57%
4	Anand Mangal	11,25,750	9.65%
5	Veena Mangal	9,80,000	8.40%
6	Kavita Mangal	2,09,000	1.79%
7	Dwarka Prasad Mangal HUF	1,70,000	1.46%
8	Sudeep Mehta	5,500	0.04%
9	Sumax Engineering (P) Ltd.	5,500	0.04%
	Total	**1,16,69,000**	**100.00%**

As at ten days prior to date of this Prospectus, our Company has only 9 Equity shareholders.

Particulars of the top ten equity shareholders two years prior to the date of filing of this Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the then existing Total Paid-Up Capital
1	Lagnam Infotech Solutions Pvt. Ltd.	8,88,000	43.57%
2	Dwarka Prasad Mangal	5,17,500	25.39%
3	Shubh Mangal	2,06,000	10.11%
4	Veena Mangal	2,00,000	9.81%
5	Anand Mangal	1,66,500	8.17%
6	Kavita Mangal	38,000	1.86%
7	Dwarka Prasad Mangal HUF	20,000	0.99%
8	Sumax Engineering (P) Ltd.	1,000	0.05%
9	Sudeep Mehta	1,000	0.05%
	Total	20,38,000	100.00%

Our Company had only 9 Equity Shareholders, two years prior to the date of this Prospectus.

There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into our Equity Shares as on date of this Prospectus.

Except for the Fresh Issue, Bonus shares and the Re-issue of Forfeited Shares, there will be no further issue of Equity Shares whether by way of issue of preferential allotment, rights issue or in any other manner during the period commencing from filing of this Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.

Neither the Lead Manager viz. **M/s Holani Consultants Private Limited or BOI Merchant Bankers Limited,** nor their associates hold any Equity Shares of our Company as on the date of the Prospectus.

Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the SME Platform of NSE.

The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.

The unsubscribed portion, if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.

There are no Equity Shares against which depository receipts have been issued.

Other than the Equity Shares, there are is no other class of securities issued by our Company.

There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares have been listed. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split / consolidation of the denomination of Equity Shares. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company

None of the persons/ Companies comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity / individual or otherwise during the period of six months immediately preceding the date of filing of this Prospectus.

Our Company, our Promoters, our Directors and the Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.

There are no safety net arrangements for this public issue.

An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock- in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.

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.

As on date of this Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.

All the Equity Shares of our Company are fully paid up as on the date of the Prospectus. Further, since the entire issue price in respect of the Issue is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this issue shall be fully paid-up.

As per RBI regulations, OCBs are not allowed to participate in this Issue.

Our Company has not raised any bridge loans against the proceeds of the Issue.

Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.

Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.

An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.

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

We have 9 shareholders as on the date of filing of the Prospectus.

Our Promoters and the members of our Promoter Group will not participate in this Issue.

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

Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.

For the details of transactions by our Company with our Promoter Group, Group Companies during the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 please refer to paragraph titled 'Details of Related Parties Transactions as Restated' in the chapter titled "*Financial Statements as Restated*" on page 251 of the Prospectus.

None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled "*Our Management*" beginning on page 189 of the Prospectus.

OBJECTS OF THE ISSUE

The issue comprises of fresh issue of 60,00,000 equity shares of our company having face value of Rs.10/- at premium of Rs. 31/- aggregating to Rs. 24,60,00,000.

OBJECTS OF THE ISSUE

Our company proposes to utilize the net proceeds from the issue towards funding the following objects and to achieve the benefits of listing on the SME Platform of NSE.

- Part finance the setting up of additional cotton yarn manufacturing facility (as under);
- Meet Issue expenses

Particulars	Amount (in lakhs)
A. Cost of Project	
Setting up of new cotton yarn manufacturing facility	12,540
Issue Expenses	260
Total A	**12,800**
B. Means of Finance	
Proceeds from IPO	2,460
Internal Accruals	940
Term Loans from Banks under consortium	9,400
Total B	**12,800**

We believe that the listing of our Company's equity shares will enhance our Company's corporate image, brand name and create a public market for our equity shares in India.

The main objects clause of the Memorandum of Association of our Company and the objects incidental and ancillary to the main objects enables us to undertake the activities for which the funds are being raised through the present issue. Further, we confirm that the activities we have been carrying out till now are in accordance with the objects clause of our Memorandum of Association.

DETAILS OF ISSUE PROCEEDS

The Company proposes to utilize the proceeds from the issue as under:

Particulars	Amount (in lakhs)
Gross proceeds from the issue	2,460
Less: Issue Expenses	260
Net Proceeds of the issue to the Company	2,200

As at June 12, 2018, our Company has incurred INR 22,65,000 (*Rupees Twenty-Two Lakhs Sixty-Five Thousand Only*) towards issue expenses out of internal accruals as certified by our statutory auditors vide their certificate no. CER/45 dated 12th June 2018.

UTILIZATION OF THE NET PROCEEDS

S.No	Purpose	Amount to be financed from Net proceeds of Issue (in lakhs)	Percentage of Gross Receipts	Percentage of Net Receipts
1	Part Finance the setting up of additional cotton yarn manufacturing facility	2,200	89.43%	100%
2	Issue Expenses	260	10.57%	-
	Grand Total	**2,460**	**100%**	**100%**

We hereby confirm that excluding the amount to be raised through the proposed Public Issue, firm arrangements of finance through verifiable means towards 75% of the stated means of finance have been made.

The fund requirement and deployment are based on Techno Economic Viability Study (TEV Report) conducted by Mitcon Consultancy & Engineering Services Ltd. (MITCON) vide their report dated October 26, 2017 and appraised by lenders of the Company namely, State Bank of India and Punjab National Bank.

In view of the dynamic nature of the sector and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of variety of factors such as incremental pre – operative expenses and external factors which may not be within the control of our management and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management in accordance with applicable laws. In case of any surplus after utilization of the Net Proceeds for the stated objects, we may use such surplus towards future growth opportunities, if required and general corporate purposes.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for the stated purposes shall be done through internal accruals through cash flows from our operations and debt. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Issue, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

DETAILS OF THE OBJECT OF THE ISSUE

1. Part finance the setting up of new cotton yarn manufacturing facility

Company is currently engaged in business of manufacturing high quality cotton open end yarns ranging from Ne 4 to Ne 20. The Company has at present an installed capacity of 1,920 rotors for cotton yarn with a manufacturing capacity of 16.5 tonnes per day of high quality yarn. These yarns are suitable for applications such as Denim, Terry Towels, Bottom Wears, Home Textile and Industrial Fabrics. These cotton yarns are being exported to countries like Portugal, Italy, Germany, Belgium, South Africa, Slovenia, Colombia, China, Pakistan, Bangladesh and others.

As a part of its expansion strategy, the Company now proposes to set up another spinning unit for manufacturing of Ring spun Carded and combed yarn with installed capacity of 25,536 spindles expected to produce 18.6 tonnes yarn per day. The project shall be set up on the land admeasuring 38,263 Sq. mt. which is adjacent to existing unit of the company at a total project cost of INR 12,540 lakhs. The Company expects commencement of commercial production of the new proposed unit by September 30, 2019.

A) Cost of Project for the Expansion Plan

Particulars	Amount (in lakhs)
Land & Site Development	683
Civil Construction Cost	1,661
Plant & Machinery Cost	8,263
Misc. Fixed Assets	560
Pre-Operating Expense	202
Interest During Construction	322
Contingency Provision	304
Working Capital Margin	545
Total Project Cost	**12,540**

Components of the Cost of the project:

a) Land

- The project is proposed to be set up on the land admeasuring 38,263 Sqmt at A-51-52, RIICO Growth Centre, Hamirgarh, Bhilwara – 311 001, Rajasthan.
- The leasehold right of the said land has been purchased by the Company. The remaining leasehold rights with the Company is 87 years and 16 days (from 03-01-2018 to 18-01-2105). Further, the transfer of leasehold rights in favor of the Company has been done
- The Company has already paid an amount of INR 573.95 lakhs towards cost of land & INR 21.28 lakhs towards stamp duty. The said amount is funded out of internal accruals. The company shall further incur Rs.87.76 Lacs towards Land and Site development.
- The land is free of encumbrances. The persons/ entity from whom the said land has been purchased on lease basis are not related to our Promoters/ Directors.

Benefits of Location

Internal

- The acquired land is situated adjacent to the existing manufacturing facility of the Company providing immense operational & administrative benefits to the Company.
- The existing quality control facilities where the latest equipment from Uster Switzerland has been installed will be used as a common facility for the expansion project.
- The dedicated Power line set up from the Ajmer Vidhyut Vitaran Nigam Limited grid to our existing facility will also be available since we will be using power on 33 KV for the new project.

External

- The industrial town of Bhilwara, situated in the Mewar region of Rajasthan, is a famous hub for textiles in India. The textile industries of the Bhilwara district display an annual growth rate of 8 to 10 percent and are widely popular for exporting textile products like synthetic yarn, woolen commodities, cotton yarn, and fabrics. With textile being the main industry in the district, the area has more than 400 manufacturing units in textile sector.
- The project location is in close proximity to source of raw material i.e. cotton. Majority of the raw material requirement will be met from Rajasthan itself.
- The suppliers of raw materials i.e. cotton ginners are located in the nearby areas in Beawar (134 km), Fatehnagar (100 km), Kotdi (150km), Bijainagar (89 km), Bhilwara (20 km), Kapasan (71 km), Suwana (22 km), Akola (95 km). Our location is well connected

with Udaipur Airport (133 km) and Bhilwara railway station (16 km).

- A mix of skilled, semi-skilled and un-skilled labor is easily available in abundance in and around Bhilwara.

b) Building & Civil Structure:

Our Company proposes to construct total production and related activity buildings of 13,675 Sq. mt. for Ring spinning and other facilities such as cotton & finish godown, utility blocks etc.

The Construction would include new sheds for proposed godown facilities such as main building from Blow room to Winding, Humidification plant, RM, etc. Apart from the same the Company also proposes to construct workers colony.

The company has already appointed M/s Pratap Parikh Associates, New Delhi as architect consultant. M/s. Pratap Parikh Associates expertise's in Industrial, Commercial and Institutional Architecture. They render services in Engineering, Architecture, Planning, Interior Design, and Project Execution & Management. During the last few years they have executed various textile project for various reputed companies like Vardhman Group, Nahar Group, Bhilwara Group, Nitin Spinners, Century Textile, Sintex Group who has installed six lakhs spindles in last 3 years. Further, the Company has also identified M/s Umesh Construction Company, Chittorgarh, Rajasthan for carrying out civil work required in the proposed project. Umesh construction was established in 1989 and have undertaken large Textile, Cement, Thermal Power and other commercial projects. They have completed many Textile projects for RSWM Ltd, Sangam India Ltd, Nitin Spinners Ltd, Birla White Cement, Sutlej Textile & Industries Ltd, Ambuja Cement and many other reputed companies. They are equipped with most modern automatic batching plant and other machines which ensure timely completion of the project with uniformly good quality. The architect and the contractor were the same for setting up the existing plant.

As per the estimates given by the architect, proposed expenditure on building and civil structure (including site development) is INR 1661 lakhs. The details of the same are as under:

Sr. No.	Particulars	Area (Sq. Mtr.)	Rate (Sq. Mtr.)	Amount (in Lakhs)
1	Main Factory Building			
	Blow Room to Winding	7417.5	12,000	890.10
	Yarn Godown& Conditioning	600	12,000	72.00
2	Humidification Towers & Utility Strip			
	Ground Floor	1760	12,000	211.20
	First Floor	1408	12,000	168.95
	Second Floor	400	7,500	30.00
3	Godowns			
	Yarn Godown	590	8500	50.15
	Raw Material Godown	1500	8500	127.50
4	Underground Water Tank	250000 ltrs	8 per ltr	20.00
5	Sanitary & Water Tank	-	LS	20.00
6	STP	750000 ltrs	LS	7.50

7	Worker's Housing		LS	25.00
8	External Development Works *			
	Road Work		LS	50.00
	Drains	1000 rmt.	750 rmt	7.50
	TOTAL			**1679.91**
	Add: - Architect's Fees @ 2%			33.60
	Add: - GST @ 18%			6.05
	TOTAL			**1719.56**

**Considered under land development charges under "Land and Site Development" head of cost of project.*

c) Plant & Machinery:

Our Company has identified Plant and machinery suppliers based on the current industry trend and technology. We intend to procure indigenous and imported machinery.

There have been certain revisions in imported/ indigenous machines make as against shown in TEV Report because of reasons such as better quality, quotation and technical upgradation. The total cost of machines remains same at INR 8,263 lakhs wherein the total cost of imported machines considering erection commissioning, freight charges is estimated at INR 3,006 lakhs and similarly for indigenous machines the total cost is estimated at INR 5,257 lakhs.

Tables shown below is the list of Plant and Machineries (Imported and Indigenous) with their quoted/negotiated cost.

(in lakhs)

S. No.	Particulars	Make	Quantity	Date of quotation	Basic Price of Machine	GST @ 18%	Clearing, Forwarding & Erection	Total
A	**Imported (Price has been converted into INR by considering exchange rates as per TEV report as under (EURO 79, USD 65, CHF 70)**							
1	Autoconer X6 Type V	Saurer	14	February 6, 2018	1196.61	215.39	59.83	1472
	Foreign Fibre Detection	Uster	14	February 27, 2018	27.49	4.95	1.37	34
2	Roving Transportation system	Electrojet	1	March 05, 2018*	286.38	51.55	14.32	352
3	Overhead Cleaners (RF)	Electrojet	28	March 05, 2018*	74.10	13.34	3.71	91
4	Fibre testing Equipment (HVI)	Uster	1	February 27, 2018	91.00	16.38	4.55	112
5	Speed Frame 192 Spindles	Electrojet	5	March 05, 2018*	414.75	74.66	20.74	510

	(Automatic)							
6	Contamination Separator	Uster	2	February 27, 2018	123.20	22.18	6.16	152
7	TFO Volkman	Saurer	6	November 11, 2017	222.60	40.07	11.13	274
	Splicer for TFO	Mesdan		Yet to be obtained	7.44	1.34	0.37	9
B	**Indigenous**							
1	Blow Room Line	Truetzschler	2	March 14, 2018*	154.40	27.79	7.72	190
2	Card TC 10	Truetzschler	18	March 14, 2018*	688.50	123.93	34.43	847
	Accessories				27.1	4.88	1.36	33
3	Comber E 86r	Rieter	6	February 24, 2018*	363.0	65.34	18.15	446
	Combing Accessories	Rieter		February 24, 2018*	19.18	3.45	0.96	24
	Other Accessories				2.40	0.43	0.12	3
4	Draw Frames							
	SB D- 22 (Double Delivery)	Rieter	3	February 24, 2018*	73.14	13.17	3.66	90
	RSB D-50	Rieter	6	February 24, 2018*	162.40	29.23	8.12	200
	Accessories				41.80	7.52	2.09	51
5	Omega Lap Former 36	Rieter	1	February 24, 2018*	72.00	12.96	3.60	89
	Accessories				4.7	0.85	0.24	6
6	Speed Frame Accessories – Bobbin Holder	Associate Autotex Ancillaries Pvt. Ltd	45000	March 1, 2018*	19.8	3.56	0.99	24
	Other Accessories				22.70	4.09	1.14	28
7	Ring Frames	Rieter	14	February 24, 2018*	1428.75	257.18	71.44	1757
	Slub Attachment				34	6.12	1.70	42
	Accessories				272.25	49.01	13.61	335
9	Packing & Material			Yet to be obtained/				

	Handling			finalized				
	Automatic Packing Line	ITW			16.0	2.88	0.80	20
	Racking System	Godrej			40.0	7.20	2.00	49
	Stackers				13.0	2.34	0.65	16
	Hand Pallet				2.44	0.44	0.12	3
	Stretch Wrapping	ITW			4.0	0.72	0.20	5
	Sieger Trolley				18.0	3.24	0.90	22
	Plastic Pallet				10.0	1.80	0.50	12
10	HUMIDIFICATION PLANT							
	Industrial Humidification system including WCS	Luwa	1	March 12, 2018	403.8	72.68	20.19	497
	Accessories				120	21.60	6.00	148
11	Air compressor	Kaiser	2	Yet to be obtained/ finalized	30	5.40	1.50	37
12	Fire Hydrant System	Misc	LS		30	5.40	1.50	37
13	Misc Lab Testing Equipment	MAG	LS		10	1.80	0.50	12
14	Automatic Yarn Conditioning Machine	Sieger	1	April 04, 2018	145	26.10	7.25	178
15	Cheese Winding Machine	Peasse	1	February 9, 2018	45.76	8.24	2.29	56
	Total				**6718**	**1209**	**336**	**8263**

**Date of Order letter.*

The proposed plant and machinery to be installed as mentioned above is the most Innovative and Automated plant which will produce high quality yarn as manual interference will be minimum. The machines will be supplied by Truetzschler (Germany), Rieter (Swiss), Electrojet (Spain), Saurer (Germany), Luwa (Swiss) which are most renowned Textile machine manufacturer(s) in the world.

d) Miscellaneous Fixed Assets

Cost incurred toward procurement of transformer, cabling, furniture and fixture and other accessories are considered under Miscellaneous Fixed Assets head. Estimated cost of procurement of Miscellaneous Fixed Assets is INR 560 lakhs.

e) Pre-Operative Expenses

Preliminary & Pre-operative Expenses for the project has been envisaged at INR 202 lakhs covering expenses to be paid towards Processing Fee for Term Loan, travelling, conveyance and Administrative expenses, bank charges, financial and other consultancy fees, Salary & Wages, Startup& Training expenses

f) Interest During Construction

The interest during construction period is estimated at INR 322 lakhs. The commercial production of the project is expected to begin September 2019, hence interest up to September 2019 has been considered as Interest During Construction. Interest rate estimated for the project is 9.50% pa by State Bank of India and 10.15% by Punjab National Bank. The Interest during Construction has been capitalized in the Plant & Machinery, Civil & building work and MFA in proportionate expenditure incurred for the project. Interest after commencement shall be booked to profit and loss account.

g) Provision for Contingency

To account for any unforeseen escalation in prices etc., a contingency of INR 304 lakhs is estimated. Basis of such provision is 5.00% on Building & Civil Construction and 2.5% on Plant & Machinery and Miscellaneous Fixed Assets.

h) Working Capital Margin

Our Company's optimal margin money requirement for working capital for the New Project is estimated at about INR 545 lakhs, as under:

(in Lakhs)

Particulars	FY 2019-2020
Current Assets	
Inventories	
Raw material & WIP	999
Stores & Spares	25
Work in process	196
Finished Goods	293
Trade Receivables	
Debtors – Domestic	721
Debtors – Export	342
Cash and Bank Balance	-
Short term loans & advances and other current assets	
RIPS subsidiary/ Other Govt. Subsidy	118
Export incentive	6
Total (A)	**2699**
Current Liabilities	
Trade Payables – Creditors	163
Other Current Liabilities & Provisions	-
Total (B)	**163**

Particulars	FY 2019-2020
Net Working Capital (A)-(B)	**2536**
Sources of Working Capital	
Issue Proceeds	545
Internal Accruals & Capital	-
Bank Finance	1991
Total	**2536**

Presently the company has in place sanctioned working capital facilities from our present lenders to the extent of INR 2,340 lakhs. We will approach our bankers for the additional working capital facilities for the new project at the appropriate time.

i) Basis of Estimation

The working capital requirements are based on historical Company data and estimation of the future requirements considering the growth in activities of our Company and are in line with norms accepted by our banker(s). The basis of estimation considered is as follows:

Particulars	No. of days
Raw Material	45
Stores and Spares	30
Work in process	7
Finished Goods	10
Debtors – domestic	30
Debtors – export	30
RIPS subsidiary/ Other Govt. Subsidy	100
Export incentive	45
Creditors	7

B) APPRAISAL OF THE PROJECT COST

1. TECHNO ECONOMIC VIABILITY (TEV)

Our Company had appointed MITCON to carry out TEV Report for the project of manufacturing of cotton yarn at Bhilwara. Also, lenders i.e. State Bank of India and Punjab National Bank have appraised the project of our Company in line with the report of MITCON.

The mandate to 'MITCON' was in connection with the Company seeking financial assistance from the Bank/Investor for the proposed project of our Company.

The scope of TEV study was to apprise the financing Banks about:

- The financial position & related information on financial standing of the Company
- The present position of infrastructure available, study of specifications & quantum of utilities
- Assessment of required land, building, furniture & other infrastructure
- The expenditure involved in purchasing of assets, establishment of project etc.

- Study of specifications/ quantum of utilities
- Projection of manpower requirements
- Market assessment & future market projections
- Assessment of managerial capability
- Related technical/ commercial and financial aspect of the proposal
- SWOT Analysis

On conducting detailed study in view of the scope, MITCON submitted their report dated October 26, 2017 and expressed the opinion that on the basis of detailed technical and financial appraisal, the proposed project is technically feasible and economically viable and the Bank/ Investor may consider proposal for financing as fair banking risk.

2. Term Loans

Based on TEV report of MITCON and various other submissions by the Company to the Banks, the Company has received sanction of term loans from State Bank of India and Punjab National Bank vide their sanction letters dated February 15, 2018 and January 31, 2018 respectively. Broad terms of the sanction are as under:

Sr. No.	Name of Bank	Date of Sanction	Sanction Amount (in lakhs)	Rate of Interest*	Terms of repayment	Security
1	State Bank of India	15/02/2018	5,000	9.50% p.a.	Quarterly repayment starting from September 2020	First Pari passu charge on all fixed assets and Second Pari passu charge on current asset
2	Punjab National Bank	31/01/2018	4,500	10.15% p.a.		

**The company will be eligible for 6% interest subsidy for a period of 5 years under the RIPS 2014 scheme of the state government (for details of RIPS 2014 scheme, please refer* page *176 under Key Industry Regulations and Policies of this Prospectus). The net cost of borrowing to the company will be 3.5% - 4.15%.*

Although the company has received Term Loan sanction of INR 9,500 lakhs in total. However, the company will be availing INR 9,400 lakhs only as per project funding requirements.

The Broad Terms of the Sanction Loans are as under:

Punjab National Bank

1. Company to deposit upfront fee of 1.25% and all other applicable charges. Upfront fee @ 0.50% + GST to be credited to the income and remaining amount to be kept in sundry and may be refunded to the borrower after approval of concessions by HO.
2. Minimum 25% of the promoter contribution to be brought upfront before permitting disbursement in the account.
3. Valuation of primary security (IP and P&M) to be obtained within 1 month of sanction but before the disbursement.
4. Construction estimate for the project to be vetted from the bank's approved architect/ Valuer.
5. Promoters funds as proposed in the form of private equity/ SME IPO shall be infused in the project within the time allowed for security perfection i.e. within 6 months period and a proof of infusion of equity (CA certificate along with ROC certificate) to be submitted. Disbursement will be made strictly after ensuring promoters margin.

6. First right of refusal of WC requirement for the proposed project shall remain with the project lenders. Borrower Company to make request to the lead bank for assessing the working capital requirement of the company as a whole and allocate the agreed share by the project lenders in WC arrangement. Complete WC proposal along with lead bank assessment note to be submitted latest till Dec 18 for consideration of WC requirement of the company.
7. Term Loan will be disbursed only after achievement of financial closure and execution of joint document with lead bank for total term loan.
8. A copy of joint loan documents, security documents shall be submitted and will be kept on bank records along with vetting report of the lead bank. Further the documents shall be vetted from our bank's approved advocate so to ensure that documents are valid & enforceable.
9. First charge is created on the project assets with lead bank before release of the facility and creation of the charge with ROC and completion of other legal formalities.
10. Company to facilitate and ensure obtaining of NOC from the other lenders within a period of 6 months for creation of pari passu charge on the entire block assets of the company & existing collateral security. A confirmation from the lead bank to be obtained and kept in record and ensure that valid charge of the bank is created on the entire securities in the borrower account. Perfection of securities to be ensured within a period of 6 months.
11. Term loan is disbursed directly to the suppliers of machinery / contractor as per the progress of the project and on pro-rata basis after release of TL share by the lead bank and will not be discoursed to current account / CC of the customer.
12. Company to ensure that all pending approvals are obtained within the prescribed period by not later than trial commissioning of the project.
13. A copy of lead bank appraisal note / sanction letter to be obtained and kept on record.
14. Concession in ROI/ service charges are allowed for a period of one-year subject to annual review based on credit risk rating, conduct of account and financial performance of the borrower.
15. It has been mandated by the authorities that additional source of income to be identified by cross selling of other PNB products and opening of salary accounts of the employees in a time bound manner, so the shortfall in income improve after allowing concessions and RAROC falls under green zone at the time of submission of concessional proposal to HO for their favorable consideration.
16. In case of shifting of account to another bank, concessional allowed during past 1 year shall be recovered in full.
17. In case credit risk rating goes below B1, the concession shall be immediately withdrawn and on down gradation/ up gradation of credit risk rating, the matter may be referred to the sanctioning authority for review of concession and in no case concession to be continued against lapsed sanction.
18. The bank may withdraw concessions at any time at its discretion.

State Bank of India

1. The Promoter will submit fresh unconditional undertaking they will pledge their shares to the extent of minimum 50% in favor of the Bank.
2. No disbursement is made against the fresh sanction till shares are pledged as stipulated in point no. (1) above.
3. 20% of promoter's contribution will be infused upfront by the Company. The Company to furnish a CA certificate towards contribution brought in prior to first disbursement.
4. The Company will undertake that any shortfall in envisaged promoter's contribution will be brought in by the Company in the form of equity.

5. The Company will submit an undertaking to the effect that in case the benefit of scheme (RRTUFS/State Govt.) is not available to the Company, bank will not be liable for the same and the loan will be treated under General scheme. The Company will also undertake that if the subsidy released by the Govt. is called back by the Govt. for whatsoever reasons, the Company shall make good of such claim.
6. Term loan will be disbursed after full tie up of project Term loan as pre-disbursement conditions. Further disbursement will be restricted to our pro-rata share in the consortium.
7. 1% of loan amount (upfront fee) on new term loan of INR 5,000.00 Lakhs
8. Approval for ceding pari-passu charge on existing fixed assets and collateral securities of the Company in favor of new lenders who participated in the new project on reciprocal basis.
9. Approval for ceding 2nd charge on existing current assets of the Company in favor of new lenders who participated in the project.
10. Permitted three-month time from the date of 1st disbursement for perfection of security otherwise 1% penal interest will be charged.
11. Any increase in cost of project shall met by the Company from their own source and any decrease in cost of project will result into decrease in Term loan component.
12. The Company shall obtain all the relevant statutory and regulatory approvals/consent and comply with the terms and conditions thereof prior to disbursement of our term loan i.e. Industrial Entrepreneurship Memorandum for enhanced capacity, NOC from Pollution Control Board, Project Plan Layout approval and Power Connection approval and keep them valid throughout the tenor of bank finance.
13. The Company will submit CA`s Certificate at quarterly interval stating utilization of funds and means of finance.
14. The Company will submit a chartered Engineer certificate regarding cost of machines and specification of machines after installing the same.
15. The Company will submit terms of IPO to the bank in due course.
16. Cost of estimates will be vetted by two approved valuer/ Engineers of the Bank.

C) Schedule of Implementation

As per the TEV Report by MITCON, the expansion project of the company was scheduled to be completed by March 2019 as shown below:

Particulars	Commencement Date	Completion Date
Land	Commenced	November 2017
Site Development	November 2017	February 2018
Building	February 2018	December 2018
Plant & Machinery		
Placement of Orders- Main Machinery	December 2017	December 2018
Erection/ Commissioning	October 2018	February 2019
Trial Runs	February 2019	February 2019
Commercial Operations	March 2019	

However, due to delay in sanction of loans and consequent delay in disbursement of term loans, the expansion project of the Company is now scheduled to be completed by September 2019. Below table shows the implementation schedule.

Particulars	Commencement Date	Completion Date
Land	Already Acquired	
Site Development	Commenced	April 2018
Building	May 2018	December 2018
Plant & Machinery		
Placement of Orders- Main Machinery	Commenced	December 2018
Erection/ Commissioning	March 2019	August 2019
Trial Runs	August 2019	September 2019
Commercial Operations	30 September 2019	

The company is confident that there will be no further delays and no over runs. In case of any over run, the same shall be met by either internal accruals or brought in by promoter or by further raising of debt as would be required.

D) Deployment & Sources of Funds

We have incurred the following expenditure towards Object of the Issue till July 10, 2018. The same has been certified by A. L. Chechani & Co., Chartered Accountants vide their certificate no. CER/140 dated July 10, 2018:

Deployment of Funds	Amount (in lakhs)
Land	595.24
Plant & Machinery	62.33
Building	97.45
Pre-operative	181.68
Total	936.70
Sources of Funds	**Amount (in lakhs)**
Internal Accruals	835.50
Reissue of Shares	101.20
Total	936.70

E) Deployment of balance funds

The overall cost of the proposed project and the proposed year wise break up of deployment of funds are as under:

(in Lakhs)

Sr. No.	Particulars	Amount deployed till July 10, 2018	Amount to be deployed till September 30, 2019	Total
1	Land	595.24	87.76	683.00
2	Building	97.45	1563.55	1661.00
3	Plant & Machinery	62.33	8200.67	8263.00
4	Misc. Fixed Assets	-	560.00	560.00

5	Pre-Operative Expenses	181.68	20.32	202.00
6	Interest During Construction	-	322.00	322.00
7	Provision for Contingency	-	304.00	304.00
8	Margin Money for Working Capital	-	545.00	545.00
	TOTAL	**936.70**	**11,603.30**	**12,540.00***

***The above table does not contain the details of the issue expenses.**

2. Issue related expenses

The Issue related expenses comprise of fees payable to the Lead Managers(s), Legal Counsel, Auditors, processing fee to the SCSBs, Registrar to the Issue, printing and stationery expenses, advertising and marketing expenses, underwriting fees, selling commission and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange. Our Company intends to use approximately INR 260 lakhs towards these expenses, break-up of the same is as follows:

Particulars	Approximate Amount *(in lakhs)*	As percentage of total expenses (%)	As a percentage of Issue size (%)
Payment to Merchant Bankers including expenses towards printing, advertising and payment to other intermediaries such as Registrars, Brokers, SCSB's, RTA, CDP etc and other regulatory fees	63.00	24.23	2.56
Selling and Marketing expenses	197.00	75.77	8.00
Total	**260.00**	**100**	**10.56**

Our Company has incurred Rs.22.65 lakhs towards Issue expenses out of internal accruals duly verified by M/s. SSMS & Associates, Chartered Accountants vide their certificate no. CER/45 dt. 12.06.2018

***Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non-Institutional Applicants, would be 0.50% on the allotment amount# on the application wherein shares are allotted.*

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

No additional bidding charges shall be payable by our Company to the SCSBs on the applications directly procured by them.

SCSBs will be entitled to a processing fee of Rs. 25/- (plus applicable GST) per valid ASBA form, subject to total ASBA processing fees being maximum of Rs. 3 lakhs (plus applicable GST), for processing the ASBA Forms procured by the members of the Syndicate, Sub-syndicate, Registered brokers, RTAs or CDPs from Retail Individual applicants and Non-institutional applicants and submitted to the SCSBs. In case the total ASBA processing charges payable to SCSBs exceeds Rs. 3 lakhs, then the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed Rs. 3 lakhs.

Registered brokers will be entitled to a commission of Rs. 25/- (plus applicable GST) per valid ASBA form, subject to total commission being maximum of Rs. 3 lakhs (plus applicable GST), which are directly procured by the Registered Brokers from Retail Individual applicants and Non-institutional applicants and submitted to SCSBs for processing. In case the commission payable to Registered Brokers exceeds Rs. 3 lakhs, then the amount payable to Registered Brokers would be proportionately distributed based on the number of valid applications such that the total commission payable does not exceed Rs. 3 lakhs.

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

BRIDGE FINANCING FACILITIES

As on the date of this Prospectus, we have not entered into any bridge financing arrangement which is subject to being repaid from the Issue Proceeds.

INTERIM USE OF FUNDS

The Company, in accordance with the policies established by its Board of Directors from time to time, will have flexibility to deploy the proceeds of the Issue. Pending utilization of the proceeds of the Issue for the purposes described above, our Company will temporarily invest the Net Offer Proceeds in deposits with scheduled commercial banks included in second schedule of Reserve Bank of India Act, 1934.

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

MONITORING OF UTILIZATION OF FUNDS

Since the Issue size does not exceed INR 10,000 lakhs, the appointment of a monitoring agency as per Regulation 16 of the SEBI ICDR Regulations is not required. As required under the SEBI Listing Regulations, the Audit Committee appointed by our Board will monitor the utilization of the Issue proceeds.

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

VARIATIONS IN OBJECT

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

who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

OTHER CONFIRMATIONS

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company's Key Managerial Personnel, director of promoters in relation to the utilization of the Net Issue Proceeds. No part of the Net Issue Proceeds shall be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel, director of promoters except in the normal course of business and in compliance with the applicable laws.

BASIC TERMS OF ISSUE

The Equity shares being issued are subject to the provision of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Issue document and other terms and conditions as may be incorporated in the Allotment advice and other documents/ certificates that may be executed in respect of the issue. The Equity shares shall also be subjected to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, RBI, ROC and/or other authorities as in force on the date of issue and to the extent applicable.

DECLARATION

Our Company confirms that the cost of project and means of finance are as per the TEV Report of MITCON. We further confirm that there has been no revision in the project cost and the means of finance after the date of issue of the TEV Report however company has changed the specifications and make of machinery for reasons such as better quality, quotation and technical upgradation and schedule of implementation.

BASIS FOR ISSUE PRICE

The Issue Price shall be determined by our Company, in consultation with the Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Fixed Issue price method and on the basis of the following qualitative and quantitative factors for the Equity Shares. The face value of the Equity Shares is Rs. 10/- each and the Issue Price is 4.1 times of the face value.

The Issue Price of Rs. 41/- per Equity Share has been determined on the basis of the below mentioned qualitative and quantitative factors.

QUALITATIVE FACTORS

Some of the qualitative factors, which forms the basis for computation of Issue Price are:

- Promoters having vast experience of around 45 years in the Textile Industry
- Setting up of new manufacturing facility to more than double the production
- Banks have already sanction Term Loan of INR 9400 lakhs and after considering RIPS subsidy, the net interest cost will be 3.50% to 4.15%.
- Well established infrastructure with most automated and state of the art technologies from Internationally renowned suppliers
- Diverse and quality products with more than 99% capacity utilization of the current manufacturing facility
- Scalable business model with wide portfolio of clients across the globe.
- Increased collaboration with customers and suppliers
- Bright growth prospects of the Industry as a whole

For a detailed discussion on the qualitative factors please refer to section titled "Our Business" on page 157 of this Prospectus.

QUANTITATIVE FACTORS

The information presented in this section is derived from the Company's restated financial statements for the Financial Year 2018; 2017 and 2016 prepared in accordance with Indian GAAP, Companies Act and the SEBI ICDR Regulations. 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, 2016	1.86	1
March 31, 2017	3.27	2
March 31, 2018	4.15	3
Weighted Average		**3.48**

Note:

The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the 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/-.

On December 29th, 2017 our Company allotted 91,71,000 Equity Shares in the ratio of 9:2 to the existing shareholders as fully paid bonus shares. On January 25, 2018 our Company reissued 4,60,000 Equity Shares which were earlier forfeited. For the purpose of calculating EPS above, the above shares have been taken into account for all the periods reported.

2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 41/- per equity share of Rs. 10/- each fully paid up:

Particulars	P/E Ratio on Issue Price
P/E Ratio on Basic/ Diluted EPS for FY 2017-18	9.88
P/E Ratio based on Weighted Average Basic/ Diluted EPS	11.78
***Industry P/E Ratio (On Basic EPS)**	
Lowest	**7.55**
Highest	**48.03**
Average	**20.10**

*Industry comprises of the peers mentioned in point 6 Comparison with other Listed Companies

3. Return on Net Worth (RoNW):

Return on Net Worth as per Restated Financial Statements is as under:

Year Ended	RoNW (%)	Weight
March 31, 2016	12.21	1
March 31, 2017	17.69	2
March 31, 2018	17.72	3
Weighted Average		**16.79%**

Note: The RoNW has been computed by dividing net profit after tax [after excluding extraordinary items (net of tax)] as restated, by Net Worth as at the end of the respective year excluding extraordinary items (net of tax) and 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, 2018 at the Issue price of Rs. 41/- per Equity share is 15.14%.

5. Net Asset Value (NAV):

The Net Asset Value per equity share is as under:

Particulars	Amount in Rs.
Net Assets Value per Equity Share as at March 31, 2018	23.42
Net Assets Value per Equity Share after the Issue	27.42
Issue Price per Equity Share	**41.00**

Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares outstanding at the end of the year. Net worth is calculated as sum of share capital and free reserves excluding miscellaneous expenses to the extent not written off.

6. Comparison with Other Listed Companies:

Company	CMP*	EPS	P/E ratio	RoNW	NAV per share	Face value per share	Total Income (in crores)
Lagnam Spintex Limited	41.00	4.15	9.88	17.72%	23.42	10.00	84.54
Peer Group**							
PBM Polytex Ltd	85.55	8.78	9.13	6.72%	131.17	10.00	196.98
KPR Mills	621.30	30.44	20.41	17.49%	177.13	5.00	2,511.52
Sambandam Spinning Mills	124.00	8.09	15.38	6.14%	130.77	10.00	193.08
VippySpinpro	44.10	5.84	7.36	10.63%	54.70	10.00	105.16
Shiva Texyarn	383.10	8.74	44.15	6.94%	125.48	10.00	358.80

**Issue Price of our Company is considered as the CMP of our Company*
***Sources: www.screener.in , www.nseindia.com & www.bseindia.com*

Notes:

- Considering the nature and size of business of the Company the peers are not strictly comparable. However same have been included for broad comparison.
- The figures for our Company are based on the restated results for the year endedMarch 31, 2018.
- The figures for the peer group are based on standalone results for the respective year ended March 31, 2018.
- Current Market Price (CMP) is the closing prices of respective scrips as on June15, 2018.
- The Issue Price of INR 41.00per equity share is determined by our Company inconsultation with the Lead Manager through Fixed Price process and is justified based on the above accounting ratios.
- For further details see section titled *"Risk Factors"* beginning on page 20 of this Prospectus and the financials of the Company including profitability and return ratios, as set out in the section titled *"Financial Statements"* beginning on page 218 of this Prospectus for a more informed view.

STATEMENT OF POSSIBLE TAX BENEFITS

To,

The Board of Directors,

Lagnam Spintex Limited,

Bhilwara,

Dear Sir(s),

Sub: - Statement of possible special tax benefits ("the Statement") available to Lagnam Spintex Limited ("the Company") and its shareholders prepared in accordance with the requirements in schedule VIII Clause (VII) (L) of the Securities Exchange Boards of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended ("the Regulations")

We hereby report that below mentioned possible special tax benefits are available to the company and the shareholders of the company under the Income – Tax Act, 1961 ('Act') as amended by the Finance Act, 2017 (i.e. applicable to Financial Year 2017-18 relevant to Assessment Year 2018-19), presently in force in India and as per proposals given in Finance Bill, 2018 (i.e. applicable to Financial Year 2018-19 relevant to Assessment Year 2019-20). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholder to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may or may not choose to fulfill.

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

The company is not entitled to any special tax benefits under the Act. However, a general benefit of additional depreciation on new investment is available to the company on fulfillment of conditions laid down in the Act.

Further as proposed by Finance Bill, 2018, there will reduction in income tax rate for the Company from existing 30% to 25% from financial year 2018-19

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

The shareholders of the Company are not entitled to any special tax benefits under the Act. However, a general exemption of non-taxability of dividend income from the company is available to the shareholders on fulfillment of conditions laid down in the Act.

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

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

The Company or its shareholder will continue to obtain these benefits in future; or

The condition prescribed for availing the benefits have been/would be met.

The contents of above benefits are based on information, explanation and

representation obtained from the Company and on the basis of our understanding of the business activities and operation of the Company and the provision of the tax laws.

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

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

This statement is intended for your information and for inclusion in this Prospectus/ Prospectus in connection with the proposed issue of equity share and is not to be used, referred to or distributed for any other purpose without our written consent.

For SSMS & Associates

Chartered Accountants

Firm Registration no.: 019351C

Sd/-

(CA Satish Somani)

Partner

Membership No.: 076241

Place: Bhilwara

Date: 25.04.2018

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 218 respectively of this Prospectus before deciding to invest in our Equity Shares.

TEXTILE BUSINESS – INDUSTRY OVERVIEW

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13% of total exports. The textiles industry is also labour intensive and is one of the largest employers.

The textile industry has two broad segments. First, the unorganized sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organized sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The textile and apparel industry can be broadly divided into two segments - yarn and fibre, and processed fabrics and apparel. India accounts for 14% of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fibre). India has the highest loom capacity (including hand looms) with 63% of the world's market share.

Increased penetration of organised retail, favourable demographics, and rising income levels are likely to drive demand for textiles. India is the world's second largest exporter of textiles and clothing.

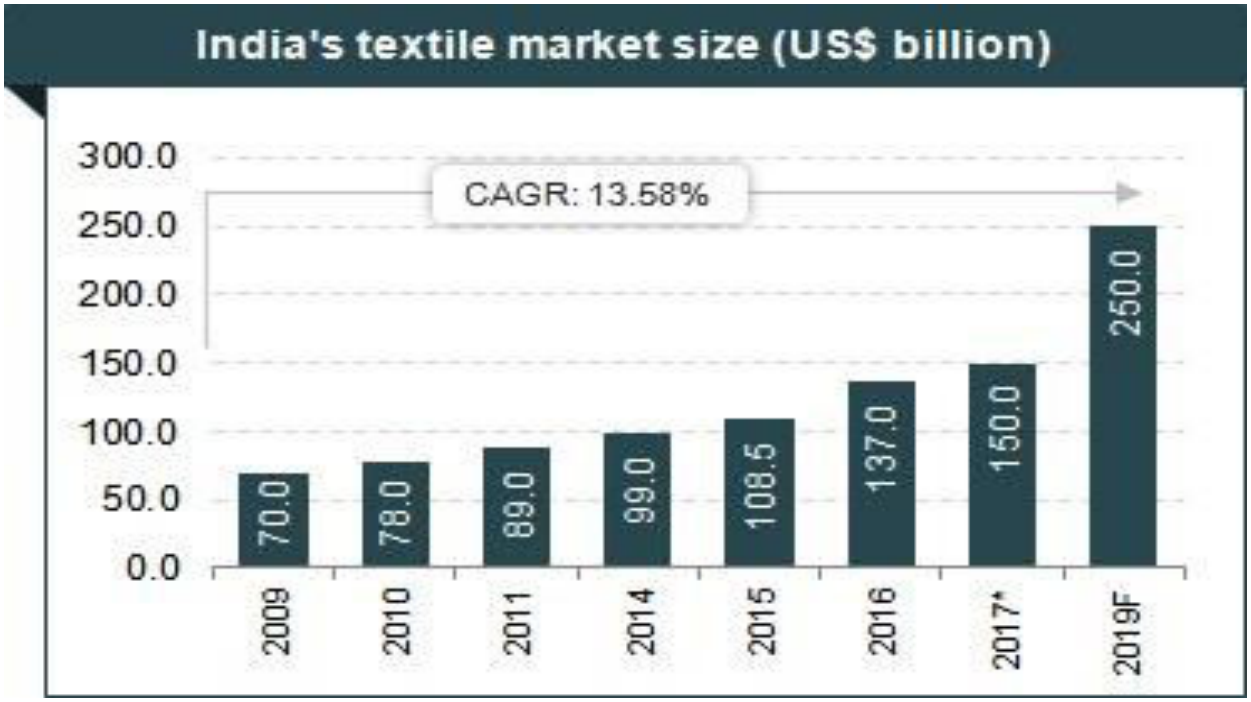
Market Size

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

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

The production of cotton in India is estimated to increase by 9.3% year-on-year to reach 37.7 million bales in FY 2017-18. The total area under cultivation of cotton in India is expected to increase by 7% to 11.3 million hectares in 2017-18, on account of expectations of better returns from rising prices and improved crop yields during the year 2016-17.

Indian exports of locally made retail and lifestyle products grew at a compound annual growth rate (CAGR) of 10% from 2013 to 2016, mainly led by bedding bath and home decor products and textiles.



Notes: *CAGR - Compound Annual Growth Rate, E – Estimated, * as of July 2017, 1 As of June 2017*
Source: *Technopak, Make in India, News articles, Ministry of Textiles, Aranca Research*

(Source: www.ibef.org/industry/textiles.aspx)

YARN INDUSTRY-OVERVIEW

a) Raw Material

Cotton accounts for almost 50% of the worldwide consumption of textile fibre. China, the United States, the Russian Federation, India and Japan are the major cotton-consuming countries. Consumption is measured by the amount of raw cotton fibre purchased and used to manufacture textile materials. Worldwide cotton production is annually about 80 to 90 million bales (17.4 to 19.6 billion` kg). China, the United States, India, Pakistan and Uzbekistan are the major cotton-producing countries, accounting for over 70% of world cotton production. The rest is produced by about 75 other countries. Raw cotton is exported from about 57 countries and cotton textiles from about 65 countries. Many countries emphasize domestic production to reduce their reliance on imports.

Global Cotton prices to soften in CS 2017-18

CRISIL Research expects international cotton prices to decline in cotton season (CS) 2017-18, after rising in CS 2016-17. Production is expected to exceed consumption after 2 years of trailing overall demand. Better cotton prices in the previous cotton season compared to other competing crops has resulted in increase in the worldwide cotton acreage. Also, China's policy of continuing with import quotas on cotton, along with steady off-loading of inventory, will continue to act as a dampener on prices (Chinese cotton policy started in CS 14-15 and prior to that China used to account for 30-40% of world imports).

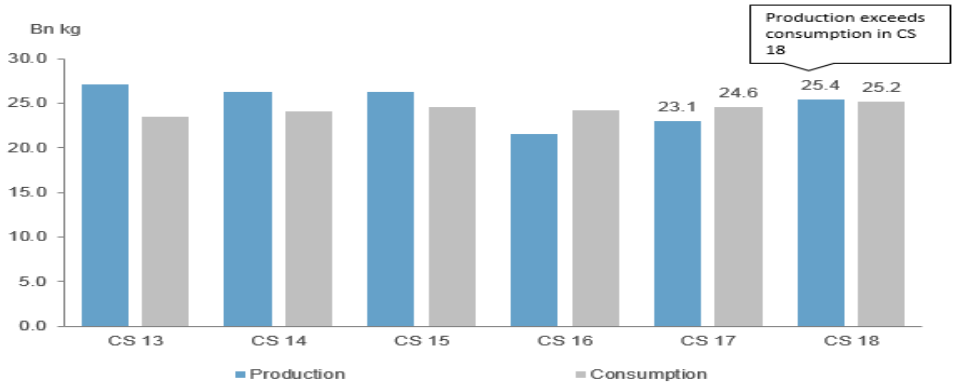
Global Cotton production to Rise

Global cotton production is expected to rise ~10% on-year to 25.4 million tonnes in CS 2017-18.

- Production in India is expected to increase, as estimates indicate ~19% rise in sowing area (~122 lakh hectares). However, we expect yield to decline by ~4% to 534 kg/hectare due to erratic monsoon rains and pressure from pests. Hence, we expect overall production to grow ~14% to ~6.5 million tonnes.

- Among the major cotton-producing nations, the US is expected to account for the highest growth production, up ~23% to 4.6 million tonnes.
- Also, high prices in CS 2016-17 are expected to lead to rise in production in other cotton-producing countries/regions such as Pakistan (by 17% to 2.0 million tonnes), China (by 7% to 5.3 million tonnes) and Brazil (by ~3% to 1.6 million tonnes).

Trends in world cotton production and consumption



Overall, global consumption is also expected to increase 2-3% to ~25 million tonnes, owing to much stronger growth in the global economy in 2017 and 2018. Higher mill use is anticipated in China, India and Pakistan. Bangladesh, and Vietnam, are also expected to see moderate growth, which will fuel consumption.

Note: The years represent international cotton season (August-July).

Total global cotton production: Country-wise break-up and trends

Bn Kg	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 P
INDIA	6.3	6.8	6.6	5.7	5.8	6.5
CHINA	7.6	7.0	6.6	5.2	4.9	5.3
USA	3.8	2.8	3.6	2.8	3.7	4.6
PAKISTAN	2.0	2.1	2.3	1.5	1.7	2.0
BRAZIL	1.3	1.7	1.6	1.3	1.5	1.6
UZBEKISTAN	1.0	0.9	0.9	0.8	0.8	0.8
OTHERS	5.1	4.9	4.8	4.1	4.7	4.7
WORLD	**27.1**	**26.2**	**26.3**	**21.5**	**23.1**	**25.4**

Source: International Cotton Advisory Committee, CRISIL Research

In 2016, ~2.7 million tonnes of cotton were sold in China's state reserve sales. The government's cotton reserve sale in 2017 began on March 6 and was initially scheduled to be suspended temporarily at the end of August. However, the government had extended sales to continue until the end of September 2017 in order to further reduce reserve stocks. With the current offloading continuing in the next cotton season, we believe ending stocks in China could reach ~8.9 million tonnes. However, ending stocks (at ~13 months of consumption) would still be higher than 4-5 months of consumption, which was the case before China's state support purchase programme started, and led to huge inventory build-up. Hence, with increase in global production and offloading of Chinese cotton, we expect international cotton prices to correct, after the sharp rise witnessed in CS 2016-17.

(Source: Crisil Report)

b) Process

Yarn manufacturing is a sequence of processes that convert raw cotton fibres into yarn suitable for use in various end-products. A number of processes are required to obtain the clean, strong, uniform yarns required in modern textile markets. Beginning with a dense package of tangled fibres (cotton bale) containing varying amounts of non-lint materials and

unusable fibre (foreign matter, plant trash, motes and so on), continuous operations of opening, blending, mixing, cleaning, carding, drawing, roving and spinning are performed to transform the cotton fibres into yarn.

Yarn manufacturing produces yarns for various woven or knitted end-products (e.g., apparel or industrial fabrics) and for sewing thread and cordage. Yarns are produced with different diameters and different weights per unit length. While the basic yarn manufacturing process has remained unchanged for a number of years, processing speeds, control technology and package sizes have increased. Yarn properties and processing efficiency are related to the properties of the cotton fibre.

(Source http://iloencyclopaedia.org/component/k2/item/880-cotton-yarn-manufacturing)

c) Methods-Spinning

Spinning is the twisting together of drawn-out strands of fibres to form yarn, and is a major part of the textile industry. The yarn is then used to create textiles, which are then used to make clothing and many other products. There are several industrial processes available to spin yarn, as well as hand-spinning techniques where the fibre is drawn out, twisted, and wound onto a bobbin.

Ring spinning is one of the most common spinning methods in the world. Other systems include air-jet and open-end spinning, a technique where the staple fibre is blown by air into a rotor and attaches to the tail of formed yarn that is continually being drawn out of the chamber. Other methods of break spinning use needles and electrostatic forces.

(Source: https://en.wikipedia.org/wiki/Spinning_(textiles))

Ring Spinning machine

Open end spinning- (Rotor Spinning)

The processes to make yarn short-staple yarn (typically spun from fibres from 0.75 to 2.0") are blending, opening, carding, pin-drafting, roving, spinning, and—if desired—plying and dyeing. In long staple spinning, the process may start with stretch-break of tow, a continuous "rope" of synthetic fibre. In open-end and air-jet spinning, the roving operation is eliminated. The spinning frame winds yarn around a bobbin. Generally, after this step the yarn is wound to a cone for knitting or weaving.

In a spinning mule, the roving is pulled off bobbins and sequentially fed through rollers operating at several different speeds, thinning the roving at a consistent rate. The yarn is twisted through the spinning of the bobbin as the carriage moves out, and is rolled onto a cop as the carriage returns. Mule spinning produces a finer thread than ring spinning. Spinning by the mule machine is an intermittent process as the frame advances and returns. It is the descendant of a device invented in 1779 by Samuel Crompton, and produces a softer, less twisted thread that is favoured for fines and for weft.

The ring was a descendant of the Arkwright water frame of 1769 and creates yarn in a continuous process. The yarn is coarser, has a greater twist, and is stronger, making it more suitable for warp. Ring spinning is slow due to the distance the thread must pass around the ring. Similar methods have improved on this including flyer and bobbin and cap spinning.

The pre-industrial techniques of hand spinning with spindle or spinning wheel continue to be practiced as a handicraft or hobby, and enable wool or unusual vegetable and animal staples to be used.

Spinning is the single most costly step in converting cotton fibers to yarn. Currently, over 85% of the world's yarn is produced on ring-spinning frames, which are designed to draft the roving into the desired yarn size, or count, and to impart the desired amount of twist. The amount of twist is proportional to the strength of the yarn. The ratio of the length to the length fed can vary on the order of 10 to 50. Bobbins of roving are placed onto holders that allow the roving to feed freely into the drafting roller of the ring-spinning frame. Following the drafting zone, the yarn passes through a "traveler" onto a spinning bobbin. The spindle holding this bobbin rotates at high speed, causing the yarn to balloon as twist is imparted. The lengths of yarn on the bobbins are too short for use in subsequent processes and are doffed into "spinning boxes" and delivered to the next process, which may be spooling or winding.

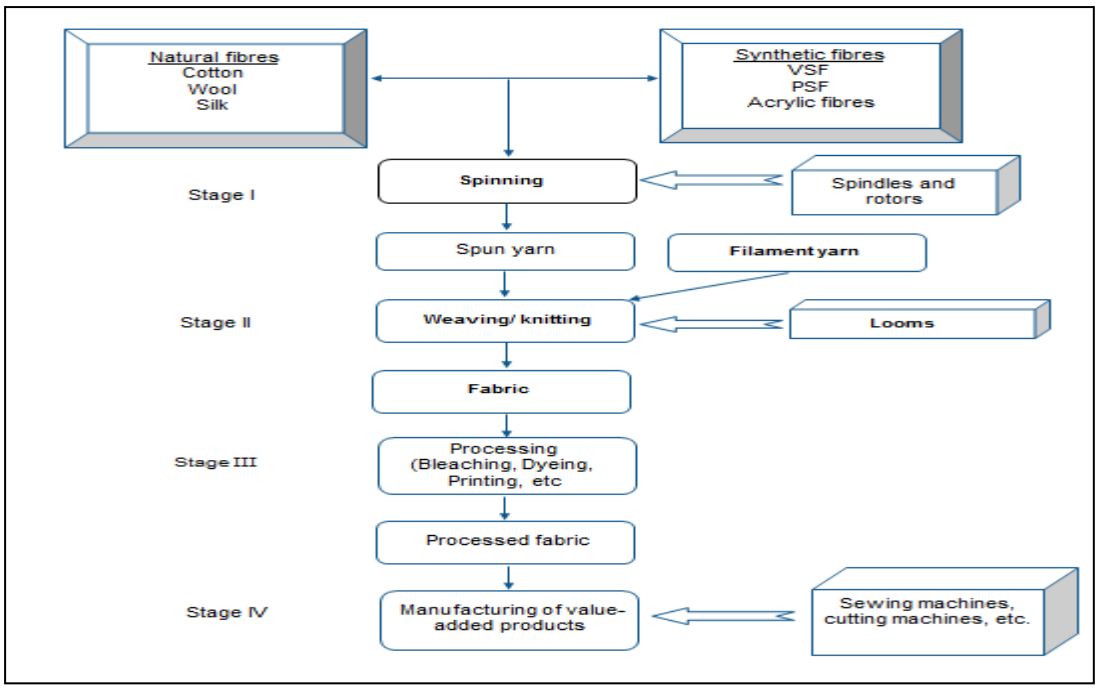
In the modern production of heavier or coarse yarns, open-end spinning is replacing ring spinning. A sliver of fibers is fed into a high-speed rotor. Here the centrifugal force converts the fibers into yarns. There is no need for the bobbin, and the yarn is taken up on the package required by the next step in the process.

Considerable research and development efforts are being devoted to radical new methods of yarn production. A number of new spinning systems currently under development may revolutionize yarn manufacturing and could cause changes in the relative importance of fiber properties as they are now perceived. In general, four of the different approaches used in the new systems appear practical for use on cotton. Core-spun systems are currently in use to produce a variety of specialty yarns and sewing threads. Twistless yarns have been produced commercially on a limited basis by a system that bonds the fibers together with a polyvinyl alcohol or some other bonding agent. The twistless yarn system offers potentially high production rates and very uniform yarns. Knit and other apparel fabrics from twistless yarn have excellent appearance. In air-vortex spinning, currently under study by several machinery manufacturers, drawing sliver is presented to an opening roller, similar to rotor spinning. Air-vortex spinning is capable of very high production speeds, but prototype models are particularly sensitive to fiber length variations and foreign matter content such as trash particles.

(Source: http://www.iloencyclopaedia.org/component/k2/item/880-cotton-yarnmanufacturing)

Industry structure – Spinning

Textiles value chain



Source: CRISIL Research

(Source: Crisil Report)

GLOBAL ECONOMIC ENVIRONMENT

The global economy is gathering pace and is expected to accelerate from 3.2 per cent in 2016 to 3.6 percent in 2017 and 3.7 percent in 2018 which reflects an upward revision of the earlier projections by the IMF (Table 1). The upward revision in world growth is supported by better than expected results in the first half of 2017 in Euro Area, Japan, emerging Asia and Russia even though there are downward revisions in USA and UK. World trade volume is projected to increase from 2.4 percent in 2016 to 4.2 percent in 2017 and 4.0 percent in 2018. Commodity prices (Oil and Nonfuel) are also expected to grow, in contrast to previous years of decline. According to the IMF (October 2017), global recovery is not yet complete, as inflation is still below the target in most advanced economies and commodity exporters, particularly fuel exporters have been hit due to fall in oil prices. While short term risks are broadly balanced, medium-term risks are still tilted towards the downside.

Table 1 : Overview of the World output and Trade (Goods & Services) Projections

	Actuals	Projections		Difference from July 2017 WEO update	
	2016	2017	2018	2017	2018
World Output	**3.2**	**3.6**	**3.7**	**0.1**	**0.1**
World Trade Volume (goods and services)	**2.4**	**4.2**	**4.0**	**0.2**	**0.1**
Imports					
Advanced Economies	2.7	4.0	3.8	0.0	0.2
EMDEs	2.0	4.4	4.9	0.1	0.2
Exports					
Advanced Economies	2.2	3.8	3.6	-0.1	0.2
EMDEs	2.5	4.8	4.5	1.0	0.0

Source: IMF, World Economic Outlook, October 2017.

Note: EMDEs- Emerging Market and Developing Economies.

Table 5 : Sector wise share and growth rate of exports

Rank		Share (per cent)			Growth rate (per cent)		
		2015-16	2016-17	2017-18 (Apr-Nov) (P)	2015-16	2016-17	2017-18 (Apr-Nov) (P)
1	Engineering goods	23.1	24.4	25.9	-17.0	11.1	22.4
2	Gems and Jewellery	15.0	15.7	14.4	-4.8	10.5	-3.8
3	Chemicals and related products **	14.7	14.2	14.5	0.6	1.6	11.9
	of which						
	Drug & pharmaceutical	6.2	5.8	5.4	9.9	-1.2	-0.7
4	Textiles & allied products	13.7	13.0	11.8	-3.2	-0.5	3.8
	of which						
	Textiles	5.6	5.2	4.9	-8.5	-2.3	5.9
	Clothing	8.1	7.8	6.9	0.8	0.7	2.4
5	Petroleum crude & products	11.7	11.4	11.8	-46.2	3.1	17.6
6	Agriculture and allied products *	9.9	9.5	9.7	-17.6	0.3	15.0
7	Electronic goods	2.2	2.1	2.0	-5.3	0.0	4.5
8	Marine products	1.8	2.1	2.7	-13.5	23.8	29.5
9	Ores and minerals	0.8	1.2	1.0	-16.4	61.6	12.9
10	Leather & leather products	2.1	1.9	1.9	-10.3	-4.4	0.9
	Total exports including others	100.0	100.0	100.0	-15.5	5.2	11.2

Source: **Computed from D/o Commerce database. P : Provisional**

Notes: ***: including plantation. **: including plastic and rubber products**

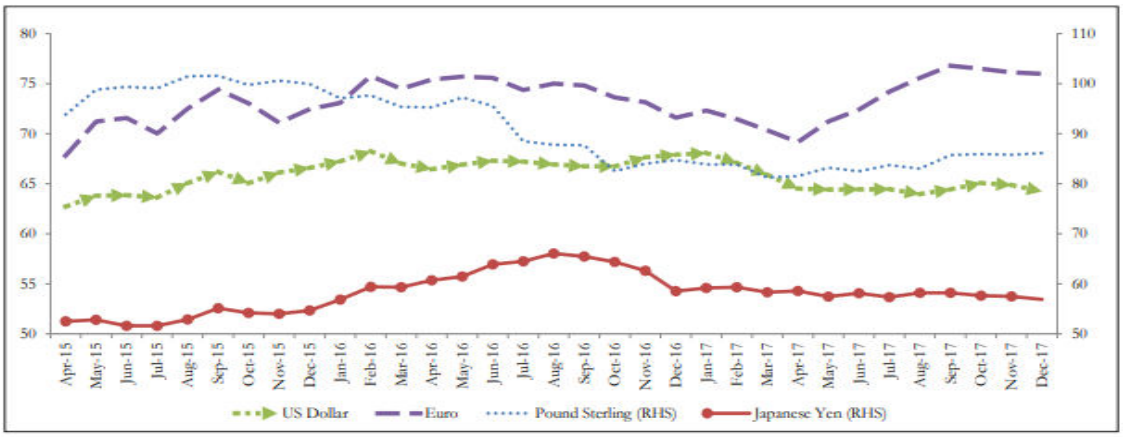
Export growth in 2016-17 was fairly broad based with positive growth in major categories except textiles & allied products, and leather & leather manufactures. In 2017-18 (April - November) among the major sectors, there was good export growth in engineering goods and Petroleum crude and products; moderate growth in chemicals & related products, and textiles & allied products; but negative growth in gems and jewellery.

Exchange Rate

During 2017-18 (up to December 2017), the rupee generally traded with an appreciating bias against the US dollar, barring intermittent depreciation in September and October 2017. The rupee strengthened by 2.5 per cent to a level of Rs.64.24 per US dollar during December, 2017 from the level of Rs.65.88 per US dollar during March 2017 on the back of significant capital flows, both foreign portfolio flows and FDI. Improved macroeconomic conditions coupled with reforms initiated by the Government were mainly responsible for the buoyant capital flows. The rupee was one of the least volatile EM currencies during April-December 2017 and traded in the range of Rs. 63.63 to Rs. 65.76 per US dollar.

On an average, the rupee has appreciated so far against most other major currencies besides the US dollar (April – December, 2017). The rupee appreciated by about 6.0 per cent against the pound sterling, 0.2 percent against the Euro and 9.2 per cent against the Japanese Yen during the period April-December, 2017 over the same period of the last fiscal year (Figure 8).

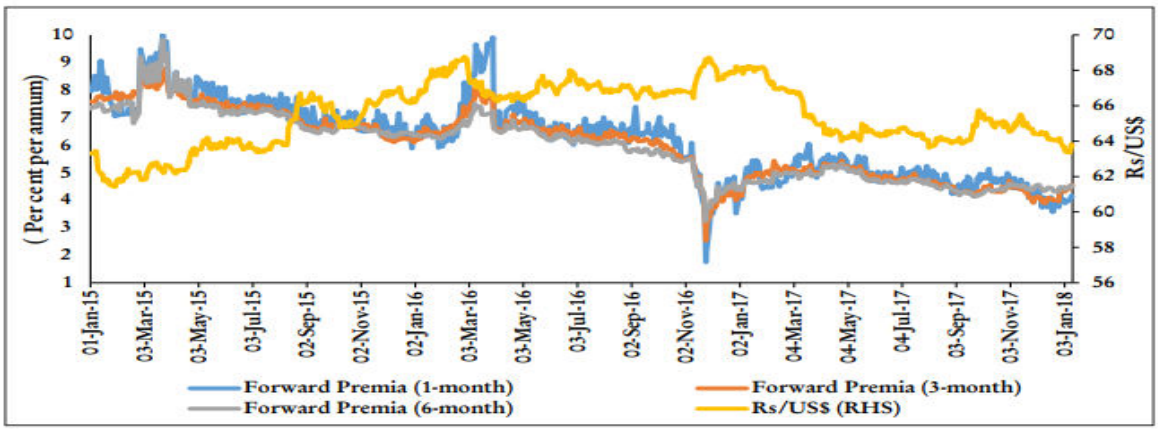
Figure 8: Movement of Rupee against US Dollar, Euro, Pound Sterling and Japanese Yen



Source: Based on RBI data.

The forward premia generally exhibited a softening trend during 2017-18 so far (up to January 11, 2018), barring intermittent hardening in September 2017 and January 2018, mainly due to narrowing of interest rate differential between India and the US on the back of policy rate cut by the RBI and increase in the US Fed fund rate. The 6-month forward premia, which stood at 4.9 per cent at end-March 2017 declined to 4.5 per cent on January 11, 2018 and moved in the range of 4.2 per cent to 5.3 per cent during this period (Figure 9).

Figure 9 : Movement of Forward Premia and Reference Rate (Spot)



Source: RBI.

(Source: Economic Survey 2017-18 – Ministry of Finance)

THE INDIAN ECONOMY

After two sub-par years, interjected by demonetisation and rollout of the Goods and Services Tax (GST), growth is seen recuperating to a respectable 7.5% next fiscal. This, however, is still below the 13-year average.

The key engines supporting the upturn are largely domestic and policy-driven, though a synchronous upturn in global growth will, undoubtedly, provide some tailwind.

While the upturn is a given, aided partly by the low-base effect, we identify four thrust vectors – the four Rs – that will critically determine the extent of pick-up and its sustainability.

Resolution of stressed assets in banking:

- Rural rejuvenation
- Relentless implementation of reforms, and
- Rising global growth

Resolving NPAs through NCLT, especially from the steel sector…

The asset quality issues plaguing the public sector banks have reached such gargantuan proportions – with gross non-performing assets (GNPAs) touching 10.5% - that no meaningful and sustainable economic recovery is plausible without, at least, beginning of a resolution process.

The transparent and time-bound process driven by National Company Law Tribunal (NCLT) offers hope. While haircuts are likely to be deep – at 60%+ in our view in many large cases – the scale and timeframe of recovery will mark a watershed for Indian banking.

We are particularly positive on the steel sector, helped by buoyant global prices and recovering domestic demand.

With improving economy and turning credit cycle, fresh slippages will moderate and NPAs will likely peak at 11% by March 2019. Continued government support though capital infusion, including growth capital, will, however, be critical for the lending cycle to start, a requisite for growth step-up.

An unintended consequence of resolution will be possible slowdown or deferment in private sector capex. This will be driven by two factors – improvement in the utilisation of stressed capacities that move into stronger hands, and reduced financial and management bandwidth for acquirers, especially the strategic ones, for new large projects.

Centre's rural focus will drive jobs and demand

The focus on demand and job creation through spending on rural and labour-intensive infrastructure space is likely to support growth next fiscal, and push demand in the consumer sectors.

Funding, though, remains a concern– with significantly higher reliance on non-budgetary resources for supporting the aggressive spending plan on rural roads, affordable housing and railways.

Progress on reforms mixed, so big traction unlikely from that

The sustainability of recovery also depends on effective implementation of key reforms such as GST, the Real Estate (Regulation and Development) Act, 2016, or RERA, and the Ujwal Discom Assurance Yojana (UDAY), rolled out in the last few years. Each of these has the potential to be transformative in the long run, but near-term efficacy and impact, in our view, is mixed at best.

The most urgent need is to iron out the teething troubles with GST and ease its impact on critical segments such as micro and small enterprises (MSMEs) and exports.

Besides, tax collections remain subdued despite high enrolments. Streamlining procedural issues and improving compliance will be critical for businesses to refocus on growth and fiscal target to be met. Our forecast bakes in stabilisation in the first half of next fiscal.

UDAY, the third attempt to streamline state electricity boards (SEBs), has seen reasonable progress with some states making stronger tariff hikes, but progress on other key fronts, including reduction in transmission and distribution losses, remains slow. Without improvement in SEBs' fortunes, power offtake, new power purchase agreements and resolution of stress in private sector gencos appears distant.

RERA has also muddled through with lack of uniform implementation. Maharashtra has taken the lead, but many states have diluted the provisions, numbing the overall impact. While RERA has increased the cost of compliance and is expected to lead to consolidation in the sector, our analysis of launch activity in the last two years suggests no meaningful change. Admittedly, for a highly fragmented sector with deep-rooted practices, change is expected to be only gradual. However, for the benefits – lower risk, improved transparency – to flow through, more forceful implementation needs to be pursued.

On the other hand, the affordable housing segment is witnessing unprecedented action from both, the government and private sector. We expect the momentum in this area to gather

pace in fiscal 2019 with higher budget allocations and increasing attention of private players, given subdued demand in other segments.

Global growth resurgent, but exports are unlikely to be on a tear

Global growth is gathering pace, and the momentum in global trade is expected to continue in 2018 as well. This should buoy India's exports, but the pick-up is unlikely to be material, given poor local infrastructure, higher cost of capital and labour productivity issues. This needs urgent mend since, as S&P Global Chief Economist Paul Gruenwald points out in our report, global growth is unlikely to sustain at these levels beyond the next 1-2 years.

Corporate performance to mirror macros, EBITDA growth to hit double digits

Corporate performance will mirror improving macros with revenue growth exceeding inflation meaningfully for the first time in over five years. We expect India Inc (excluding banking, financial services and insurance, and oil and gas companies) to report double-digit growth in earnings before interest, tax, depreciation and amortisation (EBITDA) for the first time in eight years. Revenue growth, too, is projected to touch a seven-year high.

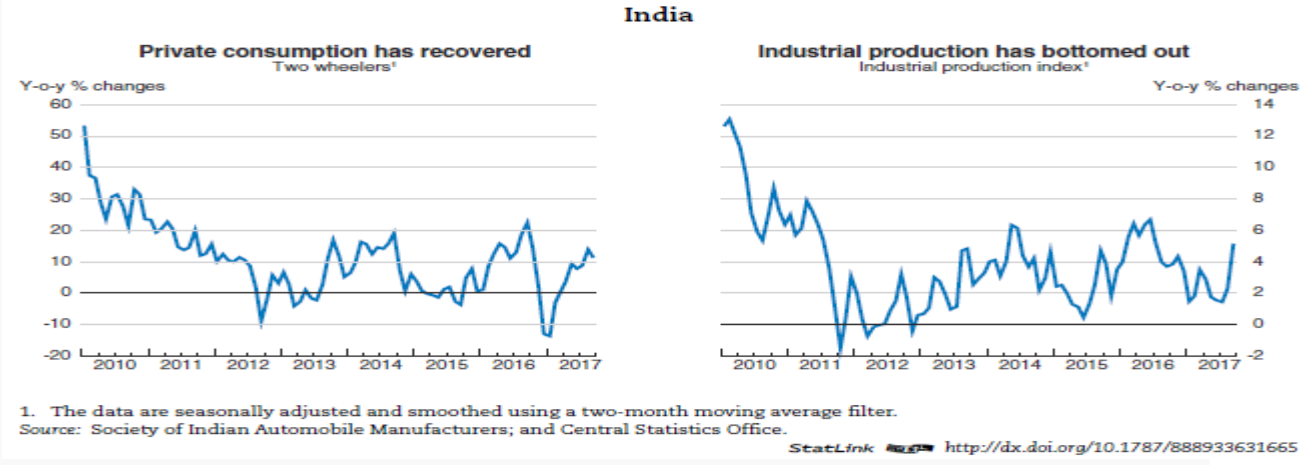
(Source: https://www.crisil.com/en/home/our-analysis/reports/2018/02/crisils-india-outlook-2018-the-fours-of-growth.html)

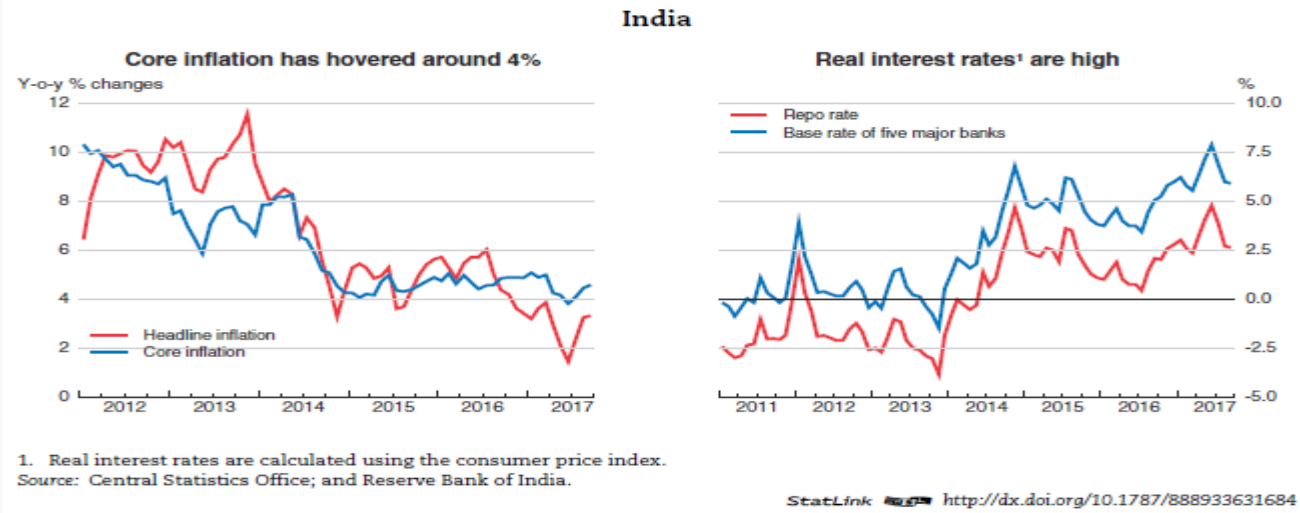
OUTLOOK FOR GROWTH

Economic growth is projected to strengthen to above 7%, gradually recovering from the transitory adverse impact of rolling out the Goods and Services Tax (GST) and measures to choke off the black economy, including demonetisation. In the longer run, the GST will boost corporate investment, productivity and growth by creating a single market and reducing the cost of capital equipment. Investment will be further supported by the plan to recapitalise public banks and by the new road plan.

Recent measures to digitise the economy and improve tax compliance should boost tax revenue in the medium term. They are accompanied by an increase in public pensions and wages, as well as debt write-offs in some states, resulting in a broadly neutral fiscal stance over the projection period. Given the high public debt-to-GDP ratio, increasing social infrastructure, such as health and education, will require raising more property and income tax revenue. With inflation expectations adjusting down, there could be room for further cuts in interest rates if inflation durably remains below 4%.

Non-performing loans have increased, largely reflecting recognition efforts, and are particularly high in public banks. Steps have been taken to clean up banks' balance sheets, giving creditors more control over the stressed entities. A new bankruptcy law is also being implemented. The large recapitalisation plan for public banks should be accompanied by governance reform. External debt remains low and foreign exchange reserves have increased, reducing vulnerabilities.





(Source: http://www.oecd.org/economy/india-economic-forecast-summary.htm)

INDIAN COTTON YARN INDUSTRY

Indian Scenario of Cotton Prices

Cotton is one of the most important cash crops and accounts for around 25% of the global fibre production. In the raw material consumption basket of the Indian Textile Industry, the proportion of cotton is around 59%. It plays a major role in sustaining the livelihood of an estimated 5.8 million cotton farmers and 40-50 million people engaged in related activities such as cotton processing & trade. The consumption of cotton is more than 300 lakh bales (170 kg each) per year.

Yarn demand to rebound in 2017-18 after a decline observed in 2016-17

Overall yarn demand declined ~1% on-year in 2016-17, as derived demand (yarn used for manufacturing readymade garments and home textiles that are exported) slowed down considerably and direct yarn exports had declined sharply as high domestic cotton prices rendered yarn exports unviable. In 2017-18, we expect direct yarn exports to slightly improve (3-4%) on back of favourable cotton prices. Domestic demand is expected to grow moderately (4-5%) in fiscal 2018 as demand slowed down in H1 FY 18 on account of GST rollout.

Over the long term, yarn demand is expected to slow down at 3-3.5% CAGR, from 5.5% growth in previous five years. While domestic and derived demand will offer respite, exports are expected to slow down in the long term. Exports are expected to slacken as China's domestic yarn production is pegged to become more viable due to market-oriented cotton auctions which reduce the incentive for yarn imports.

Cotton prices to decrease in 2017-18 season

CRISIL Research expects domestic cotton prices to decline from ~117 per kg in cotton season (CS) 2016-17 to ~ 100-105 per kg in CS 2017-18, due to increase in cotton production. Production has risen as farmers have switched back to cotton following price surge in CS 2016-17. Also, demand is expected to increase slightly due to improvement in domestic consumption.

- We expect production to climb up ~14% on-year to ~385 lakh bales of 170 kg each (6,545 million kg) in CS 2017-18, largely on account of growth in cotton acreage across the country, as farmers have reverted to cotton in the current kharif season. Cotton prices rose 13% in CS 2016-17; farmers who cultivated the crop despite government warnings reaped huge profits. Estimates peg ~19% increase in cotton acreage in CS 2017-18 to ~123 lakh hectares. However, overall yield is expected to fall by ~4% to 534 kg/hectare due to erratic monsoon rains and anticipated pest-related losses.

- Domestic consumption is expected to improve to ~315 lakh bales (5,340 million kg), supported by increased mill usage post favorable cotton prices and higher demand from downstream players post initial disruptions after GST roll out. Continued low tax incidence of cotton value chain (5%) as compared to man-made fibers (18%) under GST will also support demand recovery.
- Owing to high production and relatively slower domestic consumption, we expect cotton imports this year to be low at ~20 lakh bales.
- Stock-to-use ratio is expected to increase to 2.6 months in CS 2017-18 from 1.3 months in previous season.

Bumper cotton sowing estimated this kharif season

According to the Ministry of Agriculture, planted area under cotton reached 123 lakh hectares as of September 29, 2017 compared to 103 lakh hectares in CS 2016/17. Planted area is 19% higher than last year; it is also 7% higher than the 5-year average of 115 lakh hectares.

In Gujarat, cotton planted area is higher by 10% from last year. While there has been flooding in northern Gujarat, most of the cotton area remains in a good condition. In Maharashtra, while acreage for cotton has increased by almost 400,000 hectares compared to the previous year, yields are forecast to be lower than last year due to poor rains. Most cotton-growing districts in the eastern region (Vidarbha) of Maharashtra have received inadequate monsoon rains. Cotton acreage is expected to rise in Telangana and Andhra Pradesh as well, but yield forecasts remain low due to inadequate rainfall and pest pressure in major cotton-growing districts.

Yarn consumption to revive in 2017-18

We believe yarn demand to pick up in 2017-18 due to expected revival in direct yarn exports after sharp decline in 2016-17 on account of high cotton prices. Domestic demand is expected to grow moderately in 2017-18 as demand slowed down in H1 2017-18 on account of GST rollout. Derived demand is expected to revive slightly as demand from non-traditional markets recovers, and the US and EU markets show improvement in clothing consumption.

However, strong rupee and reduction in duty drawback rates will ensure that the derived demand growth falls below the five-year average of 3.5-4.0% in 2017-18. Cotton fabric production is estimated to have declined by 4% in H1 FY 18 which serves as an indicator of weak domestic and derived demand. Also, direct yarn exports are estimated to have fallen by ~10% in H1 FY 18. However, we expect the demand to pick up in second half of the year as GST operational issues get streamlined as well as low cotton prices support direct yarn exports. Overall, we expect the yarn demand to post 3.5-4% growth in FY 18. In the long run, improved economic activity and rising disposable income are expected to support domestic demand.

The estimate consumption of cotton yarn to be driven by three factors:

1. Domestic use in clothing and home textiles
2. Derived demand, i.e., cotton yarn used in apparel, home textiles, and exported fabrics
3. Direct exports of yarn

INDIAN COTTON BALANCE SHEET - SEASON 2017-2018

ESTIMATED ON 31 MAY 2018

(IN LAKHS BALES OF 170 KGS EACH)

(1 MILLION = 10.00 LAKHS)

	2017-18		2016-17	
	IN LAKHS BALES	IN '000 TONS	IN LAKHS BALES	IN '000 TONS
SUPPLY				
OPENING STOCK	54.37	924.29	42.25	718.25
CROP	382.00	6494.00	345.75	5877.75
IMPORT	18.00	306.00	30.94	525.98
TOTAL SUPPLY	454.37	7724.29	418.94	7121.98
DEMAND				
MILL CONSUMPTION	279.00	4743.00	262.66	4465.22
SMALL MILL CONSUMPTION	27.00	459.00	26.20	445.40
NON MILL CONSUMPTION	18.00	306.00	17.50	297.50
EXPORT	76.00	1292.00	58.21	989.57
TOTAL DEMAND	400.00	6800.00	364.57	6197.69
CARRY OVER	54.37	924.29	54.37	924.29
STOCK TO MILL USE RATIO	0.17	0.17	0.18	0.18

Source: Galiakotwala

Domestic demand to grow at a moderate pace in fiscal 2018

CRISIL Research projects cotton yarn demand to post a compound annual growth rate (CAGR) of 3-4% between 2016-17 and 2021-22, on expectations of increased economic activity. A steady rise in ready-made garments (RMG) and home-textile sales in an improving economy will spur cotton yarn offtake in the long run. However, substitution towards man-made yarn due to cost competitiveness in the domestic market will cap the long-term demand growth.

Long-term derived demand to fray

We expect derived demand growth to slightly recover in 2017-18, as demand from non-traditional markets recover and apparel consumption in the United States (US) and European Union (EU) improves. However, strong rupee and reduction in duty drawback benefits under GST (from ~7.5% to 2%) will impact price competitive RMG and home textile exports industry. Hence, derived demand is expected to grow at 2-3% in 2017-18, lower than the average growth of 3.5-4.0% witnessed over the past five years.

Minimal impact of declining labour intensity on operating margins

A continuous rise in the employee cost has led to high automation in the industry. As per primary research, the labour cost has increased 7-8% in past five years and is currently at Rs 300/shift. Due to the faster rise in costs and higher government incentives for modernisation through Technology Upgradation Fund Scheme (TUFS), the industry's labour intensity has gradually declined. Compared with 20 employees required per 1000 spindles in 2005-06, the intensity has come down to 17 employees. Even though the current automation is at high levels, some areas such as inter-process material transfer and packaging departments are still highly labour intensive. Hence, with incremental improvements in productivity and a slower rise in spun yarn production, we expect a 25% fall in incremental employee addition over the next five years. However, with relatively lower labour intensity (compared with readymade garments) and an increase in higher-paid skilled labour

requirement, the impact on the overall operating profitability would be marginal in the near term. Major gains on this front can be expected only when the overall demand picks up and the industry's utilisation improves significantly.

Bt cotton aims to improve and protect cotton yields

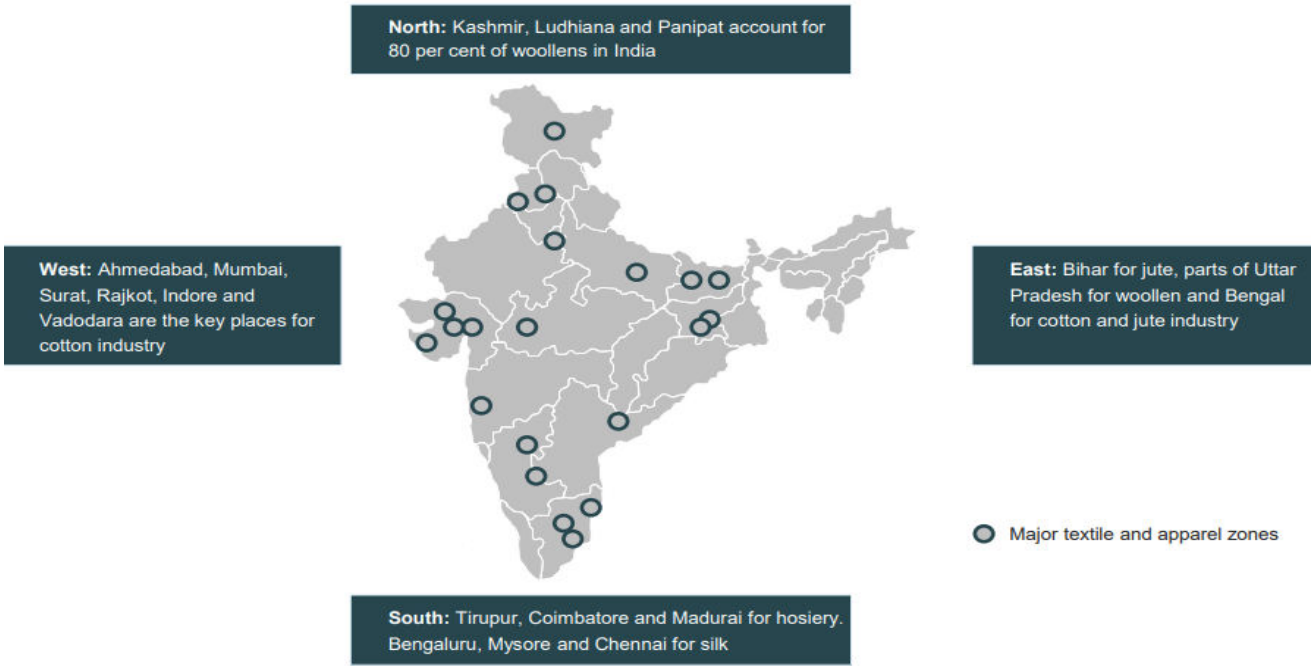
Cotton, the key input in cotton yarn, accounts for 55-60% of the operating income of cotton yarn producers. In India, the cotton season is from October to September, with cotton arrivals peaking during November to February. Most spinning companies purchase cotton during these months. To improve cotton yields, Bacillus thuringiensis (Bt) cotton seed was introduced in March 2002. Bt cotton is a genetically engineered cotton seed that protects the yield against pests, such as bollworm and budworms. It is the first and only transgenic crop to be approved by the Genetic Engineering Approval Committee (GEAC). It is used for commercial cultivation in the majority of states and still accounts for more than 90% of area.

Domestic production expected to increase in CS 2017-18

We expect production to climb up ~14% on-year to ~385 lakh bales of 170 kg each (6,545 million kg) in CS 2017-18, largely on account of growth in cotton acreage across the country, as farmers have reverted to cotton in the current kharif season. Estimates peg ~19% increase in cotton acreage in CS 2017-18 to ~123 lakh hectares.

(Source: Crisil Report)

KEY COTTON YARN ZONES IN INDIA



Note: 2011-12 As Per Latest Available Information

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

CHALLENGES FACED BY THE INDIAN COTTON YARN INDUSTRY

The problems of Cotton Industry in India:

- Long staple cotton is not well grown in many parts of India.
- Many of the factories are old and, as such, productivity has been lowered. The plants and machinery employed in many of our textile mills are now out of date. They were put to intensive use and have considerably deteriorated.

- High cost of advanced machinery is an unavoidable hindrance for the procurement of new machinery. For this reason, the much-needed replacement had to be deferred for many years.
- The high cost of production is also effectively retarding the growth of this important industry.
- There is competition from synthetic fibres like polyester, etc.
- There is competition in the International Market from Bangladesh, Japan, China, and Britain, etc.
- Great difficulties are being experienced by mill-owners in obtaining the capital needed for modernization.

(Source: https://www.importantindia.com/20480/cotton-textile-industry-in-india/)

GOVERNMENT POLICIES

Favourable government policies helped industry

Government policies have a significant impact on the Textile industry. The National Textiles Policy aims to ensure that the industry is internationally competitive in terms of manufacturing practices and exports. The government launched textile packages such as the Technology Upgradation Fund Scheme (TUFS) -introduced in 1999 - to improve productivity and make the industry cost-competitive. Similarly, the EXIM Policy contains export promotion measures such as the Duty Entitlement Pass Book Scheme (DEPB) and duty drawback schemes.

Various schemes

Foreign trade policy for the period 2015 to 2020

The government announced the new foreign trade policy (FTP) on 1st April 2015 for the period 2015 to 2020. This policy provides a framework for increasing exports of goods and services to $900 billion by 2020. The policy introduced two new schemes vis-a-vis Services Exports from India Scheme (SEIS) and Merchandise Exports from India Scheme (MEIS).

- SEIS in order to boost exports of notified services. The rates of rewards under SEIS will range from 3-5 per cent as compared to 5-10 per cent range earlier.
- MEIS targeting export of specified goods to specified markets. The rates of rewards under MEIS will range from 2-5 per cent as compared to earlier 2-7 per cent range.

The textile sector has been granted duty scrips of 2 per cent for cotton textile products and 5 per cent for handloom, carpet and coir products. However, cotton yarn is not expected to get any benefits under this scheme.

Technology Upgradation Fund Scheme (TUFS)

The textiles industry is capital-intensive and requires huge investments. The investments were hindered as interest rates in India were very high during the 1990s. So the Union Ministry of Textiles launched TUFS in 1999 to upgrade technology at textile units. The Union Government set up a ~250 billion fund under the TUFS for providing aid to textile projects. The scheme commenced on April 1, 1999. It initially provided a 5 per cent interest subsidy on loans borrowed from specified institutions to all segments within the textiles value chain. Spinning has benefited the most through TUFS. As of June 2010, spinning mills received 34 per cent of the total funds disbursed under TUFS.

In 2011-12, the scheme was renamed as Restructured Technology Upgradation Fund Scheme (R-TUFS) with a few changes. The refurbished scheme provided a reimbursement of 5 per cent on interest charged by the lender, for loans taken to upgrade technology at a textile unit. However, for spinning machinery the scheme provided a 4 per cent interest reimbursement for new standalone spinning machinery or for replacement/ modernisation of the same. However, spinning units, which also have equivalent weaving/ knitting/ processing/ garmenting capacities, will be granted a 5% reimbursement.

On 13th January 2016, a new scheme "Amended technology Upgradation Scheme (ATUFS)" has been approved by the government, which will provide one-time capital subsidy for investments in the employment and technology intensive segments of the textile value chain. Under ATUFS, no subsidy will be provided for spinning sector. Every other individual entity will be eligible for one-time Capital subsidy only as per the rates and the

Sl No.	Segment	Rate of Capital Investment Subsidy	CIS per individual entity
1	Garmenting, Technical Textiles	15 % on eligible machines	Rs 0.3 Bn*
2	Weaving for brand new shuttle-less looms(including weaving preparatory and knitting),Processing, Jute, Silk and Handloom	10 % on eligible machines	RS 0.2 Bn*
3(a)	Composite Unit /Multiple segments - If the eligible capital investment in respect of Garmenting and Technical textiles category is more than 50 % of eligible project cost	15 % on eligible machines	RS 0.3 Bn*
3(b)	Composite Unit /Multiple segments - If the eligible capital investment in respect of Garmenting and Technical textiles category is less than 50 % of eligible project cost	10 % on eligible machines	RS 0.2 Bn*

* In case the applicant had availed subsidy earlier under RR-TUFS, he will be eligible for only the balance amount within the overall ceiling fixed for an individual entity

overall subsidy cap indicated below:

Rajasthan Investment Promotion Scheme, 2014

The Government of Rajasthan vide their notification No.F.12(28) FD/Tax/2010 Pt. I-114 Jaipur, dated October 08, 2014 implemented the interest and other subsidy scheme for the textile sector. Under this scheme all enterprises manufacturing/processing all kind of fibres, yarn, fabrics, garments, apparels, hosiery, made-ups using such processes as spinning (which includes blow room to yarn packaging, Ring Spinning, Rotors or Jet Spinning), Weaving, Dyeing & Processing, Knitting, Machine Carpeting, Machine Embroidery and any other activities/process like crimping, texturizing, twisting, winding, sizing etc. within the entire Textile value chain are eligible for the subsidy.

The details of subsidy for textile sector under the scheme is as under:

Enterprises making a minimum investment of twenty-five lakh rupees in the textile sector shall be granted the following benefits for the period as mentioned in clause 10.7 of the Scheme:

(a) 5% interest subsidy;

(b) additional 1% interest subsidy for enterprises making investment more than Rs.25 crore;

(c) 7% interest subsidy for Technical Textile Sector;

(d) Capital Subsidy on zero liquid discharge based effluent treatment plant equivalent to 20% of amount paid to the suppliers for the plant excluding civil work, subject to a maximum of Rs.1crore;

(e) 50% reimbursement of VAT on purchase of yarn, fibre, recycled fibre yarn, cotton and pet bottles for use in manufacture of goods within the State, for sale by him; and

(f) 50% exemption from payment of Entry Tax on capital goods, for setting up of plant for new unit or for expansion of existing enterprise or for revival of sick industrial enterprise, brought into the local areas before the date of commencement of commercial production/operation

GST impact mildly positive for cotton spinners

It is expected increased cotton yarn usage in blended fabrics owing to relatively higher tax incidence on manmade fibre following higher tax compliance in the value chain. Also, with the implementation of the Goods and Services Tax, there is significant central sales tax

savings as the spinning industry depends heavily on interstate procurement (Tamil Nadu accounts for ~45% of spindle capacity but only ~2% of cotton production). Operating margin will be relatively unaffected as pricing pressure from downstream segments will likely be offset by benefits obtained under input tax credits not received earlier (duty on packaging, service tax on transportation, etc). Working capital requirements are unlikely to increase significantly because of similar tax incidence on raw material, i.e. GST on cotton is 5%, which is relatively similar to the previous value-added tax.

(Source: Crisil Report)

OUR BUSINESS

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and the chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page nos. 20, 218 and 252 respectively of this Prospectus.

Unless the context otherwise requires, in relation to business operations, in this chapter of this Prospectus, all references to "we", "us", "our" and "our Company" are to Lagnam Spintex Limited as the case may be.

OVERVIEW

Our company was originally incorporated on June 11, 2010 as a Private Limited under the name and style of Lagnam Spintex Pvt Ltd under the provisions of the Companies Act, 1956 with the Registrar of Companies, Jaipur Rajasthan. Subsequently our company was converted into the public company vide special resolution passed by the shareholders at the EGM held on January, 22, 2018 and the name of the company was converted into Lagnam Spintex Limited.

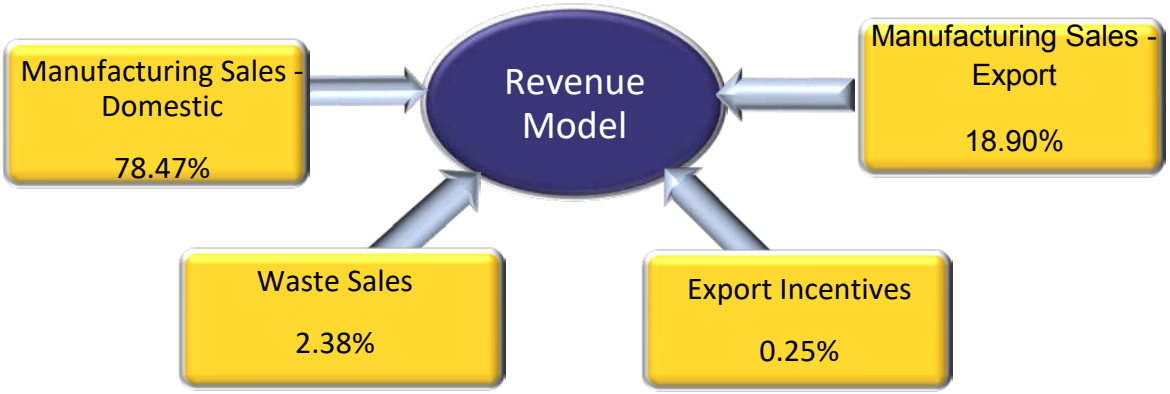
Our company is an **ISO 9001:2015** certified Company engaged in the business of manufacture of high quality yarn for domestic and export market ranging from count Ne 4 to Ne 20 which is used in Denim, Terry Towels, Bottom Wears, Home Textiles and Industrial Fabrics etc.

The manufacturing facility of Our Company is situated at A- 53, RIICO Growth Centre, Hamirgarh of Bhilwara District in Rajasthan State and spreads over 10,000 square meters. Our Company has at present installed capacity of 1,920 rotors for cotton yarn having capacity to produce16.5 tonnes per day of high quality yarn. A rotor is the main spinning element of a rotor-spinning machine used in manufacturing of yarn and the quality of yarn, productivity & costs etc. all depend mainly on the rotor. We have continuously expanded and modernized our facilities in line with the industry trend. Our plant is equipped with modern and automatic plant and machinery. The level of advancement determines the productivity of machines and labour, which in turn, determines the production, operating cost and profitability of Our Company. Our technical team in spinning is well equipped with modern spinning technology and processing techniques by virtue of which we are able to ensure quality yarn. Technology is a crucial aspect of the cotton yarn industry.

Our company has been recognised as "One Star Export House" by the Director General of Foreign Trade with a certificate valid from 2017 to 2022. We have also received OEKO Tex certification. We have a dedicated in-house Testing and Quality Control Team which undertakes rigorous testing and quality management. We are one of the few cotton yarn manufacturers globally who have received certification from USTER Technologies AG. We ensure that all product manufactured is of the optimum quality for which we run our yarn through USTER's QC Machines. For details, please refer to "Our Business - Quality Control" on page no. 168 of this Prospectus.

Our Company is presently exporting cotton yarns to countries like Portugal, Italy, Germany, Belgium, South Africa, Slovenia, Columbia, China, Pakistan, Bangladesh and others. We supply to customers, who are in fields like apparel and garment industry, industrial fabrics, towels, Denims etc. At present, Our Company is exporting its products to countries, which are expected to grow in forthcoming times thereby offering more scope for Our Company to develop new markets and to increase our presence accordingly.

The following diagram depicts the breakup of revenue, percentage-wise for the year ending March 31, 2018.

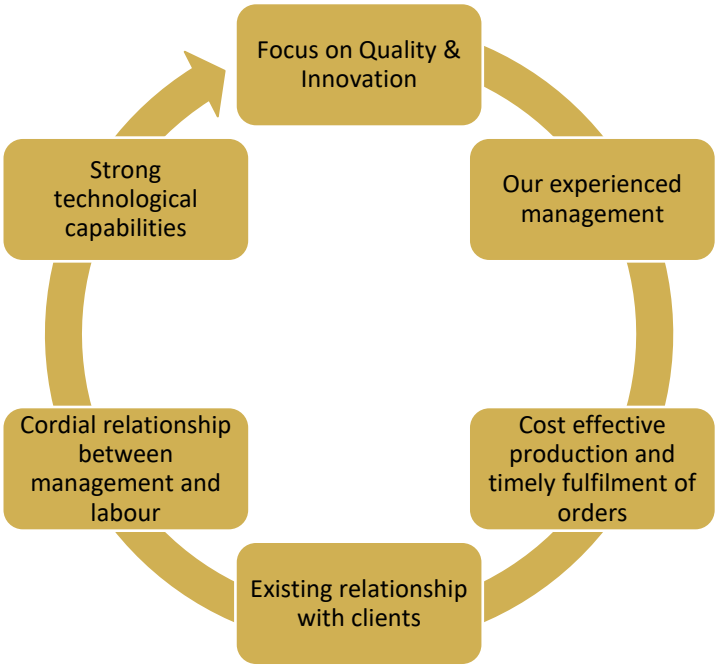


To cope with the continuous growing demand in the overseas and domestic markets and to attain economies of scale, Our Company proposes setting up a new manufacturing facility for high quality Ring Spun carded and combed yarn with capacity of 18.61 TPD with 25,536 spindles at A- 51,52 RIICO Growth Centre Hamirgarh, Bhilwara, Rajasthan. The Company has already purchased the leasehold right for the site where it wishes to set up its new project. The project shall be set up on the land admeasuring 38,263 Sqmt. which is adjacent to existing unit of the company.

With this proposed expansion, the uses for our company's product i.e. yarn will significantly increase by further diversifying end use scope for current offering i.e. increasing product variety in Denim, Terry Towel, Home textiles, Industrial Fabric and also adding Suiting & Shirting, Linen and Home furnishing fabrics to the end use purposes. The company will also be diversifying its product by being able to offer Double yarn on (Two For One Twister) and Slub yarn which will be used in Fancy fabric.

In the past five years our revenues have increased from INR4,983.41 lakhs in F. Y. 2014-15 to INR 5,656.41 lakhs in F.Y. 2015-16, INR 7,538.43 lakhs in F.Y. 2016-17 and to INR 8,454.47 lakhs in F.Y. 2017-18 showing a CAGR of almost 19% over the three years. Our Net Profit after tax for the above-mentioned periods are INR 157.82 lakhs, INR 208.50 lakhs, INR 367.09 lakhs and INR 468.49 lakhs, respectively, showing that the profit after tax of our Company for the last three years has grown at a CAGR of almost 43%.

OUR STRENGHTS



1. **Focus on Quality and Innovation**

We believe that quality and innovation are bed rock of any successful strategy. We stress on and constantly strive to maintain and improve the quality of our services and products. Our focus on quality and innovation helps us to compete against our peers in the yarn and textile industry.

2. **Our Experienced Management**

Our Directors and Key Managerial Persons have been engaged in the yarn & textile industry for around quite a few decades now and have a rich experience and goodwill in the market which provides the business with a competitive edge. It is through the constant efforts and experience of our management team that we have been able to build a sustainable business model. We also have employed people in different areas of work who have the required technical competence and qualifications. We strongly believe that the success of our organization lies in the efforts of our human resources.

3. **Cost effective production and timely fulfillment of orders**

Our Company has taken various steps in order to ensure adherence to timely fulfilment and also to achieve greater cost efficiency as timely fulfilment of the orders is a prerequisite in our industry. These steps include identifying quality yarn, smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. Our Company also has enjoyed good relations with our suppliers and as a consequence have the benefit of timely supplies of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfilment of orders of our customers. Our Company constantly endeavours to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

4. **Existing relationship with the clients**

We focus on building long term client relationship and constantly try to cater customer needs with products in demand. Since we are mainly engaged in B2B business model, our existing clients provide us mandate for continuous services. We trust that our existing relationship and goodwill serves as a competitive advantage in gaining new clients and increasing our business with existing clients.

5. **Cordial relationship between management and labor**

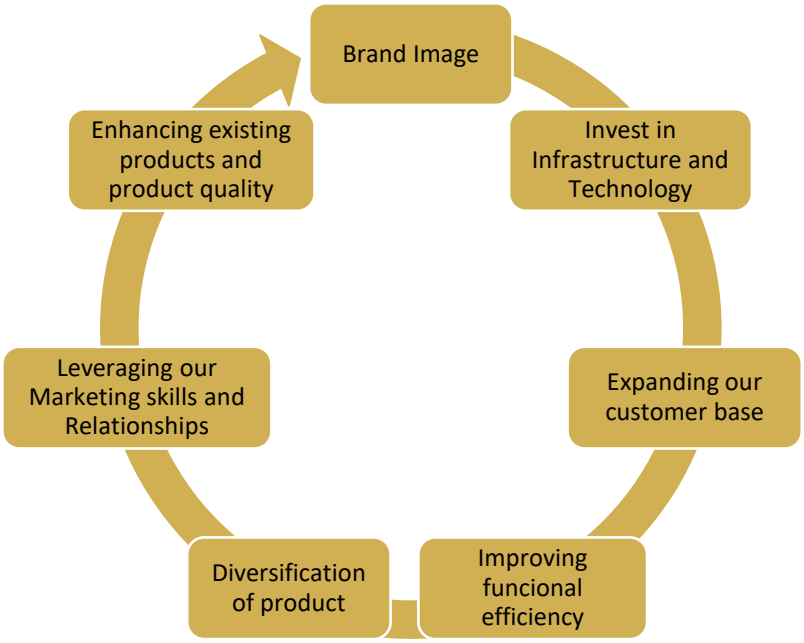
We enjoy cordial relations with our employees and there has been no union of employees. Further, there have been no strikes, lock-out or any labour protest in our organization since inception.

6. **Strong Technological Capabilities**

We use latest technology and machinery procured from suppliers/distributors in the world. Not only have we installed the latest machinery to produce high quality yarn, we have also use USTER's state of the art quality check machine thereby ensuring the quality of yarn. These modern machineries also help us in maintaining high quality standards and thus retain various national and multi-national customers.

OUR STRATEGIES

Our vision is to grow in existing and new markets by providing quality services and products. We intend to capitalize on the growing demand for our products in India and abroad. In line with this version, our company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business.



1. Brand image

We intend to build our brand primarily through continued investment in product innovation supported by research and development initiatives, marketing activities and the establishment of long-term relationships with our customers. In the face of increased competition, we believe that it is critical that we maintain the advantages that our products offer over our competitors. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers.

2. Invest in infrastructure and technology

Our Company believes in making investments for continuously achieving higher levels of excellence in its products and implement dynamic and diverse specifications of our customers. We have invested significantly in equipping our manufacturing facilities with the latest and specialized infrastructure and modern technology. As a part of our expansion and diversification strategy, we propose to set up an additional facility, a spinning unit, to manufacture ring spun carded and combed yarn with a capacity of 18.61 tonnes per day.

3. Expanding our customer base

Our company has limited clientele as on date and our 55.64% revenue is contributed from top 10 customers only and 38.93% of revenue is contributed from top 5 customers as on 31st March 2018. The company will strive to expand its business operations throughout India and overseas by quality services and latest equipment and marketing of our services.

4. Improving functional efficiency

Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, customer service and technology development. We continue to invest in operational excellence throughout the organization. We ensure a strong quality commitment by our employees.

5. Diversification of product

The company has been currently producing open end carded cotton yarn from count range NE 4 to 20 which is primarily used in denim, terry towels, home textile and industrial fabric sector, the company is now proposing to extend its product offering in its expansion plan by manufacturing ring spinning carded and combed yarn with counts from 20 to 30, thereby increasing the count range.

6. Leveraging our Marketing skills and Relationship

Leveraging our marketing skills and relationship is a continuous process in our organization. We believe in imparting training to our employees for enhancing their marketing skills. Further we aim to undertake some marketing initiatives as well to increase our brand visibility. Such initiatives shall include print and electronic advertisements, sponsorships, participating in industrial exhibitions on both domestic and international levels, etc.

7. Enhancing existing products and product quality

We believe quality service and products of global standards will be of much importance for customer retention and repeat-order flow. We intend to have close interaction with our customers in a bid to strengthen our relationships with them and enabling us to understand the market perception and demand. We train our employees to consistently design and deliver client focused solutions. We will continue to focus on creating innovative designs through R&D effort.

DETAILS OF OUR BUSINESS

LOCATION

We currently operate from the following office and manufacturing unit in Bhilwara:

Registered Office

A-51-53, RIICO Growth Centre, Hamirgarh, Bhilwara, RJ - 311001

Manufacturing Factory Unit

Existing Unit: A-53, RIICO Industrial Area, Hamirgarh, Bhilwara (Raj) – 311001

Proposed New Unit: A-51, 52, RIICO Industrial Area, Hamirgarh, Bhilwara (Raj) – 311001

For further details of ownership/ lease of the above locations, please refer to “Our Business – Properties & Land” on page no. 174 of this Prospectus.

EXISTING MANUFACTURING FACILITY

Our manufacturing facility includes machinery for production of cotton yarn and quality control/ inspection. We have invested in the latest technology and upgraded our machinery in the year 2015 which has aided us in manufacturing better quality yarn and also adapt to latest trends more swiftly.

Plant and Machinery

The existing Plant and Machinery at our Manufacturing Units are:

Name of Machine	Quantity	Manufacturer
Blowroom	1	Truetzschler
Card TC 5/3	10	Truetzschler
TD 02 DrawFrame	3	Truetzschler
TD 03 DrawFrame	3	Truetzschler
TD 07 DrawFrame	2	Truetzschler
TD 08 DrawFrame	2	Truetzschler
SE 12 Spinning Machine	1	Saurer
Aco 8 Spinning Machine	3	Saurer
Humidification & Waste collection	1	Luwa
Yarn Conditioning Machine	1	Sieger
UT5	1	Uster
UTR4	1	Uster
CMT 5	1	Uster
AFIS Pro	1	Uster
Other Misc. Lab Equipment	-	MAG
Air Compressor	3	Kaiser

Further, for the proposed new facility, we would require additional plant and machinery for which we have obtained quotations from both domestic and international markets.

S.No.	Particulars of Machine	Name of Supplier	Qty	Date of Quote	Date of Placing the Order	Total	Delivery schedule
IMPORTED							
1	Autoconer X6 Type V	Saurer Germany GMBH & Co KG	14	February 6, 2018	Not placed	1,472.13	5 March, 4 April, 5 May'19
2	Foreign Fibre Detection	Uster Technologies AG	14	February 27, 2018	Not placed	33.81	March'19
3	Roving Transportation system	Electrojet S.L	1		March 05, 2018	352.25	March'19
4	Overhead Cleaners (RF)	Electrojet S.L	28		March 05, 2018	91.15	5 March, 4 April, 5 May'19
5	Fibre testing Equipment (HVI)	Uster Technologies AG	1	February 8, 2018	Not placed	111.93	Feb'19
6	Speed Frame 192 Spindles (Automatic)	Electrojet S.L	5		March 05, 2018	510.15	2 March, 2 April, 2 May'19
7	Contamination Separator	Uster Technologies AG	2	February 27, 2018	Not placed	151.54	March'19
8	TFO Volkman	Saurer Technologies GmbH & Co KG	6	March 3, 2018	Not placed	273.8	April'19
9	Splicer for TFO	Open market supplier		Yet to be obtained	Not placed	9.15	April'19
INDIGENOUS							
1	Blow Room Line	Truetzschler India Private Limited	2		March 14, 2018	189.91	1 BR Line March 2019 and 1 in April 2019
2	Card TC 10	Truetzschler India Private Limited	18		March 14, 2018	846.86	6 Cards each in March, April and May 19
3	Accessories	Open market supplier		Yet to be Obtained	Not placed	33.34	May-July 2019
4	Comber E 86r	Rieter India Pvt Ltd	6		February 24, 2018	446.49	2 each in April, May & June 2019

5	Combing Accessories	Rieter India Pvt Ltd			February 24, 2018	23.59	May 2019
6	Other Accessories	Open market supplier		Yet to be Obtained	Not placed	2.95	May-July 2019
7	SB D- 22 (Double Delivery)	Rieter India Pvt Ltd	3		February 24, 2018	89.97	1 each in April, May& June 2019
8	RSB D-50	Rieter India Pvt Ltd	6		February 24, 2018	199.75	2 each in April, May& June 2019
9	Accessories	Open market supplier		Yet to be Obtained	Not placed	51.41	May-July 2019
10	Omega Lap Former 36	Rieter India Pvt Ltd	1		February 24, 2018	88.56	April 2019
11	Accessories	Open market supplier		Yet to be Obtained	Not placed	5.79	May-July 2019
12	Speed Frame Accessories – Bobbin Holder	Associate Autotex Ancillaries Pvt. Ltd	45000		March 01, 2018	24.35	May 2019
13	Other Accessories	Open market supplier		Yet to be Obtained	Not placed	27.93	May-July 2019
14	Ring Frames	Rieter India Pvt Ltd	14		February 24, 2018	1,757.37	5 in April,4 in May and 5 June 2019
15	Slub Attachment	Open market supplier		Yet to be Obtained	Not placed	41.82	June 2019
16	Accessories	Open market supplier		Yet to be Obtained	Not placed	334.87	May-July 2019
17	Automatic Packing Line	Open market supplier		Yet to be Obtained	Not placed	19.68	July 2019
18	Racking System	Open market supplier		Yet to be Obtained	Not placed	49.2	July 2019
19	Stackers	Open market supplier		Yet to be Obtained	Not placed	15.99	July 2019
20	Hand Pallet	Open market supplier		Yet to be	Not placed	3	July 2019

				Obtained			
21	Stretch Wrapping	Open market supplier		Yet to be Obtained	Not placed	4.92	July 2019
22	Sieger Trolley	Open market supplier		Yet to be Obtained	Not placed	22.14	July 2019
23	Plastic Pallet	Open market supplier		Yet to be Obtained	Not placed	12.3	July 2019
24	Industrial Humidification system including WCS	Luwa India Pvt Ltd	1	March 12, 2018	Not placed	496.67	March-June 2019
25	Accessories	Open market supplier		Yet to be Obtained	Not placed	147.6	March-June 2019
26	Air compressor	Open market supplier	2	Yet to be Obtained	Not placed	36.9	May-June 2019
27	Fire Hydrant System	Open market supplier	LS	Yet to be Obtained	Not placed	36.9	June 2019
28	Misc Lab Testing Equipment	Open market supplier	LS	Yet to be Obtained	Not placed	12.3	July 2019
29	Automatic Yarn Conditioning Machine	Sieger Spintech Equipments Pvt Ltd	1	April 21, 2017	Not placed	178.35	May 2019
30	Cheese Winding Machine	Peasse Industrial Engineers Pvt Ltd	1	February 9, 2018	Not placed	56.29	July 2019

Plant & Machinery required for the new proposed facility is worth INR 8,263 lakhs, out of which orders for Plant & Machinery worth INR 4,620 lakhs have already been placed and the balance orders worth INR 3,643 lakhs i.e. 44.08% are yet to be placed.

(INR in lakhs)

P&M required for proposed expansion	Ordered	Yet to be ordered	Yet to be ordered (In %)
8,263	4,620	3,643	44.08%

No second-hand machinery is proposed to be acquired under the expansion project of our company.

PRODUCTS

Our Company is engaged into production of cotton yarns, which is used for Denim, Terry Towel, Knitting, Weaving, Home Textile and Industrial Fabric.

Yarn is the end product of spinning. It is the primary component for any Cotton woven or knitted fabric. Cotton yarn is used to make different type of fabrics. In some cases, the cotton yarn is blended with some other yarn in different ratios to provide different effects like shining or to lend more elasticity to the yarn. It is the yarn count and the twisting mode of the yarn that actually determines the overall strength and look of the manufactured fabric.

Cotton Yarns are usually used by various manufacturers for the following end uses:

- Denim
- Bottom Wears
- Industrial fabrics
- Home Textile
- Bed Sheets
- Terry Towels

We are supplying cotton yarn so produced to customers in India and also to customers based out of Germany, Portugal, Slovenia, Pakistan, Columbia, Italy, Belgium, Turkey, China, Bangladesh etc.

RAW MATERIALS

The key raw material used for manufacturing cotton yarn is cotton. We mostly procure cotton domestically and at times from international market depending upon the time, quality and availability of domestic cotton. The vendors of raw cotton are identified based on the several parameters like the quality of raw material, price competitiveness and the time taken for delivery. Our Company normally procures cotton from surrounding areas viz., Bhilwara, Bijaynagar, Beawar, Fatehnagar, Kotdi, Kapasan, Suwana, Akola. The locations are well connected with Udaipur Airport and Bhilwara railway station. Our Company keeps adequate stock of cotton to cover the existing order book position. Our major suppliers are Chamundia Cotton Industries, Daga Cotton, Krishna Ginning Factory, Glenore Agriculature B V, Olam International Limited, Nakoda Trading Company, Anant Spinning Mills, Mahaveer Enterprises, S. K. Textiles, Nitin Spinners, Jalaram Ginning Factory etc.

MANUFACTURING PROCESS

A) Existing Manufacturing Process

BLOW ROOM
- BLOW ROOM MACHINES ARE EQUIPPED WITH BEATERS AND USED FOR OPENING AND CLEANING OF COTTON BY REMOVING TRASH AND SEED COAT-NEPS

CARDING (SILVER)
- CARDING MACHINE IS EQUIPPED WITH CYLINDER DOFFER AND FLATS USED FOR (I) INDIVIDUALIZATION OF FIBRES BY CARDING ACTION (II) CLEANING BY REMOVAL OF SHORT FIBRES & TRASH AND (III) OPEN TUFT OF FIBRES CONVERTED INTO ROPE/SLIVER FORM

DRAW FRAME (SILVER)
- DRAW FRAME IS USED TO PREPARE UNIFORM SLIVER BY DOUBLING AND DRAFTING SYSTEM BECAUSE CARD SLIVER UNIFORMITY IS NOT SUITABLE TO PROCESS

OPEN END
- THIS MACHINE IS EQUIPPED WITH OPENING ROLLER, ROTOR & WINDING UNIT AND USED TO SPIN DENIM YARN BY DRAW FRAME SLIVER IN FOLLOWING STEPS:

(A) OPENING/ CLEANING (B)TWISTING (C)WINDING

YARN COONDITIONING
- THIS MACHINE IS EQUIPPED WITH HEATING AND STEAM GENERATING UNIT

PACKING
- PACKING LINE IS EQUIPPED WITH CONVEYOR AND STRAPPING MACHINES, WHICH ARE USED FOR FINAL PRODUCT (YARN) PACKING

Our manufacturing process of 100% Open End Cotton Yarn comprises cotton testing, cleaning of cotton (blow room stage) elimination of short fibres& impurities (carding), parallelization of fibres (draw frames), spinning (Open End), post spinning operations like yarn conditioning and packing.

1) Cotton Testing

Cotton, which is the raw material for manufacturing cotton yarn, undergoes strict quality tests in Quality Control Laboratory (QC Lab) for fibre length, fineness, strength, maturity, rigidity, fibre friction and structural features. Once it passes the tests it becomes ready for further processing.

2) Cleaning of Cotton

Blow Room

A blow room line consists of bale opening cotton, cleaning, mixing and lap making. Impurities of cotton have to be removed during this process. This process involves various functions like opening of Bale and removing impurities of cotton like trash and other foreign matter. The procedure is to be carried out with least loss of Lint. Apart from cleaning, mixing of various cotton varieties is also carried out in this section. The mixed cotton is converted into laps (thick sheet of cotton). The laps are transferred for further process of carding.

3) Elimination of Short Fibers & Impurities

Carding

Blow Room provides uniform feeding to carding machines. The Picker Lap undergoes carding to remove short fibre and eliminates impurities and dust to provide additional orientation and alignment of individual fibres. The Carded Lap is removed by Doffer Cylinder in the form of rope/sliver, which undergoes additional blending to improve uniformity and density, which is carried out by Carding Machines.

Draw frame

The carded slivers received in the can are further drawn on Draw frames. The function is to make the sliver more uniform in the thickness by doubling process to make it suitable for further drawing. The sliver after doubling process has to be reduced to the required thickness for yam to be spun.

4) Open End Machine

Open end machine convert sliver into yarn. Its production rate is 5 to 7 times higher compared to ring frame. Open End Yarns are very bully and uniform. This open-ended machine is equipped with opening roller, rotor & winding unit and used to spin yarn by draw frame sliver in following steps-

(i) Opening/ cleaning

(ii) Twisting

(iii) Winding

5) Post Spinning Operations

Yarn Conditioning Department

This machine is equipped with heating and steam generating unit. The aim of conditioning is to provide lasting improvement in yarn quality by supplying the necessary moisture in a short time. Conditioning enhances twist stability and consistency in yarn properties.

Packing

Packing line is equipped with conveyor and strapping machines, which are used for final product (yarn) packing. Each individual cone of yarn undergoes Ultra Violet (UV) Rays check. Yarn is then packaged in poly-bags and put into cartons or packaged as per the request of the customer.

Quality Control

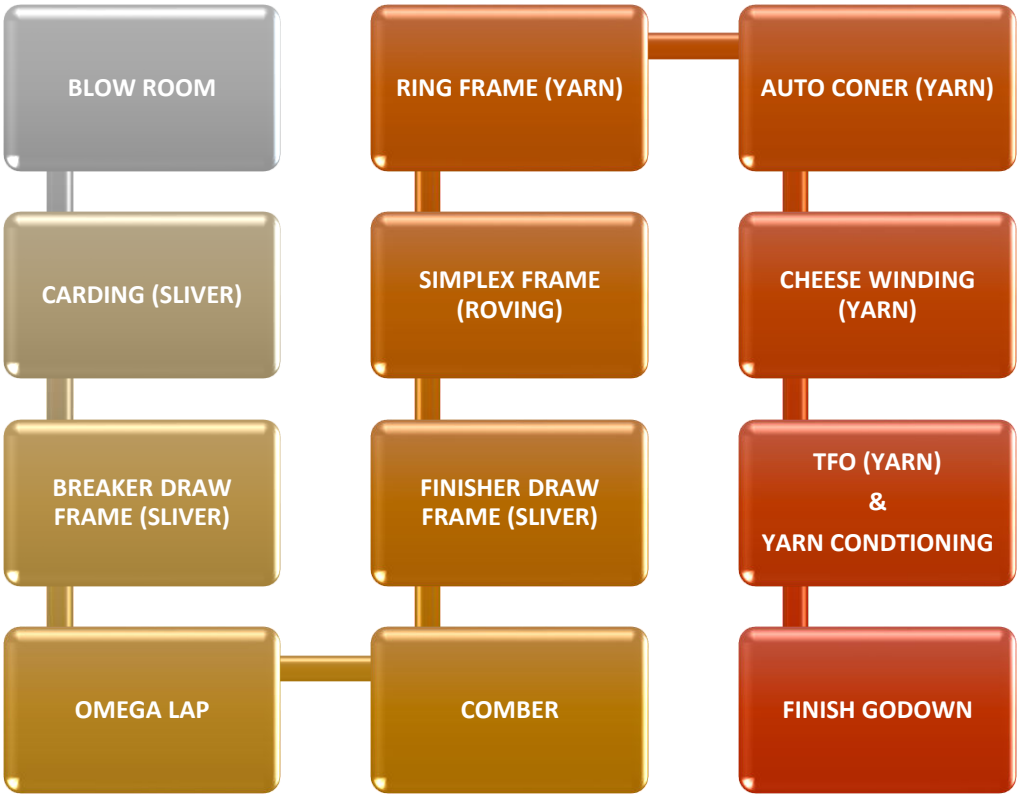
On receipt of cotton in our plant we take samples of 10% bales from each lot and it is tested for moisture and trash content in the cotton. Subsequently we analyse cotton through "Advance Fibre Information System" (AFIS) from the USTER AG Switzerland for length, Micro Nair, Maturity Ratio, Neps, short fibre contents and seed cots Nepsetc before final approval of the cotton.

Based on Lot wise and bale wise cotton test result, we issue cotton for processing by Bail Management System. In subsequent process at carding, breaker, finisher draw frame we check USTER and other yarn Parameter on regular basic on UT-5 machine. While producing final yarn on open end spinning machine we again check USTER values, thin, thick, Neps, IPI levels for each lot. In addition, we also check regularly CSP and RKM of yarn which is important test to check strength of the yarn.

We further check yarn on USTER Classimat 5 which is the most sophisticated and highly sensitive testing instrument available in the world giving in advance the **"Objectionable Fault"** which may affect the fabric quality and we can take corrective majors and change the process parameters accordingly. We have the most advance quality control equipment such as **AFIS, UT5, TENSORAPID 4, Classimat 5** from USTER AG SWITZERLAND. We have been authorized to use the **USTERIZED trademark** by USTER AG Switzerland which has been given by them to very few textiles companies in the world. With continues testing of cotton & yarn at each stage, we assure consistent quality to our customer in domestic and export market.

B) Manufacturing process of new additional manufacturing facility.

Process Flow Chart: For ring spinning unit (New proposed project)



Raw Material:

Raw Material will be brought into the manufacturing plant from bale godown. The storage capacity of this godown is for approximately 2-3 months.

Blow room:

Raw Material is arrived in bale form:

- To open the baled fibers into small tufts which will allow foreign matters to be separated from the fibers and prepare the material for easy carding
- To clean the fibers by removing the foreign matter as the waste - the foreign matter consists mainly of seeds, seed – coats, leafy matter and sand/ dust in the case of cotton and of fused fibers/ chips in the case of manmade fibers
- To mix thoroughly the different component fibers of a mixing so as to give a homogeneous blending
- To provide uniform feed to the carding machine
- To recycle the spinning waste

Carding:

Clean fibre from blow room feed to the carding via Chute feed, where carding has to be performed:

- Individualize the fibers
- Reduce the neps present in the feed material & those formed in carding presumably by disentangling them or by throwing them in waste
- Eliminate the dust and short fibers
- Blend and orient the fibers
- Form out of the Carded fibers a continuous uniform sliver of the required hank

Draw frames (Breaker Passage):

- The function of draw frame is to achieve parallelization of fibers and to achieve blending of fibers by feeding no. of card cans. The sliver from the card is processed through draw frame to even out the variations in the sliver by doubling 6/8 slivers into one and to achieve fiber parallelization
- Parallelization of the crisscrossed fibers of the card sliver with one another & align them to the axis of the sliver through the process of drafting

- Removal of the hooks from fibers after carding and straighten the fibers by sliding them over one another during drafting
- Improve regularity in weight per unit length over a considerable length of the material through doubling of a number of slivers from different cards
- Thoroughly mix different types of fiber so as to give a homogeneous blending
- Lay the sliver in cans with uniform cols forming a clear central hole

Comber preparatory - Lap former

The idea of creating a comber feeding lap by a single web forming process directly in front of the comber – with a draw frame passage in front of this web former, of course – can be traced back to a development in 1948 by the former Whitin Company, called the super lap machine. Although all later machines are of different designs they all are based on this idea.

On the Lap former machine, the material flow starts with the creel, consisting of two feed rails. In normal operation 12 cans are laid out under each roller-assisted feed table. Altogether, this gives a total of 24 doublings. The pre-draw frame slivers run over a guide bridge above the service alley and also over several guide rollers to the drafting system at 2. The web created by the draft of 1.3 to 2.5 passes over two deflecting plates onto the web table on which the webs are superimposed. Calendar rollers draw these superimposed webs from the table to the lap winding assembly.

The strong compression created between the calendar rollers forms a new web, which is rolled into a lap in the lap forming assembly. Empty tubes are automatically exchanged for full laps. Transport of the laps to the combing machine is semi-automatic or fully automatic.

Comber

- Comber machine has following objectives to deliver a fault free sliver for getting high quality yarn
- To remove fibers shorter than a predetermined length so as to enable spinner to produce finer yarn than that can be spun from the same Carded sliver.
- To remove neps and impurities.
- To produce uniform sliver of required wt./unit length.
- To make the fiber straight and parallel so that yarn become even and lustrous.

Auto-Leveler Draw Frame (Finisher Passage):

The function is to achieve alternative of fibres by drafting to produce perfect quality sliver. The combed sliver is processed through a single passage of auto-leveler draw frame. The levelling system continuously measures the sliver thickness at the feeding side and in case of any variations in sliver-thickness the main draft is changed at right time via servo drive to level out the sliver variations. Introduction of auto-leveler at this stage is essential for producing perfect sliver for feeding to the next machine i.e. Speed Frame

Speed Frame:

The main function is to impart small twist to material and produce package which suits the next process i.e. ring spinning. The modern machine equipped with suspended flyers can run mechanically upto 1500 rpm spindle speed. Programmable Logical Control" is integrated in the machine. The soft start and variable machine speed by invertor controls the main motor. The machine is supplied with double apron drafting system. The roving tension is controlled by optical sensors and microprocessor. The pneumatic suction fan with filter is housed at end stock of the machine for efficient cleaning or drafting system. The speed frame produces larger size of roving packages to reduce creel changes at ring frame and thus helps to enhance the yarn quality

Ring Frame:

It includes following procedures-

- To draft the roving to the desired degree of fineness or count of final yarn
- To impart the requisite strength to the yarn by appropriately inserting the required amount of twist
- To produce a yarn acceptable in the yarn market for its quality in terms of uniformity & imperfections
- To wind the twisted strand (yarn) in a form suitable for storage, transportation and further processing

Winding:

Winding should accomplish the following-

- Remove objectionable faults from the yarn: An Objectionable yarn fault is one which if not removed, causes an end-break in the next process or appears as a defect in the fabric. These can be conveniently called as unwanted yarn faults

- Produce good package containing long continuous length of yarn: A good package should facilitate smooth operation of the next process
- Both the above requirement should be accomplished at a satisfactory level of productivity
- Link cone winding system represents the perfect reply to the spinning mills demand and market trend
- Ring spinning frames with higher number of spindles in order to minimize the investment as well as running costs
- The worldwide yarn market competition requires the best and consistent quality output

Yarn Conditioning:

The yarn wound on cones/cheeses are steamed in a machine called Yarn Conditioning Machine. In this machine saturated steam is produced at temperatures of around 50 deg. centigrade by applying vacuum. The trolleys carrying the cones are kept in the conditioning machine for around 55 minutes. The conditioning of cotton yarn improves the strength of the yarn by around 5% and also improves the performance of down the line machines due to less fly generation and higher strength.

Packing:

According to the requirement of customers in the domestic and export market, cones will be packed in HDPE Bags, Cartons or Pallets respectively.

Packing Material:

Generally, cotton yarns are wound on a paper package called as Cones. These are normally made from compressed paper. Each cone carries a label on inside surface mentioning the name of the mill, count of the yarn and other quality specifications. After the yarn is wound on the cones, they are conditioned in the yarn conditioning machine and yarn is sold in either domestic or export market in cartoons or pallets as per customer requirement.

INSTALLED CAPACITY

Capacity and capacity utilization for the last three years:

Product	Particulars	for the Financial Year		
		2015-16	2016-17	2017-18
Cotton Yarn	Installed capacity (Rotors)	1,920	1,920	1,920
	Installed capacity MT *	4900**	6000	6000
	Utilized capacity MT	4,610	5,271	5,942
	Utilized capacity (%)	94.08%	87.85%	99.03%

*The installed capacity is based on average count Ne 14 of yarn; however, the actual installed capacity may depend upon the type of count of the yarn.

**During the Financial Year company expanded its manufacturing facilities in the month of Jan, 2016 accordingly capacity is taken as sum total of capacity of plant between April-Dec and Jan-March.

Proposed capacity utilization:

Product	Particulars	for the Financial Year				
		2018-19	2019-20		2020-21	
		Rotor	Rotor	Spindle	Rotor	Spindle
Cotton Yarn	Installed capacity	1,920	1,920	25,536	1,920	25,536
	Installed capacity MT	6,000	6,000	3,256***	6,000	6,512
	Utilized capacity MT	5,950	5,950	2,724	5,950	5,861
	Utilized capacity (%)	99.17%	99.17%	83.66%	99.17%	90%

***For the new proposed facility, the commercial production is scheduled to begin from September 2019.

Note: The projected capacity utilisation cannot be exactly determined as production will depend upon the type of average count produced as per market demand.

UTILITIES

Power: Our existing power requirements for manufacturing facilities are catered from "Ajmer Vidyut Vitaran Nigam Limited" of 1500 KVA for our existing operations of Open End Cotton Yarn spinning facility. Our existing power consumption is about 22,500 units per day at an average cost of about ~7.41/unit.

For the proposed project, we have applied for extension of additional installed power load of 3,400 KVA.

Water: Water is mainly required for Humidification Plants, Sanitation and for firefighting. Also, steam is required for Yarn conditioning process. The Company already has one underground tank of 250 KL to suffice all domestic and production requirement.
The company proposes to construct another underground tank of 250 KL for the proposed project. Water will be sourced from tubewell.

REVENUE BREAKUP

Our company gross revenue for last five years and its breakup into domestic and export is detailed as under: -

S.No	Particulars	FY 2017-18		FY 2016-17		FY 2015-16		FY 2014-15		FY 2013-14	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
A)	***Domestic sales***	6,584.00	78.47%	6,626.97	88.32%	4,943.58	88.01%	4,572.20	92.44%	3,960.93	94.58%
B)	***Export sales:***										
1	Germany	193.40	2.30%	86.59	1.15%	100.56	1.79%	45.61	0.92%		
2	Portugal	341.01	4.06%	315.43	4.20%	341.94	6.09%	110.44	2.23%		
3	Slovenia	85.59	1.02%	53.64	0.71%	72.09	1.28%	51.15	1.03%		
4	Pakistan	529.93	6.32%	152.49	2.03%						
5	Columbia			34.28	0.46%	25.91	0.46%				
6	Bangladesh	384.30	4.58%								
7	China	24.96	0.30%					23.70	0.48%	152.09	3.63%
8	Italy							47.46	0.96%		
9	UAE			26.32	0.35%						
10	Belgium			24.29	0.32%						
11	Turkey	26.98	0.32%								
C)	***Waste Sales***	199.71	2.38%	163.36	2.18%	117.31	2.09%	87.97	1.78%	70.41	1.68%
D)	***Other operating revenue: Export incentives - Excise Duty***	20.71	0.25%	19.93	0.27%	15.95	0.28%	7.83	0.16%	4.47	0.11%
Total		**8,390.60**	**100.00%**	**7,503.31**	**100.00%**	**5,617.34**	**100.00%**	**4,946.36**	**100.00%**	**4,187.90**	**100.00%**

Note: - We manufacture only one product i.e. cotton yarn which is produced and sold in different counts. Therefore, product wise categorization is not possible.

MARKETING AND SALES MODEL

Marketing is an important function of any organization and specially our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our promoters & directors, Mr. D. P. Mangal and Mr. Anand Mangal, through their vast experience and good rapport with clients owing to timely and quality delivery of products, play an instrumental role in creating and expanding a work platform for our Company.
Regular interaction is ensured not only to maintain the customer base, but also to gain insight into the designs and other needs of the clientele. With large sales potential, low infrastructure costs, raw material proximity and the availability of professional expertise of our Promoters, we plan to grow geographically.
We currently have an existing agent network for sales in India and outside India for exports, and should there be any requirement, we shall also appoint new agents.

COMPETITION

Textiles being a global industry, we face competition from various domestic and international manufacturers and traders and the industry is highly competitive and fragmented. Competition emerges from small as well as big players in the textile industry. The organized players in the industry compete with each other by providing high quality-time bound products and value-added services. We have a number of competitors offering products similar to us. We believe the principal elements of competition in textile industry are price,

fabric quality, adaptability to trends, timely delivery and reliability. We compete against our competitors by establishing ourselves as a knowledge-based processing unit with industry expertise in various fabrics which enables us to provide our clients with innovative designs suitable to current fashion and market requirements. Some of our major competitors are:

1. Narmada Spinning Private Ltd
2. Vippy Spinpro Ltd
3. Super Spinning Mills Ltd
4. Vardhman Spinning & General Mills Ltd.
5. Nahar Spinning Mills Ltd
6. PBM Polytex Ltd.
7. Shree Bhagirath Textile Industries Ltd.
8. Nitin Spinners Ltd
9. KPR Mills Ltd

COLLABORATIONS

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

CUSTOMERS AND SUPPLIERS

The detailed break-up of our Customers as on March 31, 2018 are as under:

S.No.	Name of Customer	INR in lakhs (Sales Amount)	% of total sales
1	Manomay Tex India Ltd.	961	11.45
2	Vinod Denim Ltd.	688	8.20
3	Super Gold Suitings Pvt. Ltd.	631	7.53
4	Vishal Fabric Ltd.	628	7.49
5	Jindal Denim Inc.	358	4.26
6	Diamond Fabrics Ltd.	338	4.03
7	Mundifios-Comercio De Fios, S.A.	290	3.46
8	Bhaskar Industries Ltd	283	3.37
9	Bangladesh Export Import Co. Ltd.	254	3.02
10	Arvind Demin Ltd.	238	2.84
	Total	**4,669**	**55.65**

The detailed break-up of our Suppliers as on March 31, 2018 are as under:

S.No.	Name of Supplier	INR in lakhs (Purchase Amount)	% of total Purchases
1	Glenore Agriculature B V	728.11	11.21
2	Chamundia Cotton Industries	645.23	9.94
3	Nitin Spinners	577.35	8.89
4	Olam International Limited	536.58	8.26
5	Anant Spinning Mills	506.60	7.80
6	Jalaram Ginning Factory	442.31	6.81
7	S.K. Textiles	422.00	6.50
8	Daga Cotton	258.79	3.99
9	Mahaveer Enterprises	247.50	3.81
10	Nakoda Trading Company	168.87	2.60
	Total	4,533.34	69.81

MANPOWER

The manufacturing process requires an appropriate mix of skilled, semi-skilled and un-skilled labour, which is readily available in Bhilwara. The detailed break-up of our employees as on July 28, 2018 is as under:

Division	Function	No. of Employees
Finance	Accounts & Finance	5
Human Resource	Human Resource Management	1
Stores & Purchase	Purchase of raw material	3
Research& Development	Quality Control	3
Technical & Engineering	Production and Utility Work	13

Management	Overall Management of Company	4
Operations	Raw Material & Finished Goods	15
	Machine Operators	35
Total		79

We usually hire unskilled labour on contractual basis, as per our requirement.

Further, the additional manpower requirements for the proposed project is about 260 employees, including both skilled & unskilled workers which we will be recruiting in due course for which we do not envisage any difficulty as the same is easily available in and around our plant location, being a developed textile hub.

INTELLECTUAL PROPERTY

Our Company has registered the Company's brand under the Trade Marks Act, 1999, the details of which are mentioned below:

Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Registration Status
Lagnam Spintex	Color (Logo)	23	Lagnam Spintex Private Limited	3316941	July 23, 2016	Confirmed
		24		3316942		Confirmed

EXPORT AND EXPORT OBLIGATION

Our Company has pending export obligation amounting to USD 40,43,990 under EPCG scheme as on May 02, 2018.

License Number	Type of License	Date of Issue	Total export Obligation (In USD)	Obligation fulfilled (In USD)	Pending Obligation (In USD)	Duty Saved as per License (In INR)	Actual Duty Saved (In INR)	Export Obligation Period
1330003182	Import	20.10.11	38,51,282	25,12,067	13,39,215	2,14,34,566	2,24,09,647	8
1330003183	Indigenous	20.10.11	13,65,632	6,96,963	6,68,669	79,46,269	79,46,269	8
1330003741	Spare parts	28.03.13	1,49,236	85,644	63,592	11,72,148	10,24,134	8
1330003970	Indigenous	22.11.13	6,39,525	3,44,561	2,94,964	66,29,743	66,29,743	6
1330004031	Import	09.01.14	13,39,532	6,73,724	6,65,808	1,64,14,243	1,40,42,759	6
1330004497	Indigenous	08.06.15	2,68,803	1,52,256	1,16,547	28,80,676	28,80,676	6
1330004617	Import	24.09.15	14,22,207	7,60,911	6,61,296	1,80,29,558	1,55,85,016	6
1330004618	Import	24.09.15	4,08,000	2,34,916	1,73,084	45,96,166	44,70,999	6
1330004656	Import	03.11.15	2,05,718	1,44,903	60,815	23,86,555	22,98,894	6
Total			**96,49,935**	**56,05,945**	**40,43,990**	**8,14,89,924**	**7,72,88,137**	

PROPERTIES & LAND

Owned Properties:
Our company does not own any property.
Lease and License Property:
Our company has taken the following properties on lease/license as on date of filling the Prospectus:

Sr. No.	Location of the property	Agreement Date	Lessor	Consideration Amount (In INR)	Period	Usage
1.	A-53, RIICO Growth Centre Hamirgarh, Bhilwara (Raj) – 311001	February 14, 2011	Rajasthan State Industrial Development & Investment Corporation Limited	41,51,155/-	99 years	Factory
2.	A-51, 52 RIICO Growth Centre Hamirgarh, Bhilwara (Raj) – 311001	January 3, 2018	Rajasthan State Industrial Development & Investment Corporation Limited	5,95,16,650/-	87 years	Land acquired for setting up new manufacturing facility

Rented Properties:
Our company has taken the following properties on rent as on date of filling the Prospectus: -

Sr. No.	Location of the property	Agreement Date	Lessor	Monthly Rent (In INR)	Period	Usage
1.	29, Kamla Enclave, Chittor Road, Bhilwara (Raj) -311001 INDIA	December 30, 2017	Mr. D.P. Mangal	1,00,000/-	24 Months Commencing from January 01,2017	For the Residential purpose of Director and City office

INSURANCES

The insurance policies covered by the company are:

S.No.	Name of the Insurance Company	Type of Policy	Validity Period	Description of cover under the policy	Policy No.	Sum Insured (₹lakhs)	Premium p.a. (₹)
1.	National Insurance Company Limited	Industrial All Risk Policy	01/04/2018 to 31/03/2019	Standard Fire & Special Perils Cover (Building, Plant & Machinery, Electrical Installations, Furniture & Fixtures, Stocks)	38040011181000002	7,900.00	6,59,950
2.	SBI General Insurance Company Limited	Marine Sales Turnover Insurance Policy	01/04/2018 to 31/03/2019	All risk Cover (All Raw Material stores and machinery, packaging material, semi-finished goods and finished goods pertaining to the spinning mills)	000000000885364 3	9,982.50	3,09,675
3.	Religare Health Insurance Company Limited	Group Secure Policy	29/03/2018 to 28/03/2019	Primary 49 Insured Members with coverage of accidental death, permanent total/partial disability, total temporary disability etc.	I2402798	805.86	39,939
4.	Religare Health Insurance Company Limited	Group care Mediclaim Health Policy	01/04/2018 to 31/03/2019	Primary Insured Members-32, Dependents-25 (In-Patient Care)	I23289I3	91.00	4,72,000

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 our business. 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 legal 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 the section titled "Government and other Approvals" on page 282 of this Prospectus.

LAWS RELATED TO OUR BUSINESS

National Textile Policy 2000 ("NTP 2000")

The NTP 2000 aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in manufacturing and export of clothing. This objective is sought to be achieved by liberalizing controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. One of the key focus areas of the NTP 2000 is on the implementation, in a time bound manner, of the Technology Upgradation Fund Scheme ("TUFS") covering all manufacturing segments of the industry, seeking to build world class state of the art manufacturing facilities in conformity with environmental standards.

Additionally, certain sector specific initiatives envisaged under the NTP 2000 includes raw materials, clothing, exports, and knitting. The GoI constituted an expert level committee in December 2013 to review the NTP 2000 and to formulate a new textile policy to address concerns of adequate skilled work force, labour reforms, attracting investments in the textile sector and for providing a future road map for the textile and clothing industry. The Government of India, in July 2014, submitted a draft of a new national textile policy, the vision, strategy and action plan for Indian Textile and Apparel Sector (2024) ("Draft NTP") with the objective of achieving USD 300.0 billion exports and 20% share of the global trade in the textile sector by 2024-25.

Textile Committee Act 1963

The functions of the Committee shall generally be to ensure by such measures, as it thinks fit, standard qualities of textiles both for internal marketing and export purposes and the manufacture and use of standard type of textile machinery. The Committee may undertake, assist and encourage, scientific, technological and economic research in textile industry and textile machinery; promote export of textiles and textile machinery; establish or adopt or recognize standard specifications for textiles and packing materials used in the packing of textiles or textile machinery, export and for internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials. The Committee in order to establish standard specifications in textile industry has issued several regulations including but not limited to the Mill-made Cotton Yarn Inspection Regulations, 1966 etc.

Rajasthan Investment Promotion Scheme, 2014 ("RIPS-2014")

The State Government of Rajasthan introduced RIPS-2014 in order to promote investment made by enterprise(s) for establishment of new units and/or investment made by the enterprise(s) for expansion of existing units and/or investment made for revival of sick enterprise. In furtherance of its objective, RIPS-2014 provides several benefits to eligible manufacturing enterprise which *inter alia* includes of granting limited exemptions from payment of land tax, stamp duty, mandi fees, limited exemption on conversion charges payable on land use etc.

Amended Technology Up-Gradation Fund Scheme (ATUFS)

Ministry of Textiles, Government of India has notified Amended Technology Upgradation Fund Scheme vide notification dated January 13, 2016. In order to promote ease of doing business, promote make in India and increase the employment, government will be providing credit linked Capital Investment Subsidy (CIS) under the ATUFS. The scheme would

facilitate augmenting of investment, productivity, quality, employment and exports. It will also increase investment in textile industry (using benchmarked technology). Entities registered as Companies which have acknowledgment of Industrial Entrepreneur Memorandum (IEM) with DIPP except MSMEs units which will be as per ministry of MSME or units registered with the concerned Directorates of the State Government showing clearly the activity for which the unit is registered, will only be eligible to get benefits under the scheme. Only benchmarked machinery as specified will be eligible for the subsidy under the scheme. The maximum subsidy for overall investment by an individual entity under ATUFS will be restricted to Rs.30 Crore

Textile (Development and Regulation) Order, 2001 ("Textile Order")

The Textile Order was brought into force by the Central Government under section 3 of the Essential Commodities Act, 1955 and repealed the Textile (Development and Regulation) Order, 1993. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner.

The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade and Merchandise Marks Act, 1958, except under and limited to the extent of specific authorization by the holder of or applicant for such brand or trade name.

COMMERCIAL LAWS

The Companies Act, 2013 & Companies Act, 1956

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013. At present almost all the provisions of this law have been made effective except few to which extend the Companies Act, 1956 is still applicable. 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 Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies.

The Micro, Small and Medium Enterprises Development Act, 2006

The Act was enacted in order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise ("**MSME**"). A National Board appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as Micro enterprise: where the investment in plant and machinery does not exceed INR 25,00,000/-; Small enterprise: where the investment in plant and machinery is more than INR 25,00,000/- but does not exceed INR 5,00,00,000/-; or a Medium enterprise, where the investment in plant and machinery is more than INR 5,00,00,000/- but does not exceed INR 10,00,00,000/- and in the case of the enterprise engaged in the services, Micro enterprise: where the investment in equipment does not exceed INR 10,00,000/-; or Small enterprise: where the investment in equipment is more than INR 10,00,000/- but does not exceed INR 2,00,00,000/-; or Medium enterprise: where the investment in equipment is more than INR 2,00,00,000/- but does not exceed INR 5,00,00,000/-.

Indian Contract Act, 1872

The Act codifies the way in which a contract in entered, executed and implemented and implications of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them. Each contract creates some right and duties upon the contracting

parties. Indian contract deals with the enforcement of these rights and duties upon the parties. The Act also lays down provisions of indemnity, guarantee, bailment and agency. Provisions relating to sale of goods and partnership which were originally in the Act are now subject matter of separate enactments *viz.*, the Sale of Goods Act, 1930 and the Indian Partnership Act 1932. The objective of the Act is to ensure that the rights and obligations arising out of a contract are honoured and that legal remedies are made available to those who are affected.

The Sale of Goods Act, 1930

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional. According to the provisions of this Act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The Act further provides that the contract may provide for the immediate delivery of the goods or immediate payment of the price or both or for the delivery or payment by instalments or that the delivery or payment or both shall be postponed. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to courier, duties of seller and buyer, buyer's right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc.

Competition Act, 2002

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates "combinations" in India. The Act also established the Competition Commission of India ("**CCI**") as the authority under the Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Act. A combination is defined under Section 5 of the Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as individuals and group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

LAWS RELATING TO LABOUR AND EMPLOYMENT

Employees State Insurance Act, 1948 ("**ESI Act**")

ESI Act, as amended 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. 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 State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the Official Gazette. Workers are to be paid for overtime at overtime rates stipulated by the appropriate State Government. Any contravention may result in imprisonment of up to six months or a fine of up to Rs. 500. Further, employees who have been paid less than the minimum wages are entitled to the payment of the shortfall amount, together with compensation, which may extend up to ten times the shortfall amount.

The Payment of Wages Act, 1936

The Payment of Wages Act applies to the persons employed in the factories and to persons employed in industrial or other establishments, either directly or indirectly through a sub-contractor, where the monthly wages payable to such persons is less than Rs. 24,000/-. The

Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

The Payment of Gratuity Act, 1972

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions. Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed Rs. 10,00,000.

Employees Provident Fund and Miscellaneous Provisions Act, 1952 ("Act") and the schemes formulated there under ("Schemes")

This Act provides for the institution of provident funds, family pension funds and deposit linked insurance fund for the employees in the factories and other establishments. Accordingly, the following schemes are formulated for the benefit of such employees:

(i) **The Employees Provident Fund Scheme, 1952**: As per this Scheme, a provident fund is constituted and both the employees and employer contribute to the fund at the rate of 12% (or 10% in certain cases) of the basic wages, dearness allowance and retaining allowance, if any, payable to employees per month.

(ii) **The Employees' Pension Scheme, 1995**: Employees' Pension Scheme is Pension Scheme for survivors, old aged and disabled persons. This Scheme derives its financial resource by partial diversion from the Provident Fund contribution, the rate being 8.33%. Thus, a part of contribution representing 8.33 per cent of the employee's pay shall be remitted by the employer to the Employees' Pension fund within 15 days of the close of every month by a separate bank draft or cheque on account of the Employees' Pension Fund contribution in such manner as may be specified in this behalf by the appropriate authority constituted under the Act.

(iii) **The Employees Deposit Linked Insurance Scheme, 1976**: As per this Scheme, the contribution by the employer shall be remitted by him together with administrative charges at such rate as the Central Government may fix from time to time under Section 6C (4) of the Act, to the Insurance Fund within 15 days of the close of every month by a separate bank draft or cheque or by remittance in cash in such manner as may be specified in this behalf by the appropriate authority constituted under the Act.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

The Equal Remuneration Act, 1976 ("Equal Remuneration Act") and Equal Remuneration Rules, 1976

The Constitution of India provides for equal pay for equal work for both men and women. To give effect to this provision, the Equal Remuneration Act was implemented. The Equal Remuneration Act provides for payment of equal wages for equal work of equal nature to male or female workers and for not making discrimination against female employees in the matters of transfers, training and promotion etc.

Child Labour (Prohibition and Regulation) Act, 1986

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

The Maternity Benefit Act, 1961("Maternity Act")

The Maternity Act was enacted by Parliament in the Twelfth Year of the Republic of India to regulate the employment of women in certain establishments for certain periods before and after child-birth and to provide for maternity benefit and certain other benefits.

Shops and Establishment Laws

The shops and establishment laws govern a company in the states where it has offices/ godowns. It regulates the conditions of work and employment in shops and commercial establishments and generally prescribes obligations in respect of registration, opening and closing hours, daily and weekly working hours, health and safety measures, and wages for overtime work. The state law relevant to the Company are the Rajasthan Shops and Commercial Establishments Act, 1958

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

The SHWW Act provides for the protection of women at work place and prevention of sexual harassment at work place. The Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The 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.

The Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.

Apprentices Act, 1961

The Apprentices Act was enacted in 1961 for imparting training to apprentices i.e. a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Every employer shall make suitable arrangements in his workshop for imparting a course of practical training to every apprentice engaged by him in accordance with the programme approved by the apprenticeship adviser. The central apprenticeship adviser or any other person not below the rank of an assistant apprenticeship adviser shall be given all reasonable facilities for access to each apprentice with a view to test his work and to ensure that the practical training is being imparted in accordance with the approved programme.

Inter State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979;

The Inter State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979 was enacted by Parliament in the Thirtieth Year of the Republic of India to regulate the employment of inter-State migrant workmen and to provide for their conditions of service and for matters connected therewith. This Act makes provision for availing with the onsite services of interstate workers by the contractors / establishments to overcome only the temporary shortage of required skilled workers in a state. The purpose of this act is not to encourage interstate migration of workers against the interests of local workers as the principal employers would have to incur more cost in deploying interstate workers.

Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

ENVIRONMENTAL LAWS

The Environment (Protection) Act, 1986 as amended, ("**Environment Protection Act**"), the Water (Prevention and Control of Pollution) Act, 1974, as amended, ("**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981, ("**Air Act**") provide for the prevention, control and abatement of pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 as amended, ("**Hazardous Wastes Rules**") impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state pollution control board for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste. The Environmental Impact Assessment Notification dated September 14, 2006 read with notifications dated October 11, 2007, December 1, 2009, April 4, 2011 and January 25, 2012, issued under the Environment Protection Act and the Environment (Protection) Rules, 1986, requires prior environmental clearance of the Ministry of Environment and Forests, GoI and at state level, of the state environment impact assessment authority, if any new project (specified in the notification) is proposed to be undertaken or for expansion and modernization of existing projects beyond certain specified threshold limits. The environment clearance (for commencement of the production operations) is valid for the time period prescribed in the notification.

The Public Liability Insurance Act, 1991 ("Public Liability Act")

The Public Liability Act imposes liability on the owner or controller of hazardous substances for death or injury to any person (other than a workman) or any damage to property arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to obtain an insurance policy insuring him against liability under the legislation. The Public Liability Insurance Rules, 1991 mandate that the owner has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

TAX LAWS

The Income Tax Act, 1961

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of books of accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

The Central Sales Tax Act, 1956

The Central Sales Tax Act, 1956 enacted by Parliament in Seventh Year of Republic of India to formulate principles for determining when a sale or purchase of goods takes place in the course of inter-state trade of commerce or outside a State or in the course of imports into or export from India, to provide for the levy, collection and distribution of taxes on sales of goods in the course of inter-state trade of commerce and to declare certain goods to be of special importance in inter-state or commerce and specify the restrictions and conditions to which state laws imposing taxes on the sale or purchase of such goods of special importance.

Finance Act, 1994 (Service Tax)

Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, (as amended from time to time) which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government.

The Central Excise Act, 1944

In accordance with the Central Excise Act,1944 and Central Excise Rules,2002 every person who produces or manufactures any excisable goods is required to get itself registered with the Jurisdictional Deputy or Assistant Commissioner of Central Excise. Hence this Act is applicable to the Company. Further, the provisions of the Central Excise Rules provide that the manufacturer of final products (other than SSI's) shall submit the duty on goods removed from the factory or warehouse during the month by fifth day of following month.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company desirous of importing or exporting any goods is first required to get it registered and obtain an IEC (Importer Exporter Code).

Value Added Tax ("VAT")

VAT is a system of multi-point levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

Goods and Services Tax Act ("GST")

GST is one of the most significant tax reforms introduced in the history of the Indian fiscal evolution. The central and state governments will levy GST simultaneously, on a common taxable value, on the supply of goods and services. However, in the case of imports and inter- state supplies, an Integrated Goods and Service Tax (**"IGST"**) shall be levied by the central government, proceeds of which will be shared by the central and the recipient state government. IGST is an Indian innovation which would help tax move along with goods/ services, across states and therefore reduce refund situations at state borders. GST is expected to bring a significant shift from origin-based taxation to a destination-based tax structure. This is likely to impact not only the operating business models but also the revenues of the centre/ states. It has the potential to impact cash flow, pricing, working capital, supply chain and IT systems and hence provides an opportunity to transform your business. Goods and services taxed by both the governments GST allow equal opportunity to the centre and the state to tax all supplies of goods and services.

INTELLECTUAL PROPERTY LAWS

India has certain laws relating to intellectual property rights such as patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957, trademark

protection under the Trade Marks Act, 1999, and design protection under the Designs Act, 2000.

The Trademarks Act, 1999

The Act provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

The Copyright Act, 1957

This Act governs the copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Act acts as a prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations.

The Designs Act, 2000

This Act protects any visual design of objects that are not purely utilitarian. An industrial design consists of the creation of a shape, configuration or composition of pattern or colour, or combination of pattern and colour in three-dimensional form containing aesthetic value. It provides an exclusive right to apply a design to any article in any class in which the design is registered.

The Patents Act, 1970

This Act governs the patent regime in India and recognises process patents as well as product patents. Patents obtained in India are valid for a period of 20 years from the date of filing the application. The Act also provides for grant of compulsory license on patents after expiry of three years of its grant in certain circumstances such as reasonable requirements of the public, non-availability of patented invention to public at affordable price or failure to work the patented invention.

FOREIGN INVESTMENT REGULATIONS

The Foreign Trade (Development & Regulation) Act, 1992

The Foreign Trade (Development & Regulation) Act, 1992, provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto.

Foreign Exchange Management Act, 1999 ("FEMA"), and Rules and Regulations thereunder

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sect oral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer of Issue of Security by a person Resident Outside India) Regulations, 2000 ("**FEMA Regulations**") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

Foreign Direct Investment Policy, 2017

With the intent and objective of the Government of India to attract and promote foreign direct investment in order to supplement domestic capital, technology and skills, for accelerated economic growth. The Government has put in place a policy framework on Foreign Direct Investment, which is transparent, predictable and easily comprehensible. This framework is

embodied in the Circular on Consolidated FDI Policy, which may be updated every year, to capture and keep pace with the regulatory changes, effected in the interregnum. The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Press Notes/Press Releases which are notified by the Reserve Bank of India as amendments to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017. These notifications take effect from the date of issue of Press Notes/ Press Releases, unless specified otherwise therein. In case of any conflict, the relevant FEMA Notification will prevail. The procedural instructions are issued by the Reserve Bank of India vide A.P. (DIR Series) Circulars. The regulatory framework, over a period of time, thus, consists of Acts, Regulations, Press Notes, Press Releases, Clarifications, etc.

OTHER LAWS

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

CORPORATE PROFILE AND BRIEF HISTORY

Our Company was incorporated as "Lagnam Spintex Private Limited" at Bhilwara, Rajasthan as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated June 11,2010 bearing Corporate Identification Number U17119RJ2010PTC032089 issued by Registrar of Companies, Jaipur (Rajasthan). Subsequently, our Company was converted into Public Limited Company pursuant to Shareholders Resolution passed at the Extra-Ordinary General Meeting of our Company held on January 22, 2018 and name of our Company was changed to "Lagnam Spintex Limited" and a Fresh Certificate of Incorporation Consequent upon conversion from Private Company to Public Company dated January 31,2018 was issued by Registrar of Companies, Jaipur (Rajasthan). The Corporate Identification Number of our Company is U17119RJ2010PLC032089. The registered office of our company is situated at A-51-53, RIICO Growth Centre Hamirgarh Bhilwara Rajasthan 311001.

Anand Mangal, Dwarka Prasad Mangal & Lagnam Infotech solutions Private Limited are promoters of our Company.

Dwarka Prasad Mangal & Veena Mangal were the initial subscribers to the Memorandum of Association of our Company subscribing 7500 & 2500 Equity shares respectively.

Our Company is an **ISO 9001:2015** certified Company engaged in the business of Manufacture and Export of Cotton Yarn. Our Company is engaged in the manufacture of high quality open end yarn ranging from count Ne 4 to Ne 20 which is used in Denim, Terry Towels, Bottom Wears, Home Textiles and Industrial Fabrics. We are setting up a new unit for manufacturing of ring-based cotton Yarn widely used in suiting & shirting, Home furnishing etc. to ensure that changes in customer requirement and fashion in the cotton textile sector are met.

We have an installed capacity of 1,920 rotors for cotton yarn which has the capacity to produce 16.5 tonnes of high quality yarn per day on a count of 14. The Proposed Capacity of our new plant shall be 25,536 spindles. Our company has been recognized as "*One Star Export House*" by the Director General of Foreign Trade with a certificate valid from 2017 to 2022. We have also received OEKO Tex certification. Our company focuses on timely and most competitive price delivery, maintaining long term relations and ensuring high quality cotton yarn is manufactured for which we have also been certified by USTER Technologies AG thus demonstrating the ethics and processes adapted by the company.

We are into manufacturing of Open end Cotton yarn ranging from count Ne 4 to Ne 20 which is used in Denim, Terry Towels, Bottom Wears, Home Textiles and Industrial Fabrics., please refer to chapters titled "*Our Business*", "*Financial Statements as Restated*", "*Management's Discussion and Analysis of Financial Condition and Results of Operation*", "*Government and Other Statutory Approvals*" beginning on page 157, 218, 252 and 282 respectively of the Prospectus.

The total number of members of our Company as on the date of filing of this Prospectus is 9 (nine). For further details, please refer the chapter titled "*Capital Structure*" beginning on page 84 of this Prospectus.

CHANGES IN OUR REGISTERED OFFICE:

Since incorporation, the following amendments have been made to the Registered office of our Company:

Date of BM	Changes
On Incorporation	The registered office of our company is at 17 Heera Panna Market, Pur Road, Bhilwara-311001(Raj)
May 16th, 2015	The registered office of our company has changed from 17 Heera Panna Market, Pur Road, Bhilwara-311001(Raj) to 29, Kamla Enclave, Chittor Road, Bhilwara-311001(Raj)

February 03rd,2018	The registered office of our company has changed from 29 Kamla Enclave, Chittor Road, Bhilwara-311001(Raj) to A-51-53, RIICO Growth Centre Hamirgarh, Bhilwara-311001(Raj)

MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The main objects of our Company are:

1. *To carry on the business of spinners, weavers, manufacturers, traders, producers, ginners, pressers, packers, balers, liners, cleaners, processors, doublers, combers, wool combers, worsted spinners, woolen spinners, knitters, printers, dyers, bleachers, calenderers, sellers, buyers, traders, brokers, stockists, importers, exporters, mercerisers, distributors, barterers, shippers and dealers in all kinds of textile goods, waste threads, fabric/cloth, yarn, fibers, jeans, suitings, shirtings, sarees, dress materials, readymade garments of all fabrics including waste cotton, linen, hemp, jute, wool, polyster, acrylics, silk, artificial silk, rayon, manmade synthetic fibers, fibers, staple synthetic yarn and any other fibrous material, allied products, by-products and to treat and utilise any waste arising from any such manufacturing production or process.*
2. *To carry on the business of manufacturers, traders, processors, producers, jobbers including doing the job work for others and getting the job work done from others, designers, distributors, stockists, importers and exporters, buyers, sellers and dealers of all or any of the products of fabrics and textiles, industrial fabrics, non-woven fabrics, sheets, tapes, ropes, cords, twines, canvas, teritowels, durries, newar, parachute, carpets, rugs, blankets, namdas, tarpaulins; linens worsted stuff and other products as are prepared of manufactured from nylon, polyesters, acrylics, rayon, silk, artificial silk, linen, cotton, wool, foam and any other synthetic, artificial and natural fibers sand intermediates of all types, grades and formulations and including specifically plastics, polyester fibers, polyacrylonitrile, polyvinylacetate, polypropelene, nylon and rayon.*
3. *To carry on the business of manufacturers, producers, prccessors, importers, exporters, buyers, sellers and dealers in and as brokers, agents, stockists, distributors and suppliers of all kinds of waterproof fabrics, pavliners, floor clothes, carpets, tent clothes, tweed, patto pashminas, blazer, gaberdine, drill, tapestry, georgetta, linen, velvet, tarpaulin, khaddar, lace and linning, surgical cotton, surgical bandages, lints, gauge, sanitary goods necessary for medical aid, hospital needs, as are made from or with cotton, nylon, silk, polyester acrylics, jute, wool and other kinds of fiber, by whatever name called or made under any process, whether natural or artificial and by mechanical or other means.*

1) AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION

Since incorporation, the following amendments have been made to the MoA of our Company:

Date of AGM/ EGM	Changes
On Incorporation	The authorized capital of our company on incorporation comprised of Rs. 1,00,000/- consisting of 10,000 Equity shares of Rs. 10 each.
February 14, 2011	The authorized share capital of Rs. 1,00,000/- consisting of 10,000 Equity Shares of Rs.10/- each was increased to Rs.2,00,00,000/- consisting of 20,00,000 Equity shares of Rs.10/- each.
March 09, 2012	The authorized share capital of Rs.2,00,00,000/- consisting of 20,00,000 Equity shares of Rs.10/- each was increased to Rs.2,10,00,000/- consisting of 21,00,000 Equity shares of Rs.10/- each.
January 20, 2014	The authorized share capital of Rs.2,10,00,000/- consisting of 21,00,000 Equity shares of Rs.10/- each was increased to

Date of AGM/ EGM	Changes
	Rs.2,50,00,000/- consisting of 25,00,000 Equity shares of Rs.10/- each.
December 23, 2017	The authorized share capital of Rs.2,50,00,000/- consisting of 25,00,000 Equity shares of Rs.10/- each was increased to Rs.22,50,00,000/- consisting of 2,25,00,000 Equity shares of Rs.10/- each.

KEY EVENTS AND MILESTONES

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Year	Events
2012	Started commercial production
2013	Started Exports
2014	Completed First expansion
	Oekotex Certificate
	GOTS Certificate
2015	Completed Second Expansion
2016	Uster Certificate
2017	Awarded Star Export House Certificate
	Awarded ISO 9001:2015 certificate in Manufacture & Export of Cotton Yarn
2018	Conversion of Company into Public Limited
	Issuance of Bonus Share

OUR HOLDING COMPANY

Our Company does not have any holding company as on the date of filing of this Prospectus.

OUR SUBSIDIARY COMPANY

Our Company does not have any Subsidiary company as on the date of filing of this Prospectus.

CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT

For details in relation to our capital raising activities through equity and debt, please refer to the chapters titled "*Financial Information as Restated"* and "*Capital Structure*" beginning on page 218 and 84, respectively, of this Prospectus.

REVALUATION OF ASSETS

Our Company has not revalued its assets since its incorporation.

CHANGES IN THE ACTIVITIES OF OUR COMPANY IN THE LAST FIVE YEARS

Since incorporation, there has been no change in the activities being carried out by our Company.

INJUNCTIONS OR RESTRAINING ORDERS

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

MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY

There has been no merger or acquisition of businesses or undertakings in the history of our Company.

SHAREHOLDERS' AGREEMENTS

Our company has not entered into any shareholders agreement as on date of filling this Prospectus.

OTHER AGREEMENTS

Our Company has not entered into any agreements/ arrangements except under normal course of business of the Company, as on date of filing of this Prospectus.

STRIKES AND LOCK-OUTS

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock- outs. As on the date of this Prospectus, our employees are not unionized.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS

As on the date of this Prospectus, there have been no other time and cost overruns other than those mentioned on page no. 128 of this Prospectus in the chapter - Object of the Issue.

STRATEGIC PARTNERS

Our Company does not have any strategic partner(s) as on the date of this Prospectus.

FINANCIAL PARTNERS

As on the date of this Prospectus, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ 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 9 (Nine) shareholders as on date of this Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Articles of Association our Company is required to have not less than 3 directors and not more than 15 directors, subject to the applicable provisions of the Companies Act. Our Company currently has 6 directors on our Board. Our Company confirms that the Composition of our Board of Directors complies with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name, Age, Father's/ Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Latest Re-appointment	Other Directorship/ Partnership
1.	**Name:** Dwarka Prasad Mangal **Age:** 69 years **Father's Name:** Gulab Chand Mangal **Designation:** Chairman and Whole-Time Director **Address:** A-22, New Friends Colony, New Delhi-110025 **Occupation:** Business **Nationality:** Indian **Term:** 3 Years from February 03, 2018, liable to retire by rotation. **DIN:** 01205208	February 03, 2018	**Public Limited Company**: Nil **Private Limited Company**: ➢ Lagnam Procon Private Limited **Limited Liability Partnership:** Nil
2.	**Name:** Anand Mangal **Age:** 35 years **Father's Name:** Dwarka Prasad Mangal **Designation:** Managing Director **Address:** A-22, New Friends Colony, New Delhi-110025 **Occupation:** Business **Nationality:** Indian **Term:**3 Years from April 1, 2017, liable to retire by rotation. **DIN:** 03113542	April 01, 2017	**Public Limited Company**: Nil **Private Limited Company**: Nil **Limited Liability Partnership:** Nil
3.	**Name:** Vijay Singh Bapna **Age:** 69 years **Father's Name:** Sangram Singh Bapna **Designation:** Non-Executive Director **Address:**1801, 18th Floor, Sumer Trinity Tower 1, New Prabhadevi Road, Mumbai-400025 **Occupation:** Professional **Nationality:** Indian **Term:** Retire by Rotation. **DIN:** 02599024	December 23, 2017	**Public Limited Company**: ➢ Oil Field Warehouse & Services Limited ➢ Global Education Limited ➢ MMP Industries Limited as Additional Director **Private Limited Company**: Nil **Limited Liability Partnership:** ➢ AVA Consulting LLP
4.	**Name:** Dipali Mathur **Age:** 36 years **Father's Name:** Sudhir Shanker Mathur **Designation:** Independent	February 10, 2018	**Public Limited Company**: Nil **Private Limited Company**:

Sr. No.	Name, Age, Father's/ Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Latest Re-appointment	Other Directorship/ Partnership
	Director **Address:** B4/157, Safadarjung Enclave, New Delhi 110029 **Occupation:** Business **Nationality:** Indian **Term:** 5 Years from February10, 2018. **DIN:** 07732611		• Prashali Foods And Beverages Private Limited • Pradinum Consultants Private Limited • Naturel& Kool Private Limited **Limited Liability Partnership:** • Magnifique Luxe LLP • Blowdrybar LLP
5.	**Name:** Anil Shah **Age:** 64 years **Father's Name:** Dalpat Raj Shah **Designation:** Independent Director **Address: 18-H &**18-I, Ambavgarh, Udaipur – 313 001 **Occupation:** Business **Nationality:** Indian **Term:**5 Years from February 10, 2018 **DIN:** 00145396	February 10, 2018	**Public Limited Company**: Nil **Private Limited Company**: • Nephkem Minerals Private Limited (under the process of strike off) • Blue Circle Exports Private Limited • Yadav Measurements Private Limited • SRJ Estates Private Limited • Spice & Herbs Garden Private Limited **Limited Liability Partnership:** Nil
6.	**Name**: Jagdish Chandra Laddha **Age**: 68 years **Father's name**: Sohan Lal Laddha **Designation**: Independent Director **Address**: 37, Kamla Enclave, Chittorgarh Road, Bhilwara (Raj) 311001 **Occupation**: Business **Nationality**: Indian **Term**: 5 years from February 10, 2018 **DIN**: 00118527	February 10, 2018	**Public Limited Companies:** RSWM Limited **Private Limited Companies:** • Confederation of Indian Textile Industry • Sudiva Spinners Private Limited

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Dwarka Prasad Mangal

Mr. Dwarka Prasad Mangal, aged 69 years, is the promoter and chairman of our company. He has industry experience of more than 45 years including 38 years in the textile Industry. He has retired from the post of Executive Director of RSWM Ltd after stint of 17 years. He also worked with JCT Limited for a period of 6 Years and Aditya Mills Ltd for 6 years. During his tenure in different textiles companies at helm, he has implemented many large textile projects for the aforesaid companies including acquisition and joint ventures with leading European yarn manufacturing companies. He is the director in our company since incorporation. He manages overall operations of the company. He plays the key role in formulation and implementation of business strategy for growth and expansion of business

and has been the front face of the company in dealing with suppliers, vendors, customers etc and he will continue with current role and responsibilities after the conclusion of the public issue.

Anand Mangal

Mr. Anand Mangal, aged 35 years, is the Promoter & Managing Director of Our Company. He has completed his B.Sc. (Honors) in Business & Management Studies from University of Bradford, UK. He has experience of 7 years in the field of business administration & Sales & Marketing. He is a proven influencer & negotiator and has pragmatic approach of getting the required results. He guides his employees in achieving targets in a dynamic and complex business environment. He looks at the production, marketing, purchase and administration department of the company. He also represents the company to negotiate deals with international customers and it is mainly because of him that the exports of the company have been growing at a rapid pace and he will continue with his current role and responsibilities after the conclusion of the public issue.

Vijay Singh Bapna

Mr. Vijay Singh Bapna, aged 69 years, is the Non-executive Director of the Our Company. He has completed his Masters in Commerce and is a Chartered Accountant with Certificate of Practice, having a rich experience of 46 years. He has worked with companies like Aditya Birla Group (Thailand), Essar, Ispat Industries, Reliance Petroleum Ltd, Balco (Vedanta Group) Indorama Group (Thailand) and Welspun Group. He has spent around 18 years of his career in Thailand and Canada and held senior management positions such as President, CEO and Whole-Time Director. He was also on the Board of companies like Ispat Industries ltd, Indorama Petrochem Ltd. Bangkok, Welspun Maxsteel Ltd, Welspun Steel Ltd, Remi Metal Gujarat Ltd, Welspun Resource Australia, Essar Steel Algoma, Canada and Essar Steel Mineasota USA. He has recently completed his Master Class for independent directors by Institute of Directors. In his last assignment he was with Essar Steel Algoma, Canada as Executive Vice Chairman. He was also the Vice Chairman of Cold Rollers Association, Coated Manufacturers Association and Chairman of Sponge Iron Manufacturers Association of India.

He has rich experience in Project implementation and Plant operations with high level management calibre and has received many awards and recognition like Udyog Ratna Award, Best Professional Manager Award, International Management excellence Award and Rajiv Gandhi Rashtriya Ekta Award.

Dipali Mathur

Ms. Dipali Mathur, aged 36 years is an Independent Director of Our Company. She has completed her PGDBM in the year 2005 from Birla Institute of Management Technology. She has worked with Citibank, HSBC Bank and Standard Chartered Bank in Retail and Wealth Management for almost 10 years before starting her own venture Magnifique which is a luxury Spa and Salon. During her tenure in Retail & Wealth Management she was recognised with various awards such as Awarded the Highest performer's trophy at the Year End Convention, China 2013, Awarded the Top PRM's trophy at Year End Convention at Phuket, 2012, Felicitated by RBWM Head for Mortgage Contribution,2011. In SCB, she was an Investment advisor for Wealth management and lending for MMEs and individual HNIs with a book size of INR 5500MN.

Anil Shah

Mr. Anil Shah, aged 64, years is an Independent Director of Our Company. is involved in Practice of Chartered Accountants for the last 40 years, presently he is a senior partner of M/s. Anil Shah & Associates. He was associated with ICAI as Member, Secretary & Chairman of Chapter of Udaipur Branch. He is involved as Advisors to various Industrial Groups, presented papers and penal speaker in various seminars, conferences conducted by various Professional Institutions. He has represented Arbitration matters and also acted as Arbitrator. He is a Member and Office Bearer of Various Social Organization. He is also acting as Treasurer of Bharatiya Lok Kala Mandal for the last 25 Years. Also the Treasurer of Vidhya Bhawan Society for 5 years. He was the Founder Secretary of "Advent Age Education Foundation" where running G.D. Goenka International School.

Jagdish Chandra Laddha

Mr. Jagdish Chandra Laddha, aged 69 years, is an Independent Director of Our Company. He is a qualified Chartered Accountant and had been associated with RSWM Ltd for decades, which is engaged in business of textile and is one of the largest textile companies in India with a turnover of around INR 3000 crores as on 31stMarch 2017. During his tenure with RSWM Ltd. he has worked at various management positions and was involved in various expansion projects of the company. Currently, he is the Chairman of M/s Sudiva Spinners Pvt. Ltd. which is engaged in manufacturing of cotton yarn having 28,560 spindles and 2,208 rotors with turnover of INR 286.57 crores as on 31stMarch 2018.

CONFIRMATIONS

As on the date of this Prospectus:

1. Except as stated below; none of the Directors of the Company are related to each other as per section 2(77) of the Companies Act, 2013

Name of the Director	Name of the Other Director	Relation
Dwarka Prasad Mangal	Anand Mangal	Father-Son
Anand Mangal	Dwarka Prasad Mangal	Son-Father

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 wilful 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 during the term of their directorship in such companies.
6. None of the Promoters, 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 PAID TO DIRECTORS

Except as mentioned below, no other current Directors have received remuneration during the last financial year ended on March 31, 2018

Name of Director	Amount (in Rs.)
Dwarka Prasad Mangal	45,69,962.00
Anand Mangal	34,90,071.00
Grand Total	**80,60,033.00**

Compensation of our Managing Director:

The Compensation payable to our Managing Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 196, 197 and 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and the Articles of Association of the Company.

Terms and conditions of employment of our Managing Director

Mr. Anand Mangal was re-appointed as Managing Director of our Company with effect from April01, 2017 for a period of three years. The terms and conditions of his employment are as follows:

Remuneration	Rs. 2,15,000/- per month in the scale of (2,15,000-25000-2,65,000) Salary may be revised periodically based on the recommendation of the Board of Directors or Nomination and Remuneration Committee between the above-mentioned scale. No sitting fees shall be paid.
Term of Appointment	3 Years from April 1, 2017and he shall not be liable to retire by rotation.
Perquisites	A. Company's contribution towards provident fund as per Company rules. B. Gratuity not exceeding half month's salary for each completed year of service. C. Encashment of leave as per the policy of the Company. D. Other perquisites like Housing, Medical Reimbursement, Leave Travel Concession, Club Fees, Personal Accident Insurance, Medical Insurance,

Further, he shall be entitled to reimbursement of such expenses as per the rules of the Company which are genuinely and actual incurred from time to time to perform his duties efficiently in connection with the business of the company.

The Company shall provide car, driver or its reimbursement and any other conveyance or its reimbursement as may be required in connection with the Company's business.

Terms and conditions of employment of our Whole Time Director

Dwarka Prasad Mangal was appointed as Whole Time Director of our Company with effect from February03, 2018 for a period of Three years. The terms and conditions of his employment are as follows:

Remuneration	Rs. 3,50,000/- per month in the scale of (3,50,000-50000-4,50,000) Salary may be revised periodically based on the recommendation of the Board of Directors or Nomination and Remuneration Committee between the above-mentioned scale. No sitting fees shall be paid.
Term of Appointment	3 Years from February 03, 2018 subject to liable to retire by rotation.
Perquisites	A. Company's contribution towards provident fund, superannuation fund or Annuity Fund as per Company rules. B. Gratuity not exceeding half month's salary for each completed year of service. C. Encashment of leave as per the policy of the Company. D. Other perquisites like Housing, Medical Reimbursement, Leave Travel Concession, Club Fees, Personal Accident Insurance, Medical Insurance,

Further, he shall be entitled to reimbursement of such expenses as per the rules of the Company which are genuinely and actual incurred from time to time to perform his duties efficiently in connection with the business of the company.

The Company shall provide car, driver or its reimbursement and any other conveyance or its reimbursement as may be required in connection with the Company's business.

Sitting Fees

Non-Executive Director and Independent Directors of the Company may be paid sitting fees and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations.

OTHER CONFIRMATIONS

As on the date of this Prospectus:

1. There is no contingent or deferred compensation payable to any Director, Whole Time Director which has accrued for this year and payable in current or any future period.
2. No compensation was paid to any Director and Whole Time Director pursuant to bonus or profit-sharing plan.

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. Except as stated below no other directors have shareholding of our Company.

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.	Dwarka Prasad Mangal	29,46,250	25.25	[•]
2.	Anand Mangal	11,25,750	9.65	[•]
	Grand Total	**40,72,000**	**34.90**	[•]

INTERESTS OF DIRECTORS

Interest in promotion of our Company

Some of our Directors may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. For further details, refer to chapter titled *"Related Party Transactions"* beginning on page no. 216 of this Prospectus.

Interest in the property of our Company

Our Directors do not have any other interest in any property acquired by our Company in a period of two years before filing of this Prospectus or proposed to be acquired by us as on date of filing the of this Prospectus.

Interest as member of our Company

As on date of this Prospectus, our Directors together holds 40,72,000 Equity Shares in our Company i.e. 34.90% of the pre-Issue paid up Equity Share capital of our Company. Therefore, our Directors are interested to the extent of their respective shareholding and the dividend declared, if any, by our Company.

Interest as a creditor of our Company

As on the date of this Prospectus, our Company has not availed any loan from directors of our Company. For further details, refer to chapter titled *"Financial Indebtedness"* and heading titled *"Related Party Transactions"* under Chapter titled "Financial Statements as Restated"

beginning on page 263 and 251 respectively of this Prospectus.

Interest as Director of our Company

Except as stated in the chapters titled "*Our Management*", "*Financial Statements as Restated"* and "*Capital Structure"* beginning on pages 189, 218 and 84 respectively of this Prospectus our Directors, may deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and AOA of our Company.

Interest as Key Managerial Personnel of our Company

Dwarka Prasad Mangal- Whole-time Director, Anand Mangal –Managing Director are the Key Managerial Personnel of our Company and may deemed to be interested to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreement entered into with our Company, if any and AOA of our Company and to the extent of equity shares held by them in our Company. They may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares. Other than as disclosed above, no director is interested as Key Managerial Personnel of the Company. For further details, please refer to heading titled *"Related Party Transactions"* under chapter titled *"Financial Statements as Restated"* beginning on page 251 of this Prospectus.

Interest in transactions involving payment of rent

One of our Directors Mr. Dwarka Prasad Mangal is currently interested in a transaction with our Company involving renting of city office of the company. Except as stated/ referred to in the heading titled "*Properties & Land"* under chapter titled *"Our Business"* beginning on page 174 of this Prospectus, our Directors have not entered into any contract, agreement or arrangements in relation to acquisition of property, 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.

Other Indirect Interest

Except as stated in chapter titled "*Financial Statements as Restated*" beginning on page 218 of this Prospectus, our Directors do not have any other interests in our company as on the date of this Prospectus.

Interest in the Business of Our Company

Except as stated in *"Related Party Transactions"* in the chapter titled *"Financial Statements as Restated"* beginning on page 251 of this Prospectus, our Directors do not have any other interests in our Company as on the date of this Prospectus.

SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES

Our Company does not have any Subsidiary company and Associate Company as on date of filing of this Prospectus.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Following are the changes in directors of our Company in last three years prior to the date of this Prospectus.

Name	Date of event	Nature of event	Reason
Anand Mangal	April 01, 2017	Re-appointment	Designated as Managing Director
Dwarka Prasad Mangal	February 03, 2018	Re-appointment	Designated as Whole-time Director
Mr. Vijay Singh Bapna	December 23, 2017	Appointment	Appointment as Non-Executive Director

Mr. Jagdish Chandra Laddha	February 10, 2018	Appointment	Appointment as Independent Director
Mr. Anil Shah	February 10, 2018	Appointment	Appointment as Independent Director
Ms. Dipali Mathur	February 10, 2018	Appointment	Appointment as Independent Director

BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at the Extraordinary General Meeting of our Company held on December23, 2017 and pursuant to provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under and the Board of Directors (including committees) of the Company be and is hereby authorized to borrow money on such terms and conditions as may be considered and suitable by the Board of Directors up to a limit of Rs. 500 Crores (Rupees Five Hundred Crores only) notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from the temporary Loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Capital of the Company and its Free Reserves of the Company.

CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be complied to the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

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

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

As on date of this Prospectus, there are 6 Directors on our Board out of which at least one third are Independent Directors. Ms. Dipali Mathur is the woman Director of our Company. Our Company is in compliance with the corporate governance norms prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board-level committees.

Our Company undertakes to take necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations, the Equity Listing Agreements and the Companies Act, 2013.

The following committees have been constituted in terms of SEBI Listing Regulations and the Companies Act, 2013

A. Audit Committee

B. Stakeholders Relationship Committee

C. Nomination and Remuneration Committee

D. Corporate Social Responsibility Committee

A) Audit Committee

Our Company has constituted an audit committee ***("Audit Committee")***, as per section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; vide resolution passed at the meeting of the Board of Directors held on February 15, 2018.

The terms of reference of Audit Committee adheres to the requirements of Regulation 18 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises the following three (3) directors:

Name of the Director	Status	Nature of Directorship
Jagdish Chandra Laddha	Chairman	Independent Director
Anil Shah	Member	Independent Director
Dwarka Prasad Mangal	Member	Whole-time Director

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

The Audit Committee shall have following powers:

a. To investigate any activity within its terms of reference;

b. To seek information from any employee;

c. To obtain outside legal or other professional advice; and

d. To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

a. Management discussion and analysis of financial condition and results of operations;

b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;

c. Management letters/ letters of internal control weaknesses issued by the statutory auditors;

d. Internal audit reports relating to internal control weaknesses; and

e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The role of the Audit Committee not limited to but includes:

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

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

   i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

   ii. Changes, if any, in accounting policies and practices and reasons for the same;

   iii. Major accounting entries involving estimates based on the exercise of judgment by management;

   iv. Significant adjustments made in the financial statements arising out of audit findings;

   v. Compliance with listing and other legal requirements relating to financial statements;

vi. Disclosure of any related party transactions;

vii. Qualifications in the draft audit report.

5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Prospectus/ Prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board.
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. To investigate any other matters referred to by the Board of Directors.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Meeting of Audit Committee and relevant Quorum

The audit committee shall meet at least 4 times in a year and not more than 120 days shall elapse between 2 meetings. The quorum shall be either 2 members or one third of the members of the Audit Committee whichever is greater, but there shall be a minimum of 2 Independent Directors, who are members, present.

B) Stakeholder's Relationship Committee

Our Company has constituted a shareholder/ investors grievance committee *("Stakeholders' Relationship Committee")* to redress complaints of the shareholders. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on February 15, 2018.

The Stakeholder's Relationship Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Vijay Singh Bapna	Chairman	Non-Executive Director
Anand Mangal	Member	Managing Director
Dwarka Prasad Mangal	Member	Whole-time Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholders' Relationship Committee and its terms of reference shall include the following:

A. Tenure: The Stakeholders' Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders' Relationship Committee as approved by the Board.

B. Meetings: The Stakeholder's Relationship Committee shall meet at least 4 times a year with maximum interval of four months between two meetings and shall report to the Board on quarterly basis regard the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

C. Role of Stakeholder's Relationship Committee:

The Committee shall consider and resolve grievance of security holders, including but not limited to:

1. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
3. Review the process and mechanism of redressal of Shareholders/Investors grievance and suggest measures of improving the system of redressal of Shareholders/Investors grievances.
4. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
5. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
6. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting.

8. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

C) Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee in accordance section 178 of Companies Act 2013. The constitution of the Nomination and Remuneration committee was approved by a Meeting of the Board of Directors held on February 15, 2018.The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Jagdish Chandra Laddha	Chairman	Independent Director
Anil Shah	Member	Independent Director
Vijay Singh Bapna	Member	Non-Executive Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Nomination and Remuneration Committee. The scope and function of the committee and its terms of reference shall include the following:

A. Tenure: The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. Meetings: The Committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the Committee or two members whichever is higher. Meeting of the Nomination and Remuneration Committee shall be called by at least seven days' notice in advance.

C. Role of the Nomination and Remuneration Committee not limited to but includes:

a) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
b) To formulate criteria for evaluation of Independent Directors and the Board.
c) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
d) To carry out evaluation of Director's performance.
e) To recommend to the Board the appointment and removal of Directors and Senior Management.
f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
g) To devise a policy on Board diversity, composition, size.
h) Succession planning for replacing Key Executives and overseeing.
i) To carry out any other function as is mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable.
j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

D) Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility are:

Our Company has reconstituted a Corporate Social Responsibility Committee in accordance section 135 of Companies Act, 2013. The constitution of the Corporate Social Responsibility was approved by a meeting of the Board of Directors held on February 15, 2018. The said committee is comprised as under:

The Corporate Social Responsibility Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Jagdish Chandra Laddha	Chairman	Non- Executive Independent Director
Dwarka Prasad Mangal	Member	Whole-time Director
Vijay Singh Bapna	Member	Non-Executive Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Corporate Social Responsibility Committee. The scope and function of the Committee and its terms of reference shall include the following:

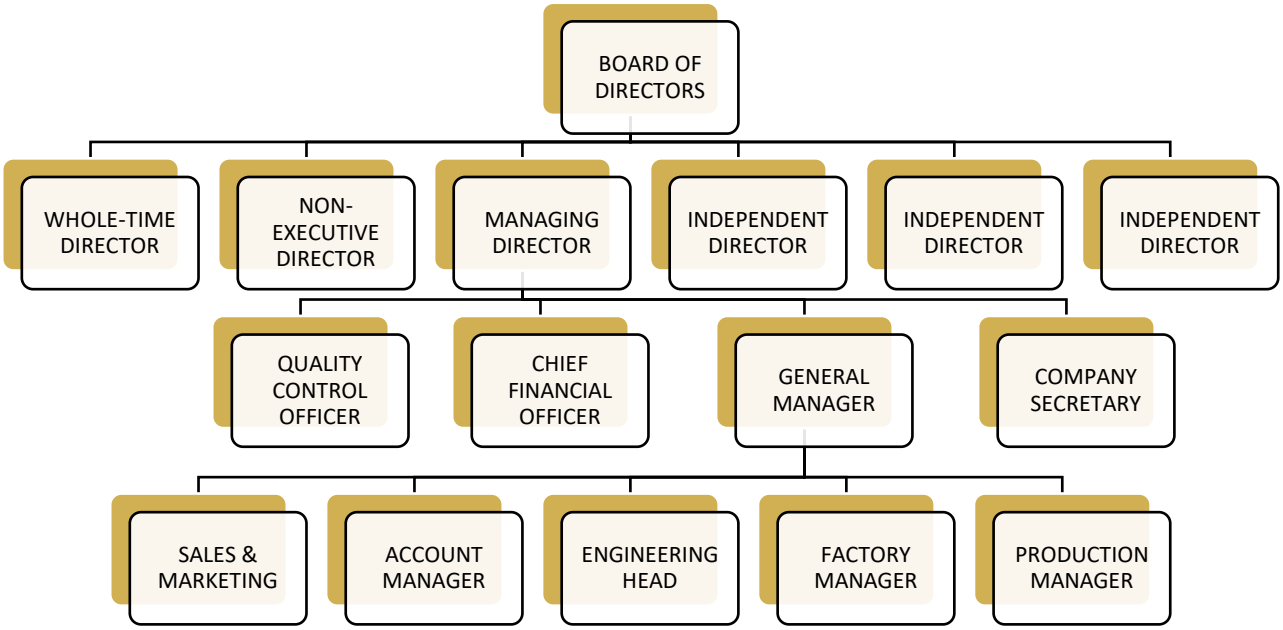
The terms of reference of the Corporate Social Responsibility Committee of our Company include the formulating, recommending to the Board, a Corporate Social Responsibility policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013, recommend the amount of expenditure to be incurred on the activities and monitor the corporate social responsibility policy of our Company from time to time.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading:

The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Emerge Platform of National Stock Exchange of India. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. Further, Board of Directors at their meeting held on February 15, 2018 have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

Rajeev Parashar, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

ORGANIZATIONAL STRUCTURE



KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

The details of our Key Managerial Personnel are set out below:

Dwarka Prasad Mangal

Mr. Dwarka Prasad Mangal, aged 69 years, is the promoter and chairman of our company. He holds degree of Chartered Accountancy by Institute of Chartered Accountants of India. He has Industry experience of more than 45 years including 38 years in the textile Industry. He has retired from the post of Executive Director of RSWM Ltd after stint of 17 years. He also worked with JCT Limited for a period of 6 Years and Aditya Mills Ltd for 6 years. During his tenure in different textiles companies at helm, he has implemented many large textile projects for the aforesaid companies including acquisition and joint ventures with leading European yarn manufacturing companies. He is the director in our company since incorporation. He manages overall operations of the company. He plays the key role in formulation and implementation of business strategy for growth and expansion of business and has been the front face of the company in dealing with suppliers, vendors, customers etc and he will continue with current role and responsibilities after the conclusion of the public issue.

Anand Mangal

Mr. Anand Mangal, aged 35 years, is the Promoter & Managing Director of Our Company. He has completed his B.Sc. (Honors) in Business & Management Studies from University of Bradford, UK. He has experience of 7 years in the field of business administration & Sales & Marketing. He is a proven influencer & negotiator and has pragmatic approach of getting the required results. He guides his employees in achieving targets in a dynamic and complex business environment. He looks at the production, marketing, purchase and administration department of the company. He also represents the company to negotiate deals with international customers and it is mainly because of him that the exports of the company have been growing at a rapid pace and he will continue with his current role and responsibilities after the conclusion of the public issue.

Devi Lal Mundra

Devi Lal Mundra, aged 57 years, is the Chief Financial Officer of our Company with effect from February 1, 2018. He holds a degree in Bachelor of Commerce from Rajasthan University, Jaipur. He has rich experience of approximately 33 years. He has previously worked with RSWM Ltd. as an Assistant Manager (Corporate Finance). He is very well conversant with accounting, finance and taxation principles. With the vast experience and knowledge that he possesses, he manages the finance department and the taxation department very efficiently.

Rajeev Parashar

Rajeev Parashar, aged 25 years, is Company Secretary of our Company with effect from February 1, 2018. He is a Company Secretary by qualification and an Associate member of Institute of Company Secretaries of India. He looks after the Legal, Secretarial and Compliance Department of the Company.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Except as stated below, none of the key managerial personnel are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013. All of Key Managerial Personnel are permanent employees of our Company.

Name of the Key Managerial Person	Name of the Key Managerial Person	Relation
Dwarka Prasad Mangal	Anand Mangal	Father-Son
Anand Mangal	Dwarka Prasad Mangal	Son-Father

ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS

None of our Key Managerial Personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Prospectus.

Sr. No.	Name of the Shareholder	No. of Shares held	% of Shares held
1.	Dwarka Prasad Mangal	29,46,250	25.25
2.	Anand Mangal	11,25,750	9.65

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.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

LOANS TO KEY MANAGERIAL PERSONNEL

Except as disclosed in the Annexure X of the Financial Statement on page 251 of this Prospectus our Company has not given any loans and advances to the Key Managerial Personnel.

INTEREST OF KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company have interest in our Company 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 and dividends payable thereon and other distributions in respect of such Equity Shares, 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.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Prospectus in which Key Managerial Personnel 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.

Except as stated in the chapters "Our Management" and "Related Party Transactions" beginning on pages 189 and 216 respectively of this Prospectus and described herein above, our Key Managerial Personnel do not have any other interest in the business of our Company.

CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS

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

Name of the Key Managerial Personnel	Date of Event	Nature of Event	Reason
Dwarka Prasad Mangal	February 03, 2018	Re-appointment	Designated as Whole Time Director
Anand Mangal	April 01, 2017	Re-appointment	Designated as Managing Director
Devi Lal Mundra	February 01, 2018	Appointment	Appointment as Chief Financial Officer
Rajeev Parashar	February 01, 2018	Appointment	Appointment as Company Secretary and Compliance Officer

ESOP/ ESPS SCHEME TO EMPLOYEES

Our company does not have any Employee Stock Option Scheme as on the date of filing the Prospectus.

PAYMENT OR BENEFIT TO OUR OFFICERS (NON-SALARY RELATED)

Except as disclosed in the heading titled "*Related Party Transactions*" in the section titled "*Financial Statements*" beginning on page 251 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

OUR PROMOTERS

The promoters of our Company are Mr. Dwarka Prasad Mangal, Mr. Anand Mangal and Lagnam Infotech Solutions Private Limited. As on the date of this Prospectus, our promoters hold in aggregate 90,66,000 equity shares representing 77.69% of the pre–issue paid up capital of our Company.

Brief profile of our Individual Promoter is as under:

Dwarka Prasad Mangal, Promoter, Chairman & Whole-time Director

Mr. Dwarka Prasad Mangal, aged 69 years, is the promoter and chairman of our company. He holds degree of Chartered Accountancy by Institute of Chartered Accountants of India. He has industry experience of more than 45 years including 38 years in the textile Industry. He has retired from the post of Executive Director of RSWM Ltd after stint of 17 years. He also worked with JCT Limited for a period of 6 Years and Aditya Mills Ltd for 6 years. During his tenure in different textiles companies at helm, he has implemented many large textile projects for the aforesaid companies including acquisition and joint ventures with leading European yarn manufacturing companies. He is the director in our company since incorporation. He manages overall operations of the company. He plays the key role in formulation and implementation of business strategy for growth and expansion of business and has been the front face of the company in dealing with suppliers, vendors, customers etc and he will continue with current role and responsibilities after the conclusion of the public issue.

Nationality: Indian

PAN: AAMPM1215H

Passport No: H1879658

DIN No: 01205208

Aadhar No. 6495 1844 2417

Address: A-22, New Friends Colony, New Delhi - 110025 India

Firms and Ventures promoted by Mr. Dwarka Prasad Mangal:

Lagnam Procon Private Limited.

For further details relating to Mr. Dwarka Prasad Mangal, including terms of appointment as our Whole-Time Director, other directorships, please refer to the chapter titled "*Our Management*" beginning on page 189 of this Prospectus.

	Anand Mangal, Promoter and Managing Director
	Mr. Anand Mangal, aged 35 years, is the Promoter & Managing Director of Our Company. He has completed his B.Sc. (Honors) in Business & Management Studies from University of Bradford, UK. He has experience of 7 years in the field of business administration& Sales & Marketing. He is a proven influencer & negotiator and has pragmatic approach of getting the required results. He guides his employees in achieving targets in a dynamic and complex business environment. He looks at the production, marketing, purchase and administration department of the company. He also represents the company to negotiate deals with international customers and it is mainly because of him that the exports of the company have been growing at a rapid pace and he will continue with his current role and responsibilities after the conclusion of the public issue **Nationality**: Indian **PAN:** AHCPM9179R **Passport**: Z4569673 **Driving License**: P03092001284457 **DIN No:** 03113542 **Aadhar No**.: 9718 7765 9178 **Address**: A-22, New Friends Colony, New Delhi - 110025 India **Firms and Ventures promoted by Anand Mangal:** There is no other firm and venture promoted by the Anand Mangal. For further details relating to Anand Mangal, including terms of appointment as Managing Director, other directorships, please refer to the chapter titled *"Our Management"* beginning on page 189 of this Prospectus.

DECLARATION

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters shall be submitted to the Stock Exchange at the time of filing of this Prospectus with it.

CORPORATE PROMOTER

Lagnam InfoTech Solutions Private Limited (LITSPL)

LITSPL was incorporated as a Private Limited Company under the provisions of the Companies Act, 1956 vide certificate of Incorporation dated on December 10th, 2004. The registered office of company is situated at A-22, New Friends Colony, New Delhi – 110065. The Corporate Identification Number of the company is U72300DL2004PTC131189. The Paid-up capital of the Company is 2, 01,000/-

Natural persons in control of the Corporate Promoter:

LITSPL is promoted by Shubh Mangal, Veena Mangal and Kavita Mangal

Board of Directors

The Board of Directors of Lagnam Infotech Solutions Private Limited as on date of this Prospectus are as under

1. Shubh Mangal
2. Veena Mangal
3. Kavita Mangal

There has been no change in Management and control of LITSPL in three years preceding the date of this Prospectus.

Main Objects:

- To carry on the business of Business Intelligence, Data Warehousing, Data Mining, Development of systems, Data processing and set up business processing unit, system maintenance unit, contract centers, call centers for sale and customer services both inbound and outbound including web enabled, data and transaction processing and such allied activities in the field of Information Technology enabled services.
- To carry on the business of software, project and product development, its imports and exports, consultancy, feasibility study, analysis, design, software testing, information technology related and enabled services and products.
- To carry on the business of internet and intranet based solution, e-commerce as business to business and business to customer of products and services including buying, selling, manufacturing, export, import, franchise, licensing, agency consultants, web site hosting on different themes on the internet, organizing cyber exhibitions of information technology products, service and hardware, operating entertainment plazas, cyber cafes, communication network and solutions, departmental stores and super bazaars on internet including physical warehousing, distributions and supply or products and services as supplementary and complimentary of e-commerce businesses.
- To carry on the research and design and develop, engineer, alter, exchange or process in any manner all kinds of voice and data processing, medical transcription, call centers, digitization, geo referencing, portals, microprocessor and other electro-mechanical device, audio-video and multimedia, web phone, all kinds of content development, manufacture, deal either as principal or as agent, as back office operator, import and export know-how, of all kinds of software, machinery and equipment including sub-assemblies and other IT enabled services, parts and components thereof relating to computers of all kind of voice and data processing, medical transcription, call centers digitization, geo referencing and any other equipment including stationery, accessories, ancillary and all items including control, panel, paper card, disk, data, ribbons etc., relating to data processing or otherwise.
- To act as consultants and advisor on information system, internet, call center, medical transcription and provide services based thereto including those on the use of computers and business machine of all kinds including all type of information and word processing equipment such as copying machine, electronic or other communication systems, typewriters and disking system related to data and information processing and to furnish to the users the systems, know-how program and other software relating to the use of such machine and allied peripherals and to assist to set up, operate and supervise the operation of the data processing division of other companies or organizations in India and elsewhere.
- To manufacture assemble, erect. install, purchase, import, export, equip, sale, trade, fabricate, design, distribute, repair, maintain, exchange, alter or in construct develop, take on hire, or to give on hire, enter into arrangement for selling the same in whole or in part or any other way to deal in computers, computer hardware, software, accessories, spare parts, consumables, data processing systems, desk top publishing, type setting, printing, photo type setting, electrical items, electrical/electronic typewriters, word processors and accounting and business machine and components thereof, and electronic, electrical equipment and goods.
- To guarantee the performance of any contract or obligation and the repayment of money of any company, corporation, firm or person whether or not related to the main objective/ business activity of the company.

Audited financial Position:

LITSPL audited financial statements for last three FY are as under:

Particulars	For the year ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Equity Capital	2,01,000	2,01,000	2,01,000
Reserves and Surplus (excluding R valuation Reserve and Less Miscellaneous Expenses, if any)	3,84,04,375	3,27,54,142	2,79,14,209
Net worth	3,86,05,375	3,29,55,142	2,81,15,209
Income including other income	2,62,37,628	2,02,37,944	1,49,04,031
Profit/ (Loss) after tax	56,54,854	48,90,332	30,60,232
Earnings per share (face value of 10 each)	281	243	152
Net asset value per share (Rs)	1,921	1,640	1,398

Shareholding Pattern

LITSPL shareholding pattern as on the date of this Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Shares hold	% of Shareholding
1.	Shubh Mangal	10,000	49.75
2.	Veena Mangal	10,000	49.75
3.	Kavita Mangal	100	0.50
	Total	20100	100.00

DECLARATION

Our Company confirms that that the Permanent Account Numbers, Bank Account Numbers, the Company Registration Numbers and the addresses of the Registrars of Companies where Lagnam Infotech Solutions Private Limited are registered shall be submitted to the recognized stock exchanges on where the specified securities are proposed to be listed, at the time of filing the Prospectus with them.

INTEREST OF PROMOTERS

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding and the dividend receivable, if any and other distributions in respect of the equity shares held by them. For details regarding shareholding of our promoters in our Company, please refer *"Capital Structure"* on page 84 of this Prospectus.

Our Promoters may also be deemed to be interested in Our Company to the extent of their shareholding/ interest in ventures promoted by them with which Our Company transacts during the course of its operations

Some of our promoters are the Directors and KMP's of our Company and may be deemed to be interested to the extent of remuneration and/ or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the agreements entered into with our Company, if any and AOA of our Company. For details please see *"Our Management", "Financial Statements"* and *"Capital Structure"* beginning on pages 189, 218 and 84 respectively of this Prospectus.

Except as mentioned in the chapter titled *Our Promoter and Promoter Group*, our promoters do not have any other interest in any property acquired or proposed to be acquired by our company in a period of two years before filing of this Prospectus or in any transection by our company for acquisition of land, construction of building or supply of plant & machinery.

For details of related party transactions entered into by our Company during last financial year with our promoters, the nature of transactions and the cumulative value of transactions, see *"Related Party Transactions"* on page 216 of this Prospectus.

OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in this chapter and chapter titled *"Our Group Companies"* beginning on page 212 of this Prospectus, there are no ventures promoted by our promoters in which they have any business interests / other interests.

RELATED PARTY TRANSACTIONS

For the transactions with our promoters, promoter group and group companies, please refer to the chapter titled *"Related Party Transactions"* beginning on page 216 of this Prospectus.

Except as stated in *"Related Party Transactions"* beginning on page 216 of this Prospectus, and as stated therein, our promoter or any of the promoter group entities do not have any other interest in our business.

PAYMENT OR BENEFIT TO PROMOTERS OF OUR COMPANY

Except as stated otherwise in the chapters "*Related Party Transactions*" on page 216 of the Prospectus, there has been no payment or benefits to the Promoters during the two years prior to the filing of this Prospectus.

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations is as under:

A. Natural persons who are part of the promoter group:

Relation with Promoters	Dwarka Prasad Mangal	Anand Mangal
Father	Late Gulab Chand Mangal	Dwarka Prasad Mangal
Mother	Late Durga Devi Mangal	Veena Mangal
Spouse	Veena Mangal	
Son	Shubh Mangal Anand Mangal	
Daughter		
Sister	RajKumari Agarwal	
Brother	Tikam chand Mangal	Shubh Mangal
Brother's Spouse	Manju Mangal	Kavita Mangal
Spouse's Father	Late Shyam Bihari Lal Bapna	
Spouse's Mother	Late Chandra Kanta Bapna	
Spouse's Brother	Vijay Singh Bapna	
Spouse's Sister	Vimla Mehta Aruna Mehta Amita Mahonot Asha Rana Tanuja Taterh	

In case of our Corporate Promoter:

a subsidiary or holding company of such body corporate	**NA**
Anybody-corporate in which the promoter holds ten percent or more of the equity share capital or which holds ten percent or more of the equity share capital of the promoter.	
Anybody-corporate in which a group of individuals or companies or combination thereof which hold twenty percent or more of the equity share capital in that body corporate also holds twenty percent or more of the equity share capital of the issuer	Lagnam Procon Pvt Ltd

B. **Companies, firms, proprietorships and HUF's which form part of our Promoter group are as follows**:

As per Regulation 2(1)(zb)(iv) and 2(1)(zb)(v) of the SEBI (ICDR) Regulations, 2009, the following Companies/ Trusts/ Partnership firms/ HUFs or Sole Proprietorships shall form part of our Promoter Group:

S.no	Name of Promoter Group Company/Entity
1.	Lagnam Procon Pvt. Limited
2.	Autokrom India Pvt Ltd
3.	Dwarka Prasad Mangal HUF

RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Our Promoters are the part of our Board of Directors as Chairman cum Whole-time Director and Managing Director. Except as disclosed herein, none of our Promoter(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

Promoters	Director	Relationship
Dwarka Prasad Mangal	Anand Mangal	Father-Son
Anand Mangal	Dwarka Prasad Mangal	Son-Father

DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS

Our Promoters have not disassociated themselves from any entities, firms or companies during preceding three years except the following:

Sr. No	Name	Company	Date
1	Mr. Dwarka Prasad Mangal	Indigo Denim Private Limited	15/04/2017

CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

There has been no change in the management or control of our Company in the last three years.

LITIGATION INVOLVING OUR PROMOTER

For details of legal and regulatory proceedings involving our Promoters, see "*Outstanding Litigation and Material Developments"* on page 274 of this Prospectus.

CONFIRMATION

Our Company, our Promoters and their relatives (as defined under the Companies Act, 2013) and are not Wilful Defaulters and there are no violations of securities laws committed by our Promoter in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in *"Related Party Transactions"* on page 216 of this Prospectus, our Promoters are not related to any of the sundry debtors or are not beneficiaries of Loans and Advances given by/ to our Company.

OUR GROUP COMPANIES

In accordance with the provisions of the SEBI ICDR Regulations, 2009 as amended from time to time, for the purpose of identification of Group Companies, our Company has considered companies as covered under the applicable Accounting Standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India and such other companies as considered materials by our Board. Pursuant to the resolution dated February 15, 2018 our board vide a policy of materiality has resolved that except as mentioned in the list of related parties prepared in accordance with Accounting Standard 18, no other company is material in nature. Further, companies which have not been disclosed has related parties in the restated financial statement of our company for the last 5 financial years or which are no longer associated with our company have not been disclosed as group companies.

For, avoidance of doubt, it is clarified that our promoters' company namely Lagnam Infotech Solutions Private Limited shall not be considered as group company.

The following companies are identified as group companies of our company.

1. Lagnam Procon Private Limited

Further, other than Lagnam Procon Private Limited, there are no companies which are considered material by the Board to be identified as a group company.

FINANCIAL INFORMATION OF GROUP ENTITIES

As per Schedule VIII (IX) (C) (2) of the SEBI (ICDR) Regulations 2009, the financial information of our group companies on the basis of Turnover, are given below:

1. Lagnam Procon Private Limited (LPCPL)

Corporate Information:

LPCPL was originally incorporated as Devyog Investments Private Limited Company under the provisions of the Companies Act, 1956 vide certificate of Incorporation dated on April 26th, 1988. The name of the company was subsequently changed from Devyog Investments Private Limited to Lagnam Procon Private Limited vide certificate dated March 31st, 2010. The registered office of company is situated at A-22, New Friends Colony, New Delhi – 110065. The Corporate Identification Number of the company is U74899DL1988PTC031425. Paid Up share capital of the company is Rs.3.11 Lacs

Board of Directors:

The Board of Directors of Lagnam Procon Private Limited as on date of this Prospectus is as under:

1. Dwarka Prasad Mangal
2. Veena Mangal

There has been no change in Management and control of LPCPL in three years preceding the date of this Prospectus.

Main Objects:

1. To act as financial consultants, management consultants, advisors, surveyors, brokers, and provide advice and consultancy services in various fields such as general administrative, secretarial, commercial, financial, legal, economic, labor, industrial, public relations, scientific, technical, direct and indirect taxation and other levis, statistical, accountancy, quality control, data processing and production and market control.
2. To prepare and submit tenders overall and detailed plants for civil and industrial execution to any company, corporation, body corporate, industries, firm association or any person with regard to:
   a) New Project and/ or
   b) Improvements and/ or expansion of the existing projects
3. To render consultancy services on modern management, techniques essentials to industry in the field of organization, planning, administration, personnel, finance and accounting, marketing and market research, production and economic planning.

4. To render organizations development services, staff recruitment development and training services and assistance in equipment handling and establishing of systems and procedures including preparation procurement of manual of all kinds, literature, business forms and instruction sets, consultancy services, relating to management, economic, commercial, financial and technical in all fields of endeavor, whether business, governmental, social, educational or any other spheres and to render market research and development services.
5. To act as consultants and advisor on information systems, internet, call center, medical, transcription and provide services, based thereto including those, on the use of computers and business machines of all kinds including all type of information and word processing equipment, such as copying machine, electronic, or other communication systems, typewriters and disking systems, related to data and information processing and to furnish to the users the systems, know-how program and other software relating to the use of such machine and allied peripherals and to assist to set up, operate and supervise the operation of the data processing division of other companies or organizations in India and elsewhere.

Nature and extent of Interest of our promoters and promoter group:

Our promoter and promoter group hold 100% of equity shares of this company.

Capital Structure:

Particulars	No. of Equity Shares of Rs. 10 each
Authorized Capital	5,00,000
Issued, Subscribed and Paid-up Capital	3,11,020

Shareholding Pattern:

Shareholding pattern of LPCPL as on the date of this Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Shares hold	% of Shareholding
1.	Dwarka Prasad Mangal	20	0.01
2.	Veena Mangal	3,11,000	99.99
	Total	**3,11,020**	**100.00**

Audited financial Position:

LPCPL audited financial statements for last three financial years are as under:

Particulars	For the Year Ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity Capital	31,10,200	31,10,200	31,10,200
Reserves and Surplus (excluding revaluation reserve and less miscellaneous expenses, if any)	27,38,597	26,32,286	24,81,376
Net worth	58,48,797	57,42,486	55,91,576
Income including other income	2,80,913	2,57,840	2,33,172
Profit/ (Loss) after tax	1,36,625	1,50,910	(23,562)
Earnings per share Basic & Diluted (face value of 10 each)	0.44	0.49	(0.08)
Net asset value per share (Rs)	18.80	18.46	17.97

Confirmations:

None of the securities of our group companies are listed on any stock exchange and none of our Group companies have made any public or rights issue of securities in the preceding three years.Our group company has not been declared as willful defaulter by the RBI or any other Governmental authority and there are no violations of securities laws committed by

them in the past and no proceedings pertaining to such penalties are pending against them.

Our group companies are not declared as SICK companies under the SICA. Additionally, group company has not been restrained from accessing the capital markets for any reasons by SEBI or any other authorities.

LITIGATION

For details on litigations and disputes pending against the Promoter and Group Companies and defaults made by them, please refer to the chapter titled, "Outstanding Litigations and Material Developments" on page 274 of this Prospectus.

DISSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS

Except as mentioned below, our Promoters have not been disassociated themselves from any other entities/firms during preceding three years.

Name of Entity	Type	Date of Disassociation	Reason for disassociation
Dwarka Prasad Mangal			
INDIGO DENIM PRIVATE LIMITED	Private Limited Company	April 15, 2017	Preoccupation with other professional work

NEGATIVE NET WORTH

Our group company does not have negative net worth as on the date of their respective last audited financial statements.

DEFUNCT/ STRUCK- OFF COMPANY

Our group company has not become defunct or struck-off in the five years preceding the filing of Prospectus.

INTEREST OF OUR PROMOTER AND GROUP COMPANIES

Interest in the promotion of our Company:

Our group company has no interest in the promotion of our Company.

Interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing of this Prospectus:

Our group company has no interest in the properties acquired by our Company within the two years of the date of filing this Prospectus or proposed to be acquired by our Company.

Interest in transactions for acquisition of land, construction of building and supply of machinery:

Our group company has no interest in our Company in relation to transactions for acquisition of land, construction of building and supply of machinery.

COMMON PURSUITS

Our group company is not engaged in the same line of business or have any common pursuits as our Company.

SALES/ PURCHASES BETWEEN OUR COMPANY & GROUP COMPANY

Other than disclosed in the chapter titled "Related Party Transactions" on page 216 of this Prospectus, there are no sales/ purchases between company and our group company.

PAYMENT OR BENEFIT TO OUR GROUP COMPANY

Except as stated in chapter titled "Related Party Transactions" on page 216 of this Prospectus, there has been no payment of benefits to our group company for the financial

years ended on March 31, 2018, 2017, 2016, 2015 and 2014 nor is any benefit proposed to be paid them.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to *Annexure X* of re–stated financial statement under the section titled, *Financial Statements as re–stated* beginning on page *218* of this Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends on our equity shares will be recommended by our Board of Directors and approval by our shareholders at the general meeting of our Company at their discretion and subject to provisions of Companies Act, 2013 and terms of Articles of Association of our Company. The Dividend, if any, will depend on number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions, other factors considered relevant by our Board of Directors applicable taxes including dividend distribution tax payable by our Company.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Dividend Paid on Equity Shares

Since incorporation, our Company has not declared any interim or final dividend on the Equity Shares inter alia, on account of deployment of our Company's profits towards growth strategies.

Our dividend history is not necessarily indicative of our dividend policy in the future. Future dividends, if any, will depend on our revenue, profits, cash flow, financial conditions, capital requirement and other factors.

SECTION V –FINANCIAL STATEMENTS

FINANCIAL STATEMENTS AS RE-STATED

Independent Auditor's Report for the Restated Financial Statement

To,

The Board of Directors of

Lagnam Spintex Limited

Bhilwara

Dear Sirs,

We have examined the restated financial information of Lagnam Spintex Limited (the 'Company') for the years ended on March 31, 2018, 2017, 2016, 2015 and 2014 annexed to this report for the purpose of inclusion in the offer document. This financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the Company in connection with the proposed Initial Public Offering ('IPO') of equity shares.

This financial information has been prepared in accordance with the requirements of:

Part I of Chapter III to the Companies Act, 2013 (the 'Act');

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'Regulations') and the related amendments issued by the Securities and Exchange Board of India ('SEBI') as amended to date.

This financial information has been compiled by the management from the audited financial statements of the Company for the years ended on March 31, 2018, 2017, 2016, 2015, and 2014.

We have examined such financial information in accordance with the requirements of:

The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India ('ICAI'); and

The terms of reference received from the company vide letter dated January 05, 2018 requesting us to carry out work of such financial information proposed to be included in the offer document of the Company in connection with its proposed IPO.

Management's Responsibility for the Restated Financial Statements

The preparation of Restated Financial Information, which is to be included in the Offer Document, is the responsibility of the management of the company. The Board of Directors' responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibility for the Restated Financial Information

Our work has been carried out in accordance with Generally Accepted Auditing Standards and in accordance with the (Revised) Guidance Note on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India and pursuant to the requirements of the Act. Our work was performed solely to assist you in meeting your responsibility to compliance with the Act and the SEBI Regulations in connection with the Issue.

Financial Information as per audited financial statements

We have examined the attached Summary Statement of Assets and Liabilities, As Restated (refer Annexure I) of the Company as at March 31, 2018, 2017, 2016, 2015, and 2014, the attached Summary Statement of Profits and Losses, As Restated (refer Annexure II) of the Company for the years ended March 31, 2018, 2017, 2016, 2015, and 2014 and also the

Statement of Cash flows, As Restated (refer Annexure III) for the years ended March 31, 2018, 2017, 2016, 2015, and 2014 collectively referred to as 'Restated Summary Statements of the Company'.

The Restated Summary Statements of the Company for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 including the adjustments and regroupings discussed above, have been extracted from the audited financial statements of the Company as at March 31, 2018, 2017, 2016 and 2015 which have been audited by us and for the year ended March 31, 2014 which have been audited by M/s A.L. Chechani & Co. having FRN. 005341C and accordingly reliance has been placed on the financial information examined by him for the said years. The financial report included for these years is based solely on the reports submitted by him. We make no representation/ opinion regarding those audited financial statements.

Based on the above and also as per the reliance placed by us on the Audited Financial Statements of the Company which were audited by M/s A. L. Chechani & Co., Chartered Accountant, as referred in Para 2 above, we state that:

a) The Restated Summary Statements of the Company have to be read in conjunction with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;

b) The Restated Summary Statements of the Company have been restated with retrospective effect to reflect the accounting policies being adopted by the Company as at March 31, 2018, as stated in the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;

c) The Restated profits have been arrived at after making such material adjustments and regroupings as, in our opinion, are appropriate in the period/year to which they relate as described in the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;

e) Emphasis of matter, in respect of which our opinion is not qualified included in Auditor's Report for the year ended March 31, 2018, 2017, 2016, 2015 and 2014 is given in Note no. 1.5(b) of Annexure IV which does not require adjustment to the Restated Financial Information and is as below –

"The Company has provided depreciation on Plant and Machinery considering the same as 'Continuous Process Plant' based on technical expert's advice. This being a technical matter, no opinion is expressed thereon."

f) There are no extra-ordinary items which need to be disclosed separately in the Restated Summary Statements of the Company.

g) The restated Financial Information does not contain all the disclosures required by the Accounting Standards, since such disclosure is not required for preparation and presentation of Restated Financial Information.

We have not audited any financial statement of the company as of any date or for any period subsequent to date of audit report. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the company as of any date or for any period subsequent to date of our report.

Other financial information:

We have examined the following 'Other financial information' as prepared by the management and approved by the Board of Directors and annexed to this report in respect of the years ended March 31, 2018, 2017, 2016, 2015, and 2014 of the Company, proposed to be included in the offer document. In respect of the financial years ended March 31st 2014 this information has been included based on the Audited Financial Statements of the Company which were audited by A. L. Chechani & Co., Chartered Accountant and whose Auditor's Reports have been relied upon by us for the said years:

Statement of Accounting Ratios, As Restated (Annexure V)

Capitalization Statement, As Restated (Annexure VI)

Statement of Contingent Liabilities and Commitments, As Restated (Annexure VII)

Statement of Dividend paid, As Restated (Annexure VIII)

Statement of Tax Shelter, As Restated (Annexure IX);

Statement of Related Parties Transactions, As Restated (Annexure X)

Opinion

In our opinion, the 'Financial information as per the Restated Summary Statements of the Company' and 'Other financial information' mentioned above (read with respective Significant Accounting Policies and Statement of Notes to Restated Summary Statements in Annexure IV) and also as per reliance placed by us on the Audited Financial Statements of the Company which were audited by M/s A.L.Chechani & Co., Chartered Accountant, as referred to in Paragraph 2 above and prepared after making the adjustments and regrouping as considered appropriate have been prepared in accordance with the Companies Act, 2013 and the relevant provisions of the SEBI Regulations. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by statutory auditors or by us nor should it be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of this report.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully

For SSMS and Associate

Chartered Accountants

F.R. No. 019351C

Place: Bhilwara

Date: 24.04.2018

Satish Somani

Partner

M.No. 076241

LAGNAM SPINTEX LIMITED							
Annexure I - SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED							
			(Amount in INR lakhs)				
Sr. No.	Particulars	Note No.	As at 31st March				
			2018	2017	2016	2015	2014
ASSETS							
A.	**Non-current assets**						
	Fixed assets	1					
	Tangible assets		5188.90	4816.60	5037.03	3423.54	2511.73
	Intangible Assets		21.20	29.88	38.82	37.75	17.65
	Capital work in Progress		79.99	23.55	0.00	216.30	230.89
	Non-current Investments	2	25.70	33.20	30.20	22.20	15.70
	Long term loans and advances	3	0.00	21.00	0.00	99.56	33.36
	Other non-current assets	4	53.12	34.53	59.70	55.26	50.55
	Total non-current assets		**5368.91**	**4958.76**	**5165.75**	**3854.61**	**2859.87**
B.	**Current assets**						
	Current investments		0.00	0.00	0.00	0.00	0.00
	Inventories	5	1330.42	748.51	528.53	560.71	417.10
	Trade receivables	6	874.55	899.34	922.91	674.03	587.48
	Cash and bank balances	7	8.99	2.42	8.42	28.38	133.71
	Short term loans and advances	8	647.54	517.10	361.35	249.25	106.90
	Other current assets	9	140.70	61.39	66.13	31.87	35.91
	Total current assets		**3002.19**	**2228.77**	**1887.35**	**1544.24**	**1281.09**
LIABILITIES							
C.	**Noncurrent liabilities**						
	Long term borrowings	10	2741.15	3256.68	3676.14	2885.35	1949.99
	Deferred Tax Liabilities (Net)	11	459.28	354.94	170.79	61.24	32.52
	Other Non-current Liabilities		0.00	0.00	0.00	0.00	0.00
	Long term provisions	12	27.09	20.71	10.40	7.14	3.41
	Total non-current liabilities		**3227.52**	**3632.33**	**3857.33**	**2953.73**	**1985.92**
D.	**Current liabilities**						
	Short term borrowings	13	1741.97	969.32	1096.65	668.59	682.53
	Trade payables	14	233.64	77.31	62.21	33.71	53.19
	Other current liabilities	15	517.19	430.85	329.13	243.61	177.97
	Short term provisions	16	6.39	3.00	0.16	0.09	0.05
	Total current liabilities		2499.18	1480.48	1488.14	946.00	913.74
	Net Worth		**2644.40**	**2074.71**	**1707.63**	**1499.12**	**1241.30**
	(A+B-C-D)						
	Represented by:						
E.	Share capital	17	1166.90	226.80	226.80	226.80	206.80
F.	Reserves and surplus	18	1477.50	1847.91	1480.83	1272.32	1034.50
	Net Worth (E+F)		**2644.40**	**2074.71**	**1707.63**	**1499.12**	**1241.30**
The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV							
This is the Summary Statement of Assets and Liabilities, As Restated, referred to in our report of even date.							

Annexure II - SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED						
		(Amount in INR lakhs)				
Particulars	**Note**	**For the year ended 31 March**				
	No.	**2018**	**2017**	**2016**	**2015**	**2014**
Revenue						
Revenue from operations	19	8390.61	7503.30	5617.34	4946.36	4187.90
Other income	20	63.86	35.13	39.06	37.06	18.09
Total Revenue		**8454.47**	**7538.43**	**5656.41**	**4983.41**	**4205.99**
Expenses						
Cost of Material Consumed	21	6161.59	5190.53	3736.74	3443.15	3080.65
Purchase of Stock in Trade	22	0.00	0.00	74.68	0.00	0.00
Changes in Inventories of FG & WIP	23	(214.59)	19.62	(34.63)	71.93	(115.96)
Employee benefit expense	24	151.53	117.06	121.70	94.39	75.87
Finance cost	25	284.52	342.69	395.28	330.47	279.92
Depreciation and Amortization	26	261.25	260.39	191.96	136.42	136.70
Other expenses	27	1237.33	1056.91	852.63	720.52	572.20
Total Expenses		**7881.63**	**6987.20**	**5338.35**	**4796.88**	**4029.39**
Profit before tax		572.84	551.24	318.05	186.54	176.60
Tax Expenses						
Current tax		117.28	115.07	64.85	20.48	19.50
MAT Credit Entitlement		(117.28)	(115.07)	(64.85)	(20.48)	(19.50)
Deferred tax		104.35	184.15	109.55	28.72	31.89
Total Tax Expenses		104.35	184.15	109.55	28.72	31.89
Net profit as restated		**468.49**	**367.09**	**208.50**	**157.82**	**144.71**
Note: The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV.						
This is the Summary Statement of Profits and Losses, As Restated, referred to in our report of even date.						

Annexure III - STATEMENT OF CASH FLOWS, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net profit before tax, as restated	572.84	551.24	318.05	186.54	176.60
Adjustments for:					
Depreciation and amortization	261.25	260.39	191.96	136.42	136.70
Finance Cost	255.94	322.84	384.78	323.86	275.69
Loss on sale of fixed assets	1.37	0.00	0.37	15.71	0.00
Interest income	(26.09)	(16.44)	(10.71)	(18.03)	(4.06)
Provision for employees Benefit	9.77	13.15	3.32	3.78	1.65
Liabilities no longer required written back	0.00	(1.40)	(0.96)	(3.44)	(0.03)
Exchange Fluctuation	(15.79)	(0.95)	(0.09)	0.00	0.00
Miscellaneous Expenses written off	4.23	0.08	0.08	0.08	0.00
Operating profit before working capital change	**1063.52**	**1128.90**	**886.80**	**644.91**	**586.55**
Adjustments for Increase / Decrease in					
Trade Payable	156.33	15.10	28.50	(19.49)	(3.07)
Other Liabilities	20.22	28.13	(15.09)	24.09	1.66
Loans and Advances	(9.92)	(61.69)	58.49	(161.64)	(47.43)
Inventories	(581.91)	(219.98)	32.18	(143.61)	1.30
Trade Receivable	24.79	23.57	(248.88)	(86.55)	(88.91)
Other Assets	(102.13)	29.83	(38.78)	(0.76)	(24.28)
Cash generated from operations	**570.90**	**943.86**	**703.22**	**256.95**	**425.83**
Income taxes paid	100.13	102.77	67.67	46.92	31.15
Net Cash from Operating activities	**470.77**	**841.09**	**635.55**	**210.03**	**394.68**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchases of fixed assets including out of grant	(688.69)	(54.79)	(1592.44)	(1104.46)	(231.40)
Sale of Fixed Assets	6.00	0.24	1.85	35.00	10.74
Net Purchase and Sale of Investments	7.50	(3.00)	(8.00)	(6.50)	(6.50)
Interest income	26.09	16.44	10.71	18.03	4.06
Net cash used in investing activities	**(649.10)**	**(41.11)**	**(1587.88)**	**(1057.93)**	**(223.10)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from Shares	46.00	0.00	0.00	20.00	20.00
Proceeds from Premium	55.20	0.00	0.00	80.00	80.00
Changes in Long Term Borrowings	(448.80)	(356.77)	889.00	980.36	(85.00)
Changes in Short Term Borrowings	772.65	(127.33)	428.06	(13.94)	116.76
Interest Paid	(255.94)	(322.84)	(384.78)	(323.86)	(275.69)
Exchange Fluctuation	15.79	0.95	0.09	0.00	0.00
Net Cash from/used in financing activities	**184.89**	**(805.98)**	**932.37**	**742.56**	**(143.93)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**6.57**	**(6.00)**	**(19.96)**	**(105.34)**	**27.65**
Opening cash and cash equivalents	2.42	8.42	28.37	133.71	106.06
Closing cash and cash equivalents*	**8.99**	**2.42**	**8.42**	**28.37**	**133.71**
Note:					
The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV. This is the Summary Statement of Cash Flows, as Restated, referred to in our report of even date.					

Annexure IV - STATEMENT OF NOTES TO RESTATED SUMMARY STATEMENTS OF THE COMPANY	
1	**SIGNIFICANT ACCOUNTING POLICIES**
1.1	**Basis of preparation of financial statements**
	The 'Summary Statement of Assets and Liabilities, As Restated', of the Company as at 31 March, 2018, 2017, 2016, 2015 and 2014, the 'Summary Statement of Profits and Losses, As Restated', and the 'Statement of Cash Flows, As Restated', for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 (collectively referred to as ' Restated Summary Statements') have been prepared specifically for the purpose of inclusion in the offer document in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').
	The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting (except where not reasonably determinable) and on accounting principles of Going Concern in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 2013, to the extent applicable.
	The Restated Summary Statements of the Company have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI and as amended from time to time.
1.2	**Revenue recognition**
	a. Sales revenue is recognized when property in the goods with all significant risk and rewards as well as the effective control of goods usually associated with ownership are transferred to the buyer, at a price and includes excise duty, if any.
	b. Promotional benefits, export incentives and export growth incentives are accounted for on accrual basis when virtual certainty and their probable use within reasonable time in the normal course of business, is established.
	c. Claims and refunds due from government authorities and parties, though receivable/ refundable are not recognized in the accounts, if the amount thereof is not ascertainable. These are accounted for as and when ascertained or admitted by the concerned authorities/ parties in favor of the company.
	d. Claims lodged with insurance companies are recognized as Income on acceptance by the Insurance company. The excess / shortfall of claims passed are adjusted in the year of receipt.
1.3	**Use of estimates**
	In preparation of the financial statement in confirmatory with Generally Accepted Accounting policy in India. Management is required to make estimate & assumptions that affect the reported amount of assets & liability and the disclosure of contingent liabilities as at the financial reporting date. The amount of revenue & expenditure during the reported period and that of actual result could be different from those estimates. Any revision to such estimate is recognized in the period in which the same is determined.
1.4	**Fixed assets**
	a. Fixed assets are stated at their original cost of acquisition including freight, incidental expenses and other nonrefundable0 taxes or levies related to acquisition and installation of the concerned assets, interest on borrowed funds attributable to acquisition/construction of fixed assets and related pre-operative expenses up to the date of commencement of commercial production, are also capitalized wherever appropriate. CENVAT availed has been deducted from the cost of respective assets.
	b. Expenditure incurred on acquisition of intangibles are accounted for as intangible assets on completion, being identifiable non-monetary assets without physical substance, at the acquisition cost, in accordance with AS-26 on intangible assets.

1.5	**Depreciation**
	For the Financial Year 2014-15, 2015-16, 2016-17 and 2017-18
	a. Depreciation has been provided as per straight line method at the rates and in the manner prescribed under schedule II of the companies Act, 2013.
	b. Depreciation on plant & Machinery is charged considering the same 'Continuous Process Plant' based on technical expert's advice.
	c. Residual value of the assets is determined at the rate of 5% of original cost.
	d. Acquired intangible assets are amortized over their estimated useful life as determined by the management at following rates on straight-line basis.
	Computer Software - 6 Year (From FY 2015-16)
	Computer Software - 16.21% (FY 2014-15)
	For the Financial Year 2013-14
	a. Depreciation has been provided as per straight line method at the rates and in the manner prescribed under schedule XIV of the Companies Act, 1956.
	b. Depreciation on plant & Machinery is charged considering the same 'Continuous Process Plant' based on technical expert's advice.
	c. Residual value of the assets is determined at the rate of 5% of original cost.
	d. Acquired intangible assets are amortized over their estimated useful life as determined by the management at following rates on straight-line basis.
	Computer Software - 16.21%
1.6	**Government Grants**
	Government grant are recognized on accrual basis. Subsidy under TUFS & RIPS are recognized on accrual basis and adjusted against respective expenses, if received against expenses, otherwise shown under 'Other Income'.
1.7	**Investments**
	Long term investments are carried at cost less provision for diminution other than temporary, if any, in value of such investments.
1.8	**Retirement benefits**
	a) Defined Contribution Plan:
	The company makes defined contribution to provided fund which are accounted on accrual basis.
	b) Defined Contribution Plan:
	The company's Liability on account of Gratuity and Leave encashment of employee is determine at the end of each financial year on the basis of actuarial valuation certificate obtained from Registered Actuary in accordance with the measurement procedure as per revised accounting standard (AS) – 15 "Employee Benefit". The cost of providing benefit under this plan also determine on the basis of actuarial valuation at each year end. Actuarial gain and loss for defined benefit plan are recognized in full in the period in which they occur in statement of profit & loss.
1.9	**Income Tax**
	a. Current Tax
	Provision for taxation is ascertained after considering MAT credit entitlement, exemptions and deductions available in accordance with the provision of Income Tax Act, 1961. MAT Credit entitlement is shown as loan and advances till its adjustment against current tax liability.
	b. Deferred Tax
	Deferred tax is recognized, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting years' timing differences, subject to the consideration of prudence.
	Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is deferred tax liabilities or there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be

	realized.
1.10	**Earnings per share**
	Basic and diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders, among the weighted average number of equity shares outstanding during the period.
1.11	**Foreign currency transaction**
	a. Foreign currency transactions arising during the year are recorded at the exchange rates prevailing on the dates of transactions.
	b. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.
	c. All foreign exchange assets/Liabilities on the closing day are converted at closing exchange rate/ forward rate.
	d. Exchange loss on outstanding derivatives transaction are computed on mark to market basis on the closing date and accounted for as expenses of period. However, gain is not recognized as income of the period, following conservative approach.
1.12	**Provisions, contingent liabilities and contingent assets:**
	a. Provisions involving substantial degree of estimation in measurement, are recognized when the present obligation of or past events gives rise to a probable outflow embodying economic benefits on settlement and the amount of obligation can be reliably estimated.
	b. Contingent liabilities are disclosed after a careful evaluation of facts and legal aspects of the matter involved.
	c. Contingent assets are neither recognized nor disclosed in financial statements.
	d. Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
1.13	**Inventories**
	(a) Inventories are valued at cost and net realizable value whichever is lower.
	(b) Cost is determined on FIFO/Weighted average method.
	(c) Cost of raw materials is net of CENVAT claims, wherever applicable.
	(d) The cost of inventories comprises all cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition.
1.14	**Share issue expenses**
	Expenses incurred on increase in share capital are amortized over a period of five years.
1.15	**Segment Reporting**
	The dominant source of income of the company is from the manufacturing of Yarn of various qualities which do not materially differ in respect of risk perception and the return realized/to be realized. Even the geographical environment in which the company operates does not materially differ considering the political and economic environment, the type of customers, assets employed and the risk and return associated in respect of each of the geographical area. So, the disclosure requirements pursuant to AS-17 –Segment Reporting issued by the ICAI are not applicable to the company.
1.16	**Preoperative Expenses**
	Trial run costs and other preoperative expenses incurred during construction / implementation period, including interest on borrowings (Net of subsidy) to finance qualifying assets as per AS-16, are capitalized upto the date of commissioning of the respective asset.

1.17	**Impairment of Fixed Assets**
	Impairment of assets is being measured on factors giving rise to any indication of impairment, by comparing the recoverable amount, higher of value in use and net selling price of an asset, with carrying amount of an asset as per the Accounting Standard 28 “Impairment of Assets” issued by ICAI.

1.18	Cash and Cash Equivalents
	Cash and Cash equivalents for the purpose of cash flow statement comprise cash at bank, Cash in hand, cheques in hand and other permissible instruments as per AS 3.
1.19	Pre IPO-Expenses
	Pre IPO-Expenses comprise of expenses related to proposed public issue of Equity Shares of the Company. The same shall be amortized against Security Premium in the year of allotment of the securities under the said public issue.

Note 1 - STATEMENT OF FIXED ASSETS, AS RESTATED

2013-14									(Amount in INR lakhs)
	Gross Block				Depreciation and Amortization				Net Carrying
Particulars	Bal. as on	Addition	Deductions	Closing	Up to	Deductions	For the year	Total up to	Value
	31.03.2013			Balance	01.04.2013			31.03.2014	31.03.2014
A) Tangible Assets									
Lease Hold Land	41.51	0.00	0.00	41.51	0.00	0.00	0.00	0.00	41.51
Buildings (Including Roads)	515.09	0.00	0.00	515.09	12.89	0.00	16.80	29.69	485.40
Plant and Equipment	2098.46	0.51	10.74	2088.23	109.73	0.56	109.42	218.59	1869.63
Furniture Fixture and Other	15.26	0.00	0.00	15.26	1.36	0.00	0.94	2.30	12.96
Vehicles	17.10	0.00	0.00	17.10	1.33	0.00	1.62	2.95	14.14
Electric Fitting and Water Supply Installation	97.33	0.00	0.00	97.33	4.62	0.00	4.62	9.24	88.09
Total (A)	**2784.74**	**0.51**	**10.74**	**2774.51**	**129.93**	**0.56**	**133.40**	**262.78**	**2511.73**
B) Intangible Assets (Acquired)									
Computer Software	23.74	0.00	0.00	23.74	2.25	0.00	3.85	6.09	17.65
Total (B)	**23.74**	**0.00**	**0.00**	**23.74**	**2.25**	**0.00**	**3.85**	**6.09**	**17.65**
Grand Total	**2808.48**	**0.51**	**10.74**	**2798.25**	**132.18**	**0.56**	**137.25**	**268.87**	**2529.38**

2014-15									(Amount in INR lakhs)
	Gross Block				Depreciation and Amortization				Net Carrying
Particulars	Bal. as on	Addition	Deductions	Closing	Up to	Deductions	For the year	Total up to	Value
	31.03.2014			Balance	01.04.2014			31.03.2015	31.03.2015
A) Tangible Assets									
Lease Hold Land	41.51	0.00	0.00	41.51	0.00	0.00	0.00	0.00	41.51
Buildings (Including Roads)	515.09	0.00	0.00	515.09	29.69	0.00	15.88	45.57	469.52
Plant and	2088.23	1082.20	56.50	3113.93	218.60	5.78	100.83	313.64	2800.29

Equipment									
Furniture Fixture and Other	15.26	1.64	0.00	16.90	2.30	0.00	1.68	3.97	12.92
Vehicles	17.10	9.71	0.00	26.80	2.95	0.00	2.57	5.52	21.28
Electric Fitting and Water Supply Installation	97.33	0.00	0.00	97.33	9.24	0.00	10.08	19.32	78.01
Total (A)	**2774.51**	**1093.55**	**56.50**	**3811.57**	**262.78**	**5.78**	**131.03**	**388.03**	**3423.54**
B) Intangible Assets (Acquired)									
Computer Software	23.74	25.50	0.00	49.24	6.09	0.00	5.39	11.49	37.75
Total (B)	**23.74**	**25.50**	**0.00**	**49.24**	**6.09**	**0.00**	**5.39**	**11.49**	**37.75**
Grand Total	**2798.25**	**1119.05**	**56.50**	**3860.81**	**268.87**	**5.78**	**136.42**	**399.52**	**3461.29**
2015-16	**(Amount in INR lakhs)**								
	Gross Block				**Depreciation and Amortization**				**Net Carrying**
Particulars	**Bal. as on**	**Addition**	**Deductions**	**Closing**	**Up to**	**Deductions**	**For the year**	**Total up to**	**Value**
	31.03.2015			**Balance**	**01.04.2015**			**31.03.2016**	**31.03.2016**
A) Tangible Assets									
Lease Hold Land	41.51	1.11	0.00	42.62	0.00	0.00	0.00	0.00	42.62
Buildings (Including Roads)	515.09	224.54	0.00	739.63	45.57	0.00	20.53	66.10	673.54
Plant and Equipment	3113.93	1362.25	0.00	4476.19	313.64	0.00	139.95	453.60	4022.59
Furniture Fixture and Other	16.90	75.94	0.00	92.84	3.97	0.00	6.49	10.46	82.37
Vehicles	26.80	0.00	0.00	26.80	5.52	0.00	3.30	8.82	17.98
Electric Fitting and Water Supply Installation	97.33	135.69	2.94	230.08	19.32	0.72	13.55	32.15	197.93
Total (A)	**3811.57**	**1799.53**	**2.94**	**5608.16**	**388.03**	**0.72**	**183.82**	**571.13**	**5037.03**
B) Intangible Assets (Acquired)									
Computer Software	49.24	9.21	0.00	58.45	11.49	0.00	8.13	19.62	38.82
Total (B)	**49.24**	**9.21**	**0.00**	**58.45**	**11.49**	**0.00**	**8.13**	**19.62**	**38.82**
Grand Total	**3860.81**	**1808.74**	**2.94**	**5666.60**	**399.52**	**0.72**	**191.96**	**590.75**	**5075.85**
2016-17	**(Amount in INR lakhs)**								
	Gross Block				**Depreciation and Amortization**				**Net Carrying**
Particulars	**Bal. as on**	**Addition**	**Deductions**	**Closing**	**Up to**	**Deductions**	**For the year**	**Total up to**	**Value**
	31.03.2016			**Balance**	**01.04.2016**			**31.03.2017**	
A) Tangible Assets									
Lease Hold Land	42.62	0.00	0.00	42.62	0.00	0.00	0.00	0.00	42.62

Buildings (Including Roads)	739.63	0.00	0.00	739.63	66.10	0.00	25.09	91.19	648.44
Plant and Equipment	4476.19	3.85	0.24	4479.80	453.60	0.05	190.09	643.64	3836.16
Furniture Fixture and Other	92.84	0.05	0.00	92.89	10.46	0.00	8.89	19.36	73.53
Vehicles	26.80	26.14	0.00	52.94	8.82	0.00	3.60	12.42	40.52
Electric Fitting and Water Supply Installation	230.08	0.00	0.00	230.08	32.15	0.00	22.60	54.75	175.33
Total (A)	**5608.16**	**30.04**	**0.24**	**5637.96**	**571.13**	**0.05**	**250.27**	**821.36**	**4816.60**
B) Intangible Assets (Acquired)									
Computer Software	58.45	1.20	0.00	59.65	19.62	0.00	10.15	29.77	29.88
Total (B)	**58.45**	**1.20**	**0.00**	**59.65**	**19.62**	**0.00**	**10.15**	**29.77**	**29.88**
Grand Total	**5666.60**	**31.24**	**0.24**	**5697.60**	**590.75**	**0.05**	**260.42**	**851.13**	**4846.47**
2017-18									**(Amount in INR lakhs)**
	Gross Block				**Depreciation and Amortization**				**Net Carrying**
Particulars	**Bal. as on**	**Addition**	**Deductions**	**Closing**	**Up to**	**Deductions**	**For the year**	**Total up to**	**Value**
	31.03.2017			**Balance**	**01.04.2017**			**31.03.2018**	
A) Tangible Assets									
Lease Hold Land	42.62	595.16	0.00	637.78	0.00	0.00	0.00	0.00	637.78
Buildings (Including Roads)	739.63	0.00	0.00	739.63	91.19	0.00	25.09	116.28	623.35
Plant and Equipment	4479.79	34.33	0.00	4514.12	643.64	0.00	190.18	833.81	3680.31
Furniture Fixture and Other	92.89	2.04	0.00	94.93	19.36	0.00	8.95	28.30	66.62
Vehicles	52.94	0.00	0.00	52.94	12.42	0.00	6.40	18.83	34.12
Electric Fitting and Water Supply Installation	230.08	0.10	13.80	216.38	54.75	6.42	21.33	69.66	146.72
Total (A)	**5637.95**	**631.63**	**13.80**	**6255.78**	**821.36**	**6.42**	**251.95**	**1066.89**	**5188.90**
B) Intangible Assets (Acquired)									
Computer Software	59.65	0.62	0.00	60.27	29.77	0.00	9.30	39.07	21.20
Total (B)	**59.65**	**0.62**	**0.00**	**60.27**	**29.77**	**0.00**	**9.30**	**39.07**	**21.20**
Grand Total	**5697.60**	**632.25**	**13.80**	**6316.05**	**851.13**	**6.42**	**261.25**	**1105.95**	**5210.10**

NOTE 2 - STATEMENT OF NON-CURRENT INVESTMENTS, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
National Saving Certificates	0.20	0.20	0.20	0.20	0.20
SBI Life Insurance Co.	25.50	24.00	22.50	16.00	11.00
India First Life Insurance	0.00	9.00	7.50	6.00	4.50
Total	**25.70**	**33.20**	**30.20**	**22.20**	**15.70**

NOTE 3- STATEMENT OF LONG TERM LOANS AND ADVANCES, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
(a) Capital Advance	0.00	21.00	0.00	99.56	33.36
Total	**0.00**	**21.00**	**0.00**	**99.56**	**33.36**

NOTE 4 - STATEMENT OF OTHER NON-CURRENT ASSETS, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
(a) Bank deposits with more than 12 months maturity	13.80	13.80	13.80	10.36	7.66
(b) Interest receivable on bank FDR	5.41	4.77	3.53	2.44	0.68
(C) Misc. Expenses to be Written Off	21.61	0.08	0.17	0.25	0.00
(d) Security Deposits	12.30	15.88	42.20	42.20	42.20
Total	**53.12**	**34.53**	**59.70**	**55.26**	**50.55**

NOTE 5 - STATEMENT OF INVENTORIES, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
Raw Material					
- Cotton	886.97	555.85	338.73	405.28	224.27
Work in Progress					
- Cotton	42.09	45.61	31.36	29.92	24.90
- Yarn	6.40	6.51	3.98	3.54	3.21
Finished Goods					
- Yarn	277.21	63.74	97.94	49.17	139.20
Stores & Spares	108.07	71.88	49.40	49.66	15.13
Others – Waste	9.68	4.92	7.12	23.15	10.39
Total	**1330.42**	**748.51**	**528.53**	**560.71**	**417.10**

NOTE 6 - STATEMENT OF TRADE RECEIVABLES, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
Unsecured, considered good	874.55	899.34	922.91	674.03	587.48
Debts outstanding for a period exceeding six months from the date they are due for payment	0.00	0.00	0.00	0.00	0.00
Dues from Directors and Relatives of Directors	0.00	0.00	0.00	0.00	0.00
Total	**874.55**	**899.34**	**922.91**	**674.03**	**587.48**

NOTE 7 - STATEMENT OF CASH AND BANK BALANCES, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
Cash and cash equivalents					
Cash on hand	6.75	2.03	7.90	11.08	12.13
Cheques, drafts on hand	0.00	0.00	0.00	0.00	0.00
Balance with Bank					
Balances with banks	2.24	0.40	0.52	17.30	121.58
Total	**8.99**	**2.42**	**8.42**	**28.38**	**133.71**

NOTE 8 - STATEMENT OF SHORT TERM LOANS AND ADVANCES, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
(a) Security Deposit	1.08	3.23	3.68	3.47	2.70
(b) MAT Recoverable	337.43	220.14	105.07	40.23	19.75
(c) Income Tax Refundable	29.68	47.44	47.44	41.26	14.82
(d) Prepaid Expenses	39.54	34.10	26.55	15.96	9.87
(e) Advances recoverable in cash or kind	96.54	118.80	24.07	25.16	2.39
(f) Subsidies Receivable	131.18	86.25	152.25	106.47	44.16
(g) Others	12.11	7.14	2.28	16.71	13.21
Total	**647.54**	**517.10**	**361.35**	**249.25**	**106.90**

NOTE 9 - STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
(a) Duties, Claims and Other Receivables	123.44	61.31	66.05	31.79	35.91
(b) Pre IPO-Expenses	13.08				
(c) Misc. Expenses to be Written Off	4.18	0.08	0.08	0.08	0.00
Total	**140.70**	**61.39**	**66.13**	**31.87**	**35.91**

NOTE 10 - STATEMENT OF LONG TERM BORROWINGS, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
Secured					
Term Loan					
From Banks	2727.28	3238.98	3675.10	2877.90	1949.99
Vehicle Loans From:	13.87	17.70	1.04	7.45	0.00
(Secured Against Hypothecation of Specific Vehicles)					
Total	**2741.15**	**3256.68**	**3676.14**	**2885.35**	**1949.99**
Note: The repayment terms including interest rates on vehicle loans are as per the agreements with the respective banks.					
Secured					
Conditions of Term Loans are summarized below:					
Security - First paripassu charge on all immovable and movable assets of the company including equitable mortgage of factory land and building. The loans are further secured by equitable mortgage of personal assets of the relatives of the director. Vehicle loan are secured against respective vehicles.					
Secured term loans from bank are repayable in quarterly instalment and vehicle loans are repayable in monthly instalment.					

NOTE 11 - STATEMENT OF DEFERRED TAX LIABILITIES (NET), AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
Deferred Tax Liability (A)					
Depreciation/amortization	608.00	688.53	551.72	337.03	249.36
Deferred Tax Asset (B)					
Unabsorbed Depreciation	140.60	325.60	377.23	273.26	215.77
43B Disallowances	8.12	7.99	3.70	2.53	1.07
Deferred Tax Liabilities (Net) [C]	**459.28**	**354.94**	**170.79**	**61.24**	**32.52**

NOTE 12 - STATEMENT OF LONG TERM PROVISIONS, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
Provision for employee benefits					
Gratuity	16.56	11.53	6.21	4.43	2.04
Earned leave	10.53	9.18	4.18	2.71	1.36
Total	**27.09**	**20.71**	**10.40**	**7.14**	**3.41**

NOTE 13 - STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED					
	(Amount in INR lacs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
SECURED					
Working Capital loan from banks repayable on demand	1741.97	969.32	1096.65	668.59	682.53
Total	**1741.97**	**969.32**	**1096.65**	**668.59**	**682.53**
Conditions of Working Capital Loan are summarized below:					
Security - Hypothecation of stocks, book debts and other current assets of the company and second charge on fixed assets of the company on paripassu basis. Further collateral security of equitable mortgage of land of director/relative and corporate guarantee of M/s Lagnam Infotech Private Limited is given.					

NOTE 14 - STATEMENT OF TRADE PAYABLE, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
Trade Payable Others	233.64	77.31	62.21	33.71	53.19
Total	**233.64**	**77.31**	**62.21**	**33.71**	**53.19**

NOTE 15 - STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
(a) Current Maturities of long-term debt	387.63	320.90	258.21	160.00	115.00
(b) Advance from customers	0.35	0.87	0.37	1.45	0.76
(c) Liability towards staff and worker	16.64	13.42	10.91	8.06	6.43
(d) Government dues	17.25	10.30	10.35	7.71	4.45
(e) Income Tax Payable	15.04	15.65	3.36	0.00	0.00
(f) Other Payables	80.28	69.70	45.94	66.39	51.34
Total	**517.19**	**430.85**	**329.13**	**243.61**	**177.97**

NOTE 16 - STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
Provision for employee benefits					
Gratuity	0.38	0.20	0.04	0.02	0.01
Earned leave	6.00	2.81	0.12	0.07	0.04
Total	**6.39**	**3.00**	**0.16**	**0.09**	**0.05**

NOTE 17 - STATEMENT OF SHARE CAPITAL, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
Authorized:					
2,25,00,000 Equity Shares of ` 10. /- each	2250.00				
25,00,000 Equity Shares of ` 10. /- each		250.00	250.00	250.00	250.00
21,00,000 Equity Shares of ` 10. /- each					
Issued:					
1,16,69,000 Equity Shares of ` 10. /- each	1166.90				
24,98,000 Equity Shares of ` 10. /- each		249.80	249.80	249.80	
22,98,000 Equity Shares of `10. /- each					229.80
20,98,000 Equity Shares of ` 10. /- each					
Subscribed and Paid up:					
1,16,69,000 Equity Shares of ` 10/- each	1166.90				
20,38,000 Equity Shares of ` 10/- each		203.80	203.80	203.80	
18,38,000 Equity Shares of ` 10/- each					183.80
16,38,000 Equity Shares of ` 10/- each					
Add: Forfeited Shares	0.00	23.00	23.00	23.00	23.00
Total	**1166.90**	**226.80**	**226.80**	**226.80**	**206.80**
Notes:					
a.) Reconciliation of the equity share capital:					
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
Opening Nos. of Shares	2038000	2038000	2038000	1838000	1638000
Add: Bonus Issue	9171000	0	0	0	0
Add: Shares Issued During the year	460000	0	0	200000	200000
Less: Forfeited During the Year	0	0	0	0	0
Closing Nos. of Shares	11669000	2038000	2038000	2038000	1838000
b) Rights, preferences and restrictions attached to shares:					
The company has one class of Equity Shares having a par value of INR 10/- per share. Each equity holder is entitled to one vote per share and has a right to receive dividend as recommended by Board of Directors subject to necessary approval from the shareholders.					

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

c) Number of Equity shares held by each shareholder holding more than 5% shares in the company are as follows:

			Nos. of Share Held		
Name of share holder	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
No. of Shares Held	**Nos.**	**Nos.**	**Nos.**	**Nos.**	**Nos.**
Shri D P Mangal	2946250	517500	517500	507500	353500
Shri Shubh Mangal	1233000	206000	206000	246000	206000
Lagnam Infotech Solutions Pvt. Ltd	4994000	908000	888000	948000	768000
Vijay Bapna& Jay Shri Bapna	0	0	200000	200000	200000
Anand Mangal	1125750	186500	166500	86500	68500
Veena Mangal	980000	160000	0	0	0
ASKK Mercantile Pvt Ltd.	0	0	0	0	200000
	2018	**2017**	**2016**	**2015**	**2014**
Percentage % of Holding	%	%	%	%	%
Shri D P Mangal	25.25	25.39	25.39	24.90	19.23
Shri Shubh Mangal	10.57	10.11	10.11	12.07	11.21
Lagnam Infotech Solutions Pvt. Ltd	42.80	44.55	43.57	46.52	41.78
Vijay Bapna& Jay Shri Bapna	0.00	0.00	9.81	9.81	10.88
Anand Mangal	9.65	9.15	8.17	4.24	3.73
Veena Mangal	8.40	7.85	0.00	0.00	0.00
ASKK Mercantile Pvt Ltd.	0.00	0.00	0.00	0.00	10.88

NOTE 18 - STATEMENT OF RESERVES AND SURPLUS, AS RESTATED

					(Amount in INR lacs)
Particulars	**As at 31st March**				
	2018	**2017**	**2016**	**2015**	**2014**
(a) Securities Premium Reserve					
Opening Balance	903.20	903.20	903.20	823.20	743.20
Add: Received During the year	55.20	0.00	0.00	80.00	80.00
Less: Bonus Share Issued	903.20	0.00	0.00	0.00	0.00
Closing Balance	**55.20**	**903.20**	**903.20**	**903.20**	**823.20**
(b) Capital Reserve	23.00	0.00	0.00	0.00	0.00
(c) Surplus in Statement of Profit & Loss					
Opening Balance	944.71	577.63	369.12	211.30	66.59
Add : Profit during the year	468.49	367.09	208.50	157.82	144.71
Less : Bonus Share Issued	13.90	0.00	0.00	0.00	0.00
Closing Balance	**1399.30**	**944.71**	**577.63**	**369.12**	**211.30**
Total	**1477.50**	**1847.91**	**1480.83**	**1272.32**	**1034.50**

NOTE 19 - STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
(a) Sales of Product					
1. Manufactured Cotton Yarn					
- Domestic	6584.00	6626.97	4943.58	4572.20	3960.93
- Export Sales	1586.18	693.05	540.50	278.36	152.09
2. Waste Sales	199.71	163.36	117.31	87.97	70.41
(b) Other Operating Revenue					
- Export Incentives	20.71	19.96	15.97	7.94	4.56
Less: Excise Duty	0.00	0.03	0.02	0.11	0.09
Total	**8390.61**	**7503.30**	**5617.34**	**4946.36**	**4187.90**

NOTE 20 - STATEMENT OF OTHER INCOME, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
Interest Income	26.09	16.44	10.71	18.03	4.06
Cash Discount Received	15.28	13.91	13.15	12.32	10.93
Subsidy under RIPS	0.00	4.78	4.30	6.71	0.95
Foreign Exchange Gain	15.79	0.00	0.00	0.00	0.00
Insurance and other claims received	6.70	0.00	10.90	0.00	2.14
Total	**63.86**	**35.13**	**39.06**	**37.06**	**18.09**

NOTE 21 - COST OF MATERIAL CONSUMED, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
Opening Inventory	555.85	338.73	405.28	224.27	347.44
Add: Purchase	6504.81	5514.84	3883.91	3501.53	2832.08
	7060.66	**5853.57**	**4289.19**	**3725.80**	**3179.52**
Less: Sales, Returns and Adjustments	12.10	107.20	213.72	(122.63)	(125.39)
	7048.56	**5746.37**	**4075.47**	**3848.42**	**3304.92**
Less: Inventory at the year end	886.97	555.85	338.73	405.28	224.27
	6161.59	**5190.53**	**3736.74**	**3443.15**	**3080.65**

NOTE 22 - PURCHASE OF STOCK IN TRADE, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
Trial Run - Production	0.00	0.00	74.68	0.00	0.00
	0.00	**0.00**	**74.68**	**0.00**	**0.00**

NOTE 23 - CHANGE IN INVENTORY OF FINISHED GOODS AND WIP, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
CLOSING INVENTORY					
Finished Goods	277.21	63.74	97.94	49.17	139.20
Waste	9.68	4.92	7.12	23.15	10.39
Stock in Process	48.49	52.13	35.34	33.46	28.11
	335.38	**120.79**	**140.41**	**105.78**	**177.70**
OPENING INVENTORY					
Finished Goods	63.74	97.94	49.17	139.20	29.75
Waste	4.92	7.12	23.15	10.39	9.57
Stock in Process	52.13	35.34	33.46	28.11	22.43
	120.79	**140.41**	**105.78**	**177.70**	**61.74**
(Increase)/Decrease in Inventory	**(214.59)**	**19.62**	**(34.63)**	**71.93**	**(115.96)**

NOTE 24 - STATEMENT OF EMPLOYEE BENEFIT EXPENSE, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
Salaries, wages and bonus	132.33	102.69	111.51	86.75	70.86
Contribution to provident and other funds	16.94	12.86	8.36	5.80	3.58
Staff welfare expenses	2.26	1.51	1.84	1.84	1.43
Total	**151.53**	**117.06**	**121.70**	**94.39**	**75.87**

NOTE 25 - STATEMENT OF FINANCE COST, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
Interest expenses	255.94	322.84	384.78	323.86	275.69
Other Borrowing Costs	28.58	19.85	10.50	6.61	4.23
Total	**284.52**	**342.69**	**395.28**	**330.47**	**279.92**

NOTE 26- DEPRECIATION AND AMORTISATION, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
Tangible Assets	251.95	250.27	183.82	131.03	133.40
Intangible Assets	9.30	10.15	8.13	5.39	3.85
Less: Depreciation w/back	0.00	(0.05)	0.00	0.00	(0.56)
Total	**261.25**	**260.38**	**191.96**	**136.42**	**136.70**

NOTE 27- STATEMENT OF OTHER EXPENSES, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
Manufacturing Expenses					
Power and fuel	586.83	471.76	364.94	338.99	256.41
Stores and Spare parts Consumed	59.11	48.69	44.10	21.53	21.11
Packing Expenses	131.96	127.10	107.30	88.92	67.78
Testing/ R&D Expenses	1.19	1.56	9.80	11.93	6.51
Repairs and maintenance -					
Buildings	1.06	1.60	0.45	0.00	0.20
Plant and Machinery	39.50	33.75	24.91	7.72	5.25
Auditor's Remuneration					
Statutory Audit	0.75	0.62	0.62	0.51	0.45
Management services	0.00	0.00	0.00	0.28	0.30
Reimbursement of Expenses	0.03	0.05	0.00	0.04	0.02
Administrative And					
General Expenses					
Directors Remuneration	80.60	75.95	23.98	21.96	17.66
Directors Travelling	12.89	6.65	10.60	9.27	8.25
CSR Expenses	7.04	3.51	0.21	0.00	0.00
Donations	0.00	0.00	0.00	1.20	0.87
Insurance	8.28	9.11	6.78	6.82	5.66
Rent	12.00	12.00	11.96	11.72	2.59
Loss on disposal of Assets	1.37	0.00	0.37	15.71	0.00
Net loss on foreign currency	0.00	0.98	(1.07)	(0.20)	0.00
Transactions					
Other Administrative Expenses	53.55	61.00	54.96	45.05	56.53
Misc. Exp Write Off	4.18	0.08	0.08	0.08	0.00
Selling Expenses					
(a) Commission Expenses	66.25	74.71	57.47	51.26	43.61
(b) Incentives and Discounts	9.88	5.78	8.81	0.79	3.27
(c) Freight, Forwarding and Octroi	75.90	73.18	86.74	65.84	62.74
(d) Expenses on Export Sales:					
Ocean Freight	37.27	25.39	16.13	12.99	2.18
Commission	37.26	17.70	17.36	4.09	1.59
(e) Foreign Travelling Expenses	0.00	0.00	1.70	1.85	9.05

(f) Other Selling Expenses	10.40	5.74	4.43	2.17	0.18
Total	**1237.33**	**1056.91**	**852.63**	**720.52**	**572.20**

28	**TABLE HIGHLIGHTING MATERIAL ADJUSTMENTS:**					
	The summary of results of material restatements made in audited financial statements of the Company for the respective years and their impact on the profits of the Company is as under: Figures in bracket represent increase in profits.					
		(Amount in INR lakhs)				
	Particulars	**For the year ended 31 March**				
		2018	**2017**	**2016**	**2015**	**2014**
	Profit after Tax as per Audited Financial Statements	470.88	419.46	234.66	121.19	119.92
	Adjustments due to -					
	change in					
	Provision for Leave Encashment	0.00	(1.01)	0.25	0.23	0.05
	Provision for Gratuity	0.00	(2.03)	0.31	0.88	0.09
	Other Adjustments					
	Prior Period adjustment with respect to accounting of income	0.00	17.33	(6.75)	(9.00)	(1.58)
	Prior Period adjustment with respect to accounting of expenses	0.00	3.56	(0.25)	(2.73)	(1.19)
	Tax related Adjustments					
	Current Tax	0.00	(0.97)	1.32	(14.72)	(15.31)
	MAT Credit Entitlement	0.00	0.97	(64.85)	(20.48)	(19.50)
	Deferred Tax	2.38	33.55	96.50	9.19	12.65
	Income Tax for earlier years	0.00	0.97	(0.37)	0.00	0.00
	Total	2.38	52.37	26.16	(36.63)	(24.79)
	Restated Profit after Tax	468.49	367.09	208.50	157.82	144.71
	Notes on Material Adjustments					
	Note 1					
	The Company has charged Tax paid under MAT as expenses during FY 2014, 2015 and 2016. However, from Financial Year 2016-17 the company has shown tax paid under MAT as loan and advances till its adjustment under regular income tax. Hence in restated financial statements tax paid under MAT is shown under head loan and advances, in all years.					
	Note 2					
	The company has made income tax provision as well as filled income tax return for Financial Year ending on March 31, 2014,2015 and 2016 considering TUF interest subsidy as revenue receipt. However, in FY 2016-17 the company has decided to claim TUF subsidy as capital receipt. Thus, filled revised claim/ Income tax Return accordingly and effect of all revisions were given in financial books in 2017. Hence in restated financial statements effect is given in respective years and accordingly interest liability on tax is also restated as per revised returns					
	Note 3					
	Subsidy under RIPS Scheme was claimed and received in year 2017 for the period from 2014 to 2017. In restated financial statements the same has been accounted in respective years.					

	Note 4
	The company has made provision for gratuity and leave encashment in the statement of profit & loss for the financials years ended on March 31, 2014, 2015 & 2016 as per actual payable basis while for financial year ended on March 31, 2017 & 2018, provision is made as per actuarial valuation basis. Hence in the restated financial statements, the company has provided gratuity and leave encashment to the statement of profit & loss of the respective year as per actuarial valuation report.
	Note 5
	Material Reclassification / Adjustments / Regrouping
	W.e.f April 01, 2014, Schedule III of the Companies Act, 2013 has become applicable to the Company for the preparation and presentation of its financial statements which is in line with the erstwhile Revised Schedule VI under the Companies Act, 1956 which became applicable to the Company w.e.f April 01, 2011 for the preparation and presentation of its financial statements.
	The adoption of the Schedule III of the Companies Act, 2013/Revised Schedule VI of the Companies Act, 1956 does not impact recognition and measurement principles followed for preparation of financial statements. There is no significant impact on the presentation and disclosures made in the financial statements on adoption of Schedule III as compared to Revised Schedule VI. The restated summary financial statements have been prepared based on the presentation requirements specified under Schedule III of the Companies Act, 2013, which is in line with the erstwhile Revised Schedule VI under the Companies Act, 1956.
	Appropriate adjustments have been made in the restated summary statements of assets and liabilities, corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the regroupings as per the audited financial statements of the Company for the financial year ended March 31, 2018, prepared in accordance with Schedule III of Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, statement of profits and losses and cash flows, wherever required, by reclassification of the as amended.
	Note 6
	Non-adjusting items
	Other audit qualifications included in the Annexure to the Independent Auditors' Reports issued under the Companies (Auditor's Report) Order 2016, 2015 and 2003 (as amended), respectively on the financial statements for the year ended on March 31, 2018, 2017, 2016, 2015 and 2014, which do not require any corrective adjustments in the Restated Summary Financial Statement are as follows:
	Emphasis of Matters
	The Company has provided depreciation on Plant and Machinery considering the same as 'Continuous Process Plant' based on technical expert's advice. This being a technical matter, no opinion is expressed thereon.
	Our opinion is not modified in respect of this matter.
	Note 7
	The Restated Summary Statements have been adjusted for the tax impact of the restatement adjustments identified above.

29	**OTHER SIGNIFICANT NOTES**					
A.	**Expenditure and earnings in foreign currencies**					
		(Amount in INR lakhs)				
	Expenditures in Foreign Currency	**For the year ended 31 March**				
		2018	**2017**	**2016**	**2015**	**2014**
A	Travelling expenses	0.94	0	1.7	1.85	9.04
B	Commission/					

	Claims/ Ocean Freight					
	Commission	5.46	7.78	4.01	4.09	1.09
	Ocean Freight	13.69	17.79	8.91	10.98	1.9
	Total	**20.09**	**25.57**	**14.62**	**16.92**	**12.03**
	Earnings in Foreign Currency	**For the year ended 31 March**				
		2018	**2017**	**2016**	**2015**	**2014**
	FOB Value of Exports	1564.51	665.90	532.32	264.61	152.00
B.	The company has initiated the process of obtaining confirmations from suppliers as to their status as Micro, Small or Medium Enterprise registered under the applicable category as per the provisions of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006). In absence of the relevant information as to the status of the suppliers, the balance due to Micro, Small and Medium Enterprises and interest due to them if any as per the provision of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006) could not be disclosed or provided.					
C.	**Disclosure pursuant to Accounting Standard (AS 15) - Revised 2005 "Employee Benefits"**					
	A. Defined contribution plans:					
	The company has recognized the following amounts in the Statement of Profit & Loss for the period / year:					
		(Amount in INR lakhs)				
	Particulars	**For the year ended 31 March**				
		2018	**2017**	**2016**	**2015**	**2014**
	Contribution to Employees Provident Fund	10.62	9.60	8.67	6.24	4.10
	B. Defined benefit plans - Earned Leave					
		(Amount in INR lakhs)				
	Reconciliation of opening and closing balances of the present value of the defined benefit obligation:	**For the year ended 31 March**				
		2018	**2017**	**2016**	**2015**	**2014**
	Present value of defined benefit obligation at the beginning of the period /year	11.98	4.30	2.79	1.40	0.75
	Interest cost	0.88	0.34	0.22	0.12	0.06
	Current service cost	5.09	4.79	1.42	1.27	0.73
	Past Services Cost	0.00	0.00	0.00	0.00	0.00
	Actuarial losses / (gains)	0.54	2.55	(0.13)	0.39	(0.14)

	Benefits paid	(1.97)	0.00	0.00	(0.39)	0.00
	Present value of defined benefit obligation at the close of the period / year	16.53	11.98	4.30	2.79	1.40
		(Amount in INR lakhs)				
	Changes in the fair value of plan assets and the reconciliation thereof:	For the year ended 31 March				
		2018	**2017**	**2016**	**2015**	**2014**
	Fair value of plan assets at the beginning of the period/ year	0	0	0	0	0
	Add: expected return on plan assets	0	0	0	0	0
	Add/ (less): actuarial (losses)/ gains	0	0	0	0	0
	Add: contributions by employer	0	0	0	0	0
	Less: benefits paid	0	0	0	0	0
	Fair value of plan assets at the close of the period/ year	0	0	0	0	0
		(Amount in INR lakhs)				
	Amount recognized in the Balance Sheet:	For the year ended 31 March				
		2018	**2017**	**2016**	**2015**	**2014**
	Present Value of Obligation as at the end of period /year	16.53	11.98	4.30	2.79	1.40
	Fair Value of Plan Assets as at the end of period /year	0.00	0.00	0.00	0.00	0.00
	Funded Status	0.00	0.00	0.00	0.00	0.00
	Current Liability	6.00	2.81	0.12	0.07	0.04
	Non - Current Liability	10.53	9.18	4.18	2.71	1.36
	Unrecognized Actuarial (gains) / losses	0.00	0.00	0.00	0.00	0.00
	Net Asset/ (Liability)	(16.53)	(11.98)	(4.30)	(2.79)	(1.40)
	Only net liability is provided in the books of account of the Company					

		(Amount in INR lakhs)				
	Amounts recognized in the statement of Profit and Loss areas follows:	**For the year ended 31 March**				
		2018	**2017**	**2016**	**2015**	**2014**
	Current service cost	5.09	4.79	1.42	1.27	0.73
	Past Service Cost	0.00	0.00	0.00	0.00	0.00
	Interest cost	0.88	0.34	0.22	0.12	0.06
	Expected return on plan assets	0.00	0.00	0.00	0.00	0.00
	Curtailment cost/(Credit)	0.00	0.00	0.00	0.00	0.00
	Settlement Cost/(Credit)	0.00	0.00	0.00	0.00	0.00
	Actuarial (Gain)/Loss on Obligation	0.54	2.55	(0.13)	0.39	(0.14)
	Expenses Recognized in the Statement of Profit & Loss at the end of period /year	6.51	7.68	1.52	1.78	0.65
		(Amount in INR lakhs)				
	Amount for the current/ Year	**For the year ended 31 March**				
		2018	**2017**	**2016**	**2015**	**2014**
	Present value of obligation	16.53	11.98	4.30	2.79	1.40
	Plan assets	0.00	0.00	0.00	0.00	0.00
	Surplus / (Deficit)	(16.53)	(11.98)	(4.30)	(2.79)	(1.40)
		(Amount in INR lakhs)				
		For the year ended 31 March				
	Actuarial assumptions	**2018**	**2017**	**2016**	**2015**	**2014**
	Discount rate	7.80%	7.35%	8.00%	7.75%	8.50%
	Rate of increase in Compensation levels	6.00%	5.50%	5.50%	5.50%	5.50%
	Rate of return on plan assets	-	-	-	-	-
	Expected Average remaining working lives of employees (years)	28.44	29.32	31.12	29.55	30.82

	C. Defined benefit plans – Gratuity					
		(Amount in INR lakhs)				
	Reconciliation of opening and closing balances of the present value of the defined benefit obligation:	For the year ended 31 March				
		2018	**2017**	**2016**	**2015**	**2014**
	Present value of defined benefit obligation at the beginning of the period /year	11.73	6.25	4.45	2.05	1.05
	Interest cost	0.86	0.50	0.34	0.17	0.08
	Current service cost	4.99	4.37	2.01	1.89	1.08
	Past Services Cost	0.00	0.00	0.00	0.00	0.00
	Actuarial losses / (gains)	0.59	0.61	(0.55)	0.33	(0.17)
	Benefits paid	(1.23)	0.00	0.00	0.00	0.00
	Present value of defined benefit obligation at the close of the period / year	16.95	11.73	6.25	4.45	2.05
		(Amount in INR lakhs)				
	Changes in the fair value of plan assets and the reconciliation thereof:	For the year ended 31 March				
		2018	**2017**	**2016**	**2015**	**2014**
	Fair value of plan assets at the beginning of the period /year	0	0	0	0	0
	Add: Expected return on plan assets	0	0	0	0	0
	Add/ (less): actuarial (losses)/ Gains	0	0	0	0	0
	Add: contributions by employer	0	0	0	0	0
	Less: benefits paid	0	0	0	0	0
	Fair value of plan assets at the close of the period/ year	0	0	0	0	0

		(Amount in INR lakhs)				
	Amount recognized in the Balance Sheet:	**For the year ended 31 March**				
		2018	**2017**	**2016**	**2015**	**2014**
	Present Value of Obligation as at the end of period /year	16.95	11.73	6.25	4.45	2.05
	Fair Value of Plan Assets as at the end of period /year	0.00	0.00	0.00	0.00	0.00
	Funded Status	0.00	0.00	0.00	0.00	0.00
	Current Liability	0.38	0.20	0.04	0.02	0.01
	Non - Current Liability	16.56	11.53	6.21	4.43	2.04
	Unrecognized Actuarial (gains) / Losses	0.00	0.00	0.00	0.00	0.00
	Net Asset/ (Liability)	(16.95)	(11.73)	(6.25)	(4.45)	(2.05)
	Only net liability is provided in the books of account of the Company					
		(Amount in INR lakhs)				
	Amounts recognized in the statement of Profit and Loss are as follows:	**For the year ended 31 March**				
		2018	**2017**	**2016**	**2015**	**2014**
	Current service cost	4.99	4.37	2.01	1.89	1.08
	Past Service Cost	0.00	0.00	0.00	0.00	0.00
	Interest cost	0.86	0.50	0.34	0.17	0.08
	Expected return on plan assets	0.00	0.00	0.00	0.00	0.00
	Curtailment cost/(Credit)	0.00	0.00	0.00	0.00	0.00
	Settlement Cost/(Credit)	0.00	0.00	0.00	0.00	0.00
	Net Actuarial (Gain)/Loss	0.59	0.61	(0.55)	0.33	(0.17)
	Expenses Recognized in the Statement of Profit & Loss at the end of period /year	6.44	5.48	1.81	2.39	1.00
		(Amount in INR lakhs)				
	Amount for the current / Year	**For the year ended 31 March**				
		2018	**2017**	**2016**	**2015**	**2014**
	Present value of obligation	16.95	11.73	6.25	4.45	2.05
	Plan assets	0.00	0.00	0.00	0.00	0.00
	Surplus / (Deficit)	(16.95)	(11.73)	(6.25)	(4.45)	(2.05)

						(Amount in INR lakhs)
	Actuarial assumptions	For the year ended 31 March				
		2018	2017	2016	2015	2014
	Discount rate	7.80%	7.35%	8.00%	7.75%	8.50%
	Rate of increase in Compensation levels	6.00%	5.50%	5.50%	5.50%	5.50%
	Rate of return on plan assets	-	-	-	-	-
	Expected Average remaining working lives of employees (years)	26.9	32.03	29.03	28.27	33.06

Annexure V - STATEMENT OF ACCOUNTING RATIOS, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	For the year ended 31 March				
	2018	2017	2016	2015	2014
Net Worth (INR in lacs)	2644.40	2074.71	1707.63	1499.12	1241.30
Restated Profit After Tax (INR in lacs)	468.49	367.09	208.50	157.82	144.71
Total number of shares outstanding at the end of the period/year	116.90	20.38	20.38	20.38	18.38
Impact of issue of Bonus Shares	0.00	91.71	91.71	91.71	82.71
Weighted average number of equity shares at the end of the year after adjusting Bonus Issue and Reissue of forfeited shares	112.91	112.09	112.09	112.09	101.09
Earnings Per Share INR 10/- each					
Basic & Diluted Earning Per Share- Before Bonus	**4.15**	**18.01**	**10.23**	**7.74**	**7.87**
Basic & Diluted Earning Per Share- After Adjusting Bonus Issue	**4.15**	**3.27**	**1.86**	**1.41**	**1.43**
Return On net Worth (%)	**17.72**	**17.69**	**12.21**	**10.53**	**11.66**
Net Assets Value Per Share - Before Bonus Issue	**23.42**	**101.80**	**83.79**	**73.56**	**67.54**
Net Assets Value Per Share - After Adjusting Bonus Issue	**23.42**	**18.51**	**15.23**	**13.37**	**12.28**
Face Value of Share Rs.	10	10	10	10	10

Notes:

1) * As per the requirements of Para 44 of Accounting Standard - AS 20 "Earning Per Share", number of shares have been derived considering issue of bonus shares on 23 December, 2017 in the ratio of 9:2 to the shareholders holding Equity Shares of the Company on record date 23 December 2017.

2) The ratios have been computed as below:		
Earnings Per Share - Basic & Diluted	=	Net Profit After Tax as Restated/ Number of Equity Shares Outstanding for the Year
Net Asset Value Per Share (INR)	=	Net Worth as Restated as At Year End/ Number of Equity Shares as at Year End
Return on Net Worth (%)	=	Net Profit After Tax as Restated/ Net Worth as Restated as at Year End
3) The figures disclosed above are based on the Restated Summary Statements of the Company.		

Annexure VI - CAPITALISATION STATEMENT, AS RESTATED		
		(Amount in INR lacs)
Particulars	**Pre IPO-as at 31st March 2018**	**Post IPO**
Borrowings:		
Short-term	1741.97	[●]
Long Term (A)	2741.15	[●]
Total Debt (B)	**4483.12**	[●]
Shareholders' funds:		
Share Capital	1166.90	1766.90
Reserves and Surplus	1477.50	3337.50
Total Shareholders' Funds (C)	**2644.40**	5104.40
Long-term borrowings/equity ratio (A/C)	1.04	[●]
Total borrowings/equity ratio (B/C)	1.70	[●]

ANNEXURE VII –STATEMENT OF CONTINGENT LIABILITIES AND COMMITMENTS, AS RESTATED					
Contingent Liability not provided for					
	(Amount in INR lakhs)				
Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
Bank guarantees given by Company's Bankers	152.73	152.73	87.83	53.48	53.48
Export Bills Discounted/Collection	67.83	143.38	192.24	62.53	99.91
Excise Demand under Appeal	24.24	0.00	0.00	0.00	0.00
Total	**244.80**	**296.11**	**280.07**	**116.01**	**153.39**
Capital Commitments					
	(Amount in INR lakhs)				
Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
i) Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advance) in respect of purchase of:					
Tangible Fixed Assets	0.00	552.95	0.00	181.17	191.67
Intangible Fixed Assets	0.00	0.00	0.00	0.00	0.00
Total	**0.00**	**552.95**	**0.00**	**181.17**	**191.67**

Annexure VIII - STATEMENT OF DIVIDEND, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
Dividend on Equity Shares					
Dividend in % - Final	0.00	0.00	0.00	0.00	0.00
Proposed Dividend					
Dividend Tax					
Note: * Face Value of the Equity Shares - INR 10/-					

Annexure IX - STATEMENT OF TAX SHELTER, AS RESTATED					
	(Amount in INR lakhs)				
Particulars	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
Profit before tax, As Restated (A)	572.84	551.24	318.05	186.54	176.60
Adjustments					
Permanent differences					
Donation not allowable as per the provisions of the Income-	0.54	0.50	0.32	1.20	0.87

tax Act,1961					
CSR Expenses	7.04	3.51	0.00	0.00	0.00
Capital Subsidies credited in P & L Statement	0.00	0.00	0.00	(79.89)	(74.25)
Delay Deposit of PF / ESI	0.63	0.00	0.00	0.00	0.00
Interest on tax and TDS	2.39	1.71	0.00	0.81	0.00
Total of permanent difference (B)	**10.60**	**5.71**	**0.32**	**(77.88)**	**(73.38)**
Timing differences					
Difference between tax depreciation and book depreciation	(125.95)	(413.79)	(578.34)	(299.43)	(137.50)
Loss on sale of Assets	1.37	0.00	0.37	0.00	0.00
Provision for retirement benefits	5.29	14.84	2.77	2.64	1.65
Disallowances u/s 43B of the Act	0.00	(1.87)	0.24	2.08	0.00
Total of timing difference (C)	**(119.29)**	**(400.82)**	**(574.96)**	**(294.71)**	**(135.84)**
Net adjustments D=(B+C)	**(108.68)**	**(395.10)**	**(574.64)**	**(372.59)**	**(209.22)**
Profit/(loss) as per income tax returns E= (A-D)	464.16	156.13	(256.59)	(186.05)	(32.62)
Brought Forward Unabsorbed Depreciation adjusted (F)	464.16	156.13	0.00	0.00	0.00
Taxable Income/(Loss) (E+F)	0.00	0.00	(256.59)	(186.05)	(32.62)
Tax Liability under Regular Provisions of the Income Tax Act, 1961	0.00	0.00	0.00	0.00	0.00
Taxable Income/ (loss) as per MAT	575.23	564.36	318.05	107.46	102.35
Tax under MAT	117.29	115.07	64.85	20.48	19.50
Tax as per Income Tax as returned	117.29	115.07	64.85	20.48	19.50
Interest u/s234	0.00	2.39	1.68	0.33	0.49
Total Tax as per Return of income	**117.29**	**117.46**	**66.52**	**20.80**	**19.99**
Carry forward business loss	0.00	0.00	0.00	0.00	0.00
Carry forward unabsorbed depreciation	(520.64)	(984.80)	(1140.93)	(884.34)	(698.29)
Carry forward MAT Credit	337.43	220.14	105.07	40.23	19.75

Notes:

1. The aforesaid Statement of Tax Shelters has been prepared as per the Summary Statement of Profits and Losses, As Restated of the Company.

2. The above statement should be read with the Notes to the Summary Statement of Assets and Liabilities, As Restated, Summary Statement of Profits and Losses, As Restated and Summary Statement of Cash Flows, As Restated as appearing in Annexure IV.

3.The permanent / timing differences for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 have been computed based on acknowledged copies of Income Tax Returns of the respective years and after taking effect of regrouping.

4. The permanent/ timing differences for the year ended Mar 31, 2018 have been determined on the basis of provisional computation of the total income prepared by the company and are subject to change that may be considered at the time of filing of final return of income for the assessment year 2018-19.
5. For Assessment year 2014-15, the company has claimed TUF Interest subsidy & Electricity Duty under RIPS as capital receipt under regular tax as well as under MAT during assessment proceedings but assessing officer has disallowed the assessee's claim. The company has filed appeal against the order and CIT Appeals has allowed TUF Interest Subsidy & Electricity Duty under RIPS as capital receipt under regular tax but rejected the claim under MAT. The company is in process to file appeal with ITAT against this order.
6. For Assessment year 2015-16, the company has claimed TUF Interest subsidy & Electricity Duty under RIPS as capital receipt under regular tax as well as under MAT through revised return and the return is processed under sec 143(1) of Income Tax Act and assessee's claim is accepted both under regular tax and under MAT.

ANNEXURE X – STATEMENT OF RELATED PARTIES TRANSACTIONS, AS RESTATED

A. List of related parties and their relationship

	Name of Related Party	Relationship
1. Related parties where control exists	Lagnam Infotech Solution Pvt. Ltd.	Relative of KMP is Director of the Company
2. Key Managerial Personnel (KMP)	D.P. Mangal	Chairman
	Anand Mangal	Managing Director
3. Relatives of Key Managerial Personnel	Shubh Mangal	Relative of KMP
	Veena Mangal	Relative of KMP
	Kavita Mangal	Relative of KMP

Transactions with related party:

	(Amount in INR lakhs)				
Nature of transactions/ relationship/ Name of Related Party	**For the year ended 31 March**				
	2018	**2017**	**2016**	**2015**	**2014**
1. Salary/ perquisites/ Dividend					
Directors Remuneration	80.60	75.95	23.98	21.96	17.66
2. Rent Paid	12.00	12.00	11.50	9.00	0.00
3. Guarantees given by Key Managerial Personnel their Relative and Lagnam Infotech Solutions Private Limited	4853.04	4523.30	5026.75	3706.49	2747.52
4. Accounts Receivable Outstanding	0.00	0.00	0.00	0.00	0.00
5. Accounts Payable Outstanding	2.12	3.43	1.09	0.00	0.79

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with the restated financial statements prepared in accordance with the Companies Act, Indian GAAP, the Accounting Standards and SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2014, 2015, 2016, 2017 and 2018 in the chapter titled "Financial Statements" on page 218 of this Prospectus. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.

BUSINESS OVERVIEW

Lagnam Spintex Limited is engaged in the manufacturing of Cotton Yarn. We are presently one of the renowned and preferred suppliers of the Open-End Cotton Yarn in Indian textile industry. We believe in manufacturing and delivering quality products and providing prompt sales service to build enduring relationship with our customers. Our existing manufacturing unit is located at A-53, RIICO Growth Centre, Hamirgarh, Bhilwara-311001, Rajasthan with capacity of 16.50 TPD on 1920 rotors installed at our plant. Our unit is well equipped with wide range of machineries and other handling equipment's to facilitate smooth manufacturing process. We have in-house testing laboratory to test the products as per quality standards. We are one of the few in the world who has been authorized to use USTERIZED™ Trademark. The company is supplying high quality Cotton Open End yarn which is widely used by Denim, Terry Towel, Bottom Wears, Home Textile, Bed Sheet, Industrial fabric on account of lower cost of production compared to Ring Spinning yarn. The company established presence in the states of Gujarat, Maharashtra, Madhya Pradesh, Rajasthan, Delhi, Haryana, and Punjab.

We cater to the domestic market as well as exports our products to various countries. The Company also has a significant presence in the International Markets and is currently exporting its products to its customers in Germany, Portugal, Italy, Belgium, South Africa, Slovenia, China, Pakistan, Bangladesh etc. Our Company has been accredited with ISO 9001:2015, OEKO – Tex, GOTS: Global Organic Textile Standard, E3: Energy, Economics, Ergonomics, BCI: Better Cotton Initiative, we adhere to the quality standards as prescribed by our customers and hence we are able to get repetitive orders from customers and the company has been awarded "One Star Export House".

The existing management consists of a team of experienced and qualified professionals who are responsible for the day to day operations of the Company.

Significant Material Developments Subsequent to the Last balance sheet date i.e. 31 March, 2018

To the best of our knowledge and, except as disclosed in this Prospectus, there is no subsequent development after the date of our financial statements contained in this Prospectus which materially affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

In the finance bill 2018, the government has announced reduction in Income Tax rate by 5% for MSME companies which will reduce company's tax liability in coming years.

Key factors that may affect our results of operation:

Our results of operations have been, and will be, affected by many factors, some of which are beyond our control. This section sets out certain key factors that our management believes have historically affected our results of operations during the period under review, or which could affect our results of operations in the future.

- Evolving customer needs and market trends;
- Strengthen infrastructure for manufacturing;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans;

- Changes in laws and regulations relating to the industry in which we operate;
- General economic and demographic conditions;
- Interest and exchange rate fluctuations;
- Tax benefits and incentives;
- Increasing competition in the industry;
- Changes in fiscal, economic or political conditions in India;

For more information on these and other factors/development which have or may affect us, please refer to chapters titled "*Risk Factors*", "*Industry Overview*" and "*Our Business*" beginning on page 20, 138 and 157 respectively of this Prospectus.

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

The 'Summary Statement of Assets and Liabilities, As Restated', of the Company as at 31 March, 2018, 2017, 2016, 2015, and 2014, the 'Summary Statement of Profits and Losses, As Restated', and the 'Statement of Cash Flows, As Restated', for the period/years ended 31 March, 2018, 2017, 2016, 2015, and 2014 (collectively referred to as ' Restated Summary Statements') have been prepared specifically for the purpose of inclusion in the offer document in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting (except where not reasonably determinable) and on accounting principles of Going Concern in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 2013, to the extent applicable.

The Restated Summary Statements of the Company have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI and as amended from time to time.

Revenue recognition

- Sales revenue is recognized when property in the goods with all significant risk and rewards as well as the effective control of goods usually associated with ownership are transferred to the buyer, at a price and includes excise duty, if any.
- Promotional benefits, export incentives and export growth incentives are accounted for on accrual basis when virtual certainty and their probable use within reasonable time in the normal course of business, is established.
- Claims and refunds due from government authorities and parties, though receivable/ refundable are not recognized in the accounts, if the amount thereof is not ascertainable. These are accounted for as and when ascertained or admitted by the concerned authorities/ parties in favor of the company.
- Claims lodged with insurance companies are recognized as Income on acceptance by the Insurance Company. The excess / shortfall of claims passed are adjusted in the year of receipt.

Use of estimates

In preparation of the financial statement in confirmatory with Generally Accepted Accounting Principle in India. Management is required to make estimate & assumptions that affect the reported amount of assets & liability and the disclosure of contingent liabilities as at the financial reporting date. The amount of revenue & expenditure during the reported period and that of actual result could be different from those estimates. Any revision to such estimate is recognized in the period in which the same is determined.

Fixed assets

- Fixed assets are stated at their original cost of acquisition including freight, incidental expenses and other non- refundable taxes or levies related to acquisition and installation of the concerned assets, interest on borrowed funds attributable to acquisition/construction of fixed assets and related pre-operative expenses up to the date of commencement of commercial production are also capitalized wherever appropriate. CENVAT availed has been deducted from the cost of respective assets.
- Expenditure incurred on acquisition of intangibles are accounted for as intangible assets on completion, being identifiable non-monetary assets without physical substance, at the acquisition cost, in accordance with AS-26 on intangible assets.

Depreciation

For the Financial Year 2014-15, 2015-16, 2016-17 and 2017-18

- Depreciation has been provided as per straight line method at the rates and in the manner prescribed under schedule II of the companies Act, 2013.
- Depreciation on plant & Machinery is charged considering the same 'Continuous Process Plant' based on technical expert's advice.
- Residual value of the assets is determined at the rate of 5% of original cost.
- Acquired intangible assets are amortized over their estimated useful life as determined by the management at following rates on straight-line basis.

  Computer Software - 6 Year (From FY 2015-16)

  Computer Software 16.21% (FY 2014-15)

For the Financial Year 2013-14

- Depreciation has been provided as per straight line method at the rates and in the manner prescribed under schedule XIV to the Companies Act 1956.
- Depreciation on plant & Machinery is charged considering the same 'Continuous Process Plant' based on technical expert's advice.
- Residual value of the assets is determined at the rate of 5% of original cost.
- Acquired intangible assets are amortized over their estimated useful life as determined by the management at following rates on straight-line basis.

  Computer Software - 16.21%

Government Grants

Government grant are recognized on accrual basis. Subsidy under TUFS & RIPS are recognized on accrual basis and adjusted against respective expenses, if received against expenses, otherwise shown under 'Other Income'.

Investments

Long term investments are carried at cost less provision for diminution other than temporary, if any, in value of such investments.

Retirement benefits

- **Defined Contribution Plan:**

The company makes defined contribution to provided fund which are accounted on accrual basis.

- **Defined Contribution Plan:**

The company's Liability on account of Gratuity and Leave encashment of employee is determine at the end of each financial year on the basis of actuarial valuation certificate obtained from Registered Actuary in accordance with the measurement procedure as per revised accounting standard (AS) – 15 "Employee Benefit". The cost of providing benefit under this plan also determine on the basis of actuarial valuation at each year end. Actuarial

gain and loss for defined benefit plan are recognized in full in the period in which they occur in statement of profit & loss.

Income Tax

- **Current year tax**

Provision for taxation is ascertained after considering MAT credit entitlement, exemptions and deductions available in accordance with the provision of Income Tax Act, 1961. MAT Credit entitlements are shown as loan and advances till its adjustment against current tax liability.

- **Deferred Tax**

Deferred tax is recognized, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting years' timing differences, subject to the consideration of prudence.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is deferred tax liabilities or there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders, among the weighted average number of equity shares outstanding during the period.

Foreign currency transaction

- Foreign currency transactions arising during the year are recorded at the exchange rates prevailing on the dates of transactions.
- Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.
- All foreign exchange assets/Liabilities on the closing day are converted at closing exchange rate/ forward rate.
- Exchange loss on outstanding derivatives transaction are computed on mark to market basis on the closing date and accounted for as expenses of period however gain is not recognized as income of the period, following conservative approach.

Provisions, contingent liabilities and contingent assets:

- Provisions involving substantial degree of estimation in measurement, are recognized when the present obligation of or past events gives rise to a probable outflow embodying economic benefits on settlement and the amount of obligation can be reliably estimated.
- Contingent liabilities are disclosed after a careful evaluation of facts and legal aspects of the matter involved.
- Contingent assets are neither recognized nor disclosed in financial statements.
- Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Inventories

- Inventories are valued at cost and net realizable value whichever is lower.
- Cost is determined on FIFO/ Weighted average method.
- Cost of raw materials is net of CENVAT claims, wherever applicable.
- The cost of inventories comprises all cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Share issue expenses

Expenses incurred on increase in share capital are amortized over a period of five years.

Segment Reporting

The dominant source of income of the company is from the manufacturing of Yarn of various qualities which do not materially differ in respect of risk perception and the return realized/to be realized. Even the geographical environment in which the company operates does not materially differ considering the political and economic environment, the type of customers, assets employed and the risk and return associated in respect of each of the geographical area. So, the disclosure requirements pursuant to AS-17 –Segment Reporting issued by the ICAI are not applicable to the company.

Preoperative Expenses

Trial run costs and other preoperative expenses incurred during construction / implementation period, including interest on borrowings (Net of subsidy) to finance qualifying assets as per AS-16, are capitalized upto the date of commissioning of the respective asset.

Impairment of Fixed Assets

Impairment of assets is being measured on factors giving rise to any indication of impairment, by comparing the recoverable amount, higher of value in use and net selling price of an asset, with carrying amount of an asset as per the Accounting Standard 28 "Impairment of Assets" issued by ICAI.

Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of cash flow statement comprise cash at bank, Cash in hand, cheques in hand and other permissible instruments as per Accounting Standard 3.

Pre-IPO Expenses

Pre-IPO Expenses comprise of expenses related to proposed public issue of Equity Shares of the Company. The same shall be amortized against Security Premium in the year of allotment of the securities under the said public issue.

DISCUSSION RESULTS OF OPERATIONS

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the financial years ended March 31, 2018, 2017 and 2016.

OVERVIEW OF REVENUE & EXPENDITURE

Revenues

Income from operations:

Our principle component of income is from manufacturing & trading of cotton yarn and export of cotton yarn.

Other Income:

Our other income mainly includes interest income, etc.

(Amount in Rs. Lakhs)

Particulars	As at March 31		
	2018	2017	2016
Income			
Revenue from Operations	8390.61	7503.30	5617.34
As a % of Total Revenue	99.24%	99.53%	99.31%
Other Income	63.86	35.13	39.06
As a % of Total Revenue	0.76%	0.47%	0.69%
Total Revenue	**8454.47**	**7538.43**	**5656.41**

Expenditure

Our total expenditure primarily consists of direct expenditure i.e. cost of input supply, consumable goods and indirect expenses such as employee benefit expenses, finance costs, depreciation and other expenses.

Direct Expenditure

Our direct expenditure includes cost raw material consumed used in cotton yarn manufacturing process such as direct expenses on manufacturing etc. purchase of stock in trade which includes cost of cotton and changes in inventories finished goods WIP and Stock in trade.

Employee benefits expense

Our employee benefits expense primarily comprises of director's remuneration, salary and wages expenses, contribution to recognized provident funds, contribution to any other fund/ ESI, gratuity expenses and staff welfare expenses bonus charged amongst others.

Finance Costs

Our finance costs mainly include bank commission & charges, bank term loan interest, cash credit facility, bill discounted charges, LC charges, interest on delayed payment of taxes, interest on secured and unsecured loan and deposits etc.

Depreciation

Depreciation includes depreciation on tangible assets like building, plant & machinery, furniture & fittings, office equipment etc. and amortisation of intangible assets likes computer software and goodwill.

Other Expenses

Other expenses mainly include expenses such as payment to auditors, advertising expenses, legal & professional charges, office rent expenses, postage and courier charges, printing & stationary charges, sales promotion expenses, travelling expenses, Repair and maintenance expenses, insurance, etc.

Statement of profits and loss

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:

(Amount in Rs. Lakhs)

Particulars	As at March 31		
	2018	2017	2016
INCOME:-			
Revenue from Operations	**8390.61**	**7503.30**	**5617.34**
As a % of Total Revenue	99.24%	99.53%	99.31%
Other Income	**63.86**	**35.13**	**39.06**
As a % of Total Revenue	0.76%	0.47%	0.69%
Total Revenue (A)	**8454.47**	**7538.43**	**5656.41**
Variance / Growth	**12.15%**	**33.27%**	**13.50%**
EXPENDITURE:-			
Cost of Material Consumed	**6161.59**	**5190.53**	**3736.74**
As a % of Total Revenue	72.88%	68.85%	66.06%
Purchase of Stock in Trade	**0.00**	**0.00**	**74.68**
As a % of Total Revenue	0.00%	0.00%	1.32%
Change in Inventories of FG &WIP	**(214.59)**	**19.62**	**(34.63)**
As a % of Total Revenue	**(2.54%)**	**0.26%**	**(0.61%)**
Employee Benefits Expenses	**151.53**	**117.06**	**121.70**
As a % of Total Revenue	1.79%	1.55%	2.15%

Finance Costs	**284.52**	**342.69**	**395.28**
As a % of Total Revenue	3.37%	4.55%	6.99%
Depreciation and Amortization Expense	**261.25**	**260.39**	**191.96**
As a % of Total Revenue	3.09%	3.45%	3.39%
Other Expenses	**1237.33**	**1056.91**	**852.63**
As a % of Total Revenue	14.64%	14.02%	15.07%
Total Expenses (B)	**7881.63**	**6987.20**	**5338.35**
As a % of Total Revenue	93.22%	92.69%	94.38%
Profit/(Loss) before tax (A-B)	**572.84**	**551.24**	**318.05**
As a % of Total Revenue	6.78%	7.31%	5.62%
Less:- Tax Expense:-			
(i) Current Tax	117.28	115.07	64.85
(ii) MAT Credit	(117.28)	(115.07)	(64.85)
(iii) Deferred Tax	104.35	184.15	109.55
Total Tax Expense	**104.35**	**184.15**	**109.55**
Profit/(Loss) for the year	**468.49**	**367.09**	**208.50**
PAT Margin	5.54%	4.87%	3.69%

COMPARISION OF FINANCIAL YEAR ENDED MARCH 31, 2018 WITH FINANCIAL YEAR ENDED MARCH 31, 2017

Revenue from Operations

(Amount in Rs. Lakhs)

Particulars	2017 – 18	2016 – 17	Variance in %
Revenue from Operations	8390.91	7503.30	11.83 %

During the financial year 2017-18 the revenue from operations (net) of our company increased to Rs.8390.61 Lacs as against Rs. 7503.30 Lacs in the year 2016-17, representing an increase of 11.83 %. This increase is majorly due to increase in production and better product mix. The production increased from 5242 MT in 2017 to 5950 in 2018 an increase of 13.51%

Other Income

During the fiscal year 2017-18 the Other Income of our company increased to Rs. 63.86 Lacs as against Rs.35.13 Lacs for the financial year 2016-17, representing an increase by 81.78%. In FY 2017-18, due to foreign exchange gain of Rs. 15.79 lacs, insurance claim of Rs 6.70 lacs, cash discount of Rs. 15.28 and higher recovery of interest from customers from 16.44 lacs to 26.09 lacs.

Expenditure

Total Expenses

(Amount in Rs. Lakhs)

Particulars	2017 – 18	2016 – 17	Variance in %
Total Expenses	7881.63	6987.20	12.80 %

The total expenditure for the financial year 2017-18 increased to Rs.7881.63 Lacs from Rs. 6987.20 Lacs in the year 2016-17, representing an increase of 12.80%.

Cost of Material Consumed

(Amount in Rs. Lakhs)

Particulars	2017 – 18	2016 – 17	Variance in %
Cost of Material Consumed	6161.59	5190.53	18.71 %

There was 18.71% increase in cost of Material consumed from Rs.5190.53 Lacs in the financial year 2016-17 to Rs. 6161.59 Lacs in the financial year 2017-18. This was mainly

due to increase production from 5242 MT to 5950 MT.

Employee benefits expenses

(Amount in Rs. Lakhs)

Particulars	2017 – 18	2016 – 17	Variance in %
Employee Benefits Expenses	151.53	117.06	29.45 %

The employee benefit expense comprises of salaries & wages. Our Company has incurred Rs.151.53 lacs as employee benefit expenses during the FY 2017-18 as compared to Rs. 117.06 Lacs during the FY 2016-17 reflecting an increase of 29.45% accounting for increase in number of employees and rise in wages levels.

Finance Cost

These Costs were for the year 2017-18 decreased to Rs.284.52 Lacs as against Rs. 342.69 Lacs during the previous financial year 2016-17. The decrease of 16.97 % as compared to previous year is due to efficient working capital management &finer interest rates negotiated with our bankers.

Depreciation and Amortization expense

Depreciation for the financial year 2017-18 stood at Rs. 261.25 Lacs and the same was Rs.260.38 Lacs for the financial year 2016-17 showing an increase of 0.33%.

Other Expenses

Our Company has incurred Rs. 1237.33 lacs during the FY 2017-18 as Other Expenses as compared to Rs. 1056.91 lacs during FY 2016-17. The increase of 17.07% is majorly due to increase in Selling expenses, Administrative expenses and Manufacturing expenses etc. in line with increase in production and sales of the company.

Profit/ (Loss) Before Tax

(Amount in Rs. Lakhs)

Particulars	2017 – 18	2016 – 17	Variance in %
Profit /(Loss) Before tax	572.84	551.24	3.92%

For the year 2017-18 the profit stood at Rs 572.84 lacs as against the profit of Rs. 551.24 Lacs for the previous year 2016-17. The increase of 3.92 % is due to higher production and turnover.

Provision for Tax and Net Profit

(Amount in Rs. Lakhs)

Particulars	2017 – 18	2016 – 17	Variance in %
Taxation Expenses	104.35	184.15	(43.33%)
Profit after Tax	468.49	367.09	27.62%

Our profit after tax increased from Rs. 367.09 Lakhs in financial year 2016-17 to Rs. 468.49 Lakhs in financial year 2017-18 showing an increase of 27.62%.

COMPARISION OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR ENDED MARCH 31, 2016

Income

Income from Operations

(Amount in Rs. Lakhs)

Particulars	2016 – 17	2015 – 16	Variance in %
Revenue from Operations	7538.43	5656.41	33.27 %

During the financial year 2016-17 the revenue from operations (net) of our company increased to Rs. 7538.43 Lacs as against Rs. 5656.41 Lacs in the year 2015-16, representing an increase of 33.27 %. This increase is majorly due to increase in production from 3782MT to 4643 MT having full impact of expansion undertaken during 2015-16.

Other Income

During the financial year 2016-17 the Other Income of our company increased to Rs. 35.13 Lacs as against Rs.39.06 Lacs for the financial year 2015-16, representing a decrease by 10.06% since there was no insurance claim during the year 2016-17.

Expenditure

Total Expenses

The total expenditure for the financial year 2016-17 increased to Rs. 6987.20 Lacs from Rs. 5338.35 Lacs in the year 2015-16, representing an increase of 30.89 % due to increase in production and turnover on account of full impact of expansion during 2015-16.

Cost of Material Consumed

(Amount in Rs. Lakhs)

Particulars	2016 – 17	2015 – 16	Variance in %
Cost of Material Consumed	5190.53	3736.74	38.91 %

There was 38.91% increase in cost of Material consumed to Rs.5190.53 Lacs in the financial year 2016-17 from Rs. 3736.74 Lacs in the financial year 2015-16. This was mainly due to increased production. 3782 MT to 4643 MT

Employee benefits expenses

(Amount in Rs. Lakhs)

Particulars	2016 – 17	2015 – 16	Variance in %
Employee Benefits Expenses	117.06	121.70	(3.81%)

The employee benefit expense comprises of salaries & wages. Our Company has incurred Rs. 117.06 lacs as employee benefit expenses during the FY 2016-17 as compared to Rs. 121.70 Lacs during the FY 2015-16. The decrease of 3.81% as compared to previous year is due decline in no. of temporary employees in the company.

Finance Cost

These Costs were for the year 2016-17 decreased to Rs 342.69 Lacs as against Rs. 395.28 Lacs during the previous financial year 2015-16. The decrease of 13.30 % as compared to previous year is due to decrease in borrowings and lower rate of Interest on borrowings.

Depreciation and Amortization expense

Depreciation for the financial year 2016-17 stood at Rs. 260.39 Lacs the same was Rs.191.96 Lacs for the financial year 2015-16. The increase by 35.65% is mainly due to net addition in fixed asset.

Other Expenses

Our Company has incurred Rs. 1056.91 lacs during the FY 2016-17 on Other Expenses as compared to Rs. 852.63 lacs during FY 2015-16. The increase of 23.96% is majorly due to increase in Selling expenses, Administrative expenses and Manufacturing expenses etc. in line with increase in production and sales of the company.

Profit/ (Loss) Before Tax

(Amount in Rs. Lakhs)

Particulars	2016 – 17	2015 – 16	Variance in %
Profit /(Loss) Before tax	551.24	318.05	73.32%

For the year 2016-17 the profit stood at Rs 551.24 lacs as against the profit of Rs. 318.05 Lacs for the previous year 2015-16. The increase of 73.32 % is due to full impact of expansion resulting in higher production.

Provision for Tax and Net Profit

(Amount in Rs. Lakhs)

Particulars	2016 – 17	2015 – 16	Variance in %
Taxation Expenses	184.15	109.55	68.10%
Profit after Tax	367.09	208.50	76.06%

Our profit after tax increased from Rs. 208.50 Lakhs in financial year 2015-16 to Rs. 367.09 Lakhs in financial year 2016-17 showing an increase of 76.06% due to full impact of expansion resulting in higher production and sales.

OTHER MATTERS

1. **Unusual or infrequent events or transactions**

   Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. **Significant economic changes that materially affected or are likely to affect income from continuing operations.**

   Other than as described in the section titled — Risk Factors beginning on page 20 of this Prospectus to our knowledge there are no significant economic changes that materially affects or are likely to affect 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 disclosed in the section titled — Risk Factors beginning on page 20 of this Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on 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, global market situation and prices of our material.

5. **The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased prices.**

   Increase in revenue is by and large linked to increases in volume of business activity by the Company.

6. **Total turnover of each major industry segment in which the issuer company operates.**

   The Company is engaged in the business of manufacturing of cotton yarn. Relevant industry data, as available, has been included in the chapter titled — Our Industry beginning on page 138 of this Prospectus.

7. **Status of any publicly announced new products / projects or business segments**

   Our Company has not announced any new projects or business segments, other than disclosed in the Prospectus. For details of our new projects or business segments please refer to the chapter titled — Our Business beginning on page 157 of this 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 % of contribution of our Company's customer and supplier vis a vis the total revenue from operations and Purchase Cost of Services respectively as March 31, 2018 is as follows:

Particulars	Customers	Suppliers
Top 5 **(%)**	38.93%	46.1%
Top 10 **(%)**	55.64%	69.82%

10. Competitive Conditions

We face competition from existing and potential organised and unorganized 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 beginning on page 157 of this Prospectus.

CHANGES IN ACCOUNTING POLICIES IN LAST THREE YEARS

There is no change in accounting policy in the last 3 years except for provision of gratuity on actuarial basis. For further details, please refer to chapter titled — Financial Statement as Restated beginning on page 218 of this Prospectus.

FINANCIAL INDEBTEDNESS

Our company utilizes various credit facilities from banks, for conducting its business.

Set forth below is a brief summary of our company's secured borrowing from banks together with a brief description of certain significant terms of such financing arrangements.

SECURED BORROWINGS

1. Loan of Rs. 1424.00 Lakhs from Bank of Baroda as per Latest Review letter dated July14, 2017.

(Rs. in Lakhs)

Particular					
Nature of Facility	**Sanctioned Amount**	**Rate of Interest**	**Repayment**	**Primary Security**	**Outstanding as on March 31, 2018**
Term Loan -I (Outstanding)	606.00	Present effective rate is 10.00% p.a.	March 31, 2022	First parri-passu charge on all fixed assets (present and future) including equitable mortgage of factory land and building of the company situated at Plot No. 53, RIICO Growth Center, Hamirgarh, Bhilwara.	518.46
Term Loan-II (Outstanding)	818.00		March 31, 2024	First parri-passu charge on all fixed assets (present and future) including equitable mortgage of factory land and building of the company situated at Plot No. 53, RIICO Growth Center, Hamirgarh, Bhilwara.	764.42
Total	**1424.00**				**1282.88**

Collateral Security-Common with other loans-Parri-Passu Charge	
• Second Pari-Passu Charge on all current assets of the company (Present &Future). • EQM of Residential land admeasuring 302 sq. Yards situated at Plot No.44, Block-X-5-44, Phase-III, Parklands, Sector-76, Faridabad (Haryana) in the name of Mr. Shubh Mangal. • EQM of Residential land admeasuring 385.66 sq. yards situated at Plot No. 242, Araji No. 17 to 27,29,49,50,51,53 and 3758/29, Kanchipuram, Bhilwara in the name of Mr. Anand Mangal. • EQM of Residential house No. 29, at Kamla Enclave, Bhilwara in the name of Mr. D.P. Mangal.	
Guarantee	**Personal Guarantee: -** Dwarka Prasad Mangal S/o Gulab Chand Mangal Anand Mangal S/o Dwarka Prasad Mangal Shubh Mangal S/o Dwarka Prasad Mangal **Corporate Guarantee: -** Lagnam Infotech Solutions Private Limited
Purpose	**Term Loan – I: -** For set up of Open End Spinning unit of Cotton yarn (counts 7s

	to 20s) at RIICO Growth Centre Hamirgarh, Bhilwara having capacity of Appx 253 MT per month. **Term Loan – II: -** For expansion of existing capacity upto 500 MT per month by installing additional 2 nos of machines in two phases

Specific conditions

- Certificate duly certified by Chartered Engineer/ Architect to be obtained certifying about capital expenditure incurred on various heads and should be supported by documentary evidences such as Invoices, Bill, etc. duly supported by a C.A. certificate.
- The assets of the company charged to the bank and the mortgaged property are to be adequately insured with bank clause for their full value and the premium for to the same to be borne by the company.
- The assets charged to the bank are inspected periodically as per guidelines.

Key restrictive covenants

- The assets charged to the Bank will be adequately insured as per bank norms/ requirements from time to time.
- The borrower will submit: -
  Audited Financial Statement and other related data within 6 months from the close of the financial year to which they relate and CMA data and other renewal data/relative information before 3 months of the due date of review
- Rate of interest, commission, charges etc. as quoted in respective facilities are subject to revision from time to time based on Base Rate/credit rating of the account/Bank or RBI directives with regard to rate of interest margin and other terms and conditions shall be biding of the company.
- The company shall not avail any working capital facility from any other bank or financial institution without our prior concurrence.
- The performance vis-a-vis estimates to be compared and account be monitored/regulated accordingly.
- The promoters/directors of the company shall undertake not to dispose off/ transfer/ pledge/ encumber or deal in any other way the shares held by them, without prior written approval by the bank.
- The company should undertake that during the currency of the Bank's credit facilities it would not, without the permission of the bank in writing:
  - Effect any change in the constitution/ capital structure of the Company.
  - Implement any scheme of expansion/ Modernization/ Diversification/ Renovation or acquire any fixed assets except as has been approved by the Bank.
  - Formulate any scheme of merger/ acquisition/ amalgamation reconstitution.
  - Enter into borrowing arrangement either secured or unsecured with any other banks/ financial institutions/ corporate bodies/ companies or person.
  - Undertake guarantee obligations on behalf of any other company, company or person.
  - Declare dividend for any year, except out of the profits related to that year, after paying all dues and making provisions as required for that year, provided there is no default in repayment obligation by the company.
  - Invest funds outside business/ indulge in interlocking of funds between associates or group concern.
  - Allow the level of Net Working Capital to come down from the projected level.
  - Pay commission/ brokerage/ fees etc. to Guarantors/ or any other person for guaranteeing the facilities sanctioned to the company.
  - Sell, assign, mortgage or otherwise dispose off any of the Company's fixed assets charged to the Bank.
  - Make any drastic change in its management set up.
  - Create any further change, lien or encumbrance over the assets and properties of the company to be charged to Bank, in favor of any other Bank, financial institutions, company,

or person and/ or invest/ deposit/ lend funds to group/ family/ other corporate bodies/ companies/persons.

- All the money advanced or to be advanced by the bank will be utilized exclusively for the purpose for which it has been advanced. In case the advanced is utilized or attempted to be utilized for any other purpose or if the bank apprehends or has reasons to believe that the said loan has been utilized for any other purpose, the bank shall have the right to recall the entire or any part of the loan/advance forthwith without assigning any reason thereof.
- In the event of breach/non-compliance of any of the terms and conditions of sanction, penal interest will be charged @ 2% over and above the normal rate, as determined by the bank, for the period of default.
- Bank reserves the right to withdraw/modify or amend the terms and conditions of advance and bank would not be bound to disburse full amount of advance in the event of any failure on the part of the borrower in satisfying any of the terms and conditions stipulated.

Special Terms and Conditions for Term Loan under TUFS.

The branch to obtain an undertaking from the company that they: -

- Agree not to make any change in the project scope, equipment or any other aspect which will render the project ineligible for assistance under the TUFS.
- Undertake not to use assistance under TUFS for any purpose other than for which the assistance has been sanctioned.
- Agree that BOB shall not be liable for any loss, damages -OR- compensation whatsoever on account of Ministry of Textile (MoT) deciding to discontinue TUFS -OR- on account of any modification of TUFS -OR- on account of the company's proposal not being found eligible by MoT, GOI, for assistance under TUFS for any reason whatsoever. The Company agrees and acknowledges that the decision of MoT, GOI as to eligibility for assistance under TUFS shall be final and binding.
- Agree that reimbursement of interest subsidy of five percentage points, as may be eligible under TUFS, shall be made available as and when received by Bank of Baroda from MoT, GOI.
- Agree that the reimbursement of interest as above will be available only in respect of items of project cost eligible under TUFS.
- Agree that if any items of project cost are not eligible to be covered under TUFS, proportionate cost shall carry interest at the normal/document rate.
- Agree to furnish information/data to Bank of Baroda as may be required by Mol', GOI under TUFS and authorize Bank of Baroda to furnish any such information to IDBI/MoT, GOI
- Agree to refund excess amount, if any, of interest reimbursement received if such of the loan – OR any part thereof is found to be not eligible under TUFS and are claimed back by GOI as being found not eligible for subsidization even after disbursement i.e. Subsequently.
- Agree that for return of entire amount of interest/incentives if the scheme is not operated by the company in terms of the guidelines issued by the GOI.

2. Term Loan of Rs. 1270.00 Lakhs from State Bank of Bikaner & Jaipur (Now State Bank of India) as per Sanction letter dated May 27, 2011.

(Rs. in Lakhs)

Particular					
Nature of Facility	**Sanctioned Amount**	**Rate of Interest**	**Repayment**	**Primary Security**	**Outstanding as on March 31, 2018**
Term Loan (Outstanding)	1270.00	Present effective rate is 9% p.a.	March 31, 2022	First Pari-Passu Charge on all Immovable and movable fixed assets of the company including mortgage of factory land and building	733.61

Collateral Security

- Equitable mortgage of land situated at Plot No. X5-44, Parklands, Sector-76, Faridabad (Haryana) measuring 302 sq. yards standing in the name of Mr. Shubh Mangal valued approximately at 0.72 crore.
- Equitable mortgage of a land admeasuring 385.66 sq yards situated at Bhilwara Plot No. : 242, Kanchipuram, BSL Colony, Gandhi Nagar, Bhilwara
- Second Pari Passu Charge on Current assets of the company (Present and Future)

Guarantee	**Personal Guarantee: -** Dwarka Prasad Mangal S/o Gulab Chand Mangal Anand Mangal S/o Dwarka Prasad Mangal Shubh Mangal S/o Dwarka Prasad Mangal **Corporate Guarantee: -** Lagnam Infotech Solutions Private Limited

Financial Covenants

Any adverse deviations by more than 10% from the levels stipulated as below in respect of any two of the following items, penal interest of 1% will be levied for the period non-adherence.

- Minimum security margin (loan outstanding/ net fixed assets) -1.19
- Minimum gross DSCR of 1.25
- TOL/TNW – 3.00

The measurement of deviation shall be once in a year with reference to the last annual audited statement of accounts after COD. The first financial period of 6 month or less shall not be reckoned for the purpose.

Key restrictive covenants

- Bank shall reserve the right to review the cost and means of finance anytime during construction period of the project and stipulate relevant conditions, as deemed necessary.
- Bank will have to right to examine books of accounts of the borrower and to have the project site inspected from time to time by officers of the bank and/or outside consultants. Reasonable expenses incurred by the bank in this regard will be borne by the borrower.
- The bank reserve the right to appoint any independent/ concurrent auditor for review of the project as deemed fit during the currency of the loan at the cost of the company.
- The bank shall have the right to stipulate any other condition, as deemed fit before the execution in favor of loan documents.
- Create securities as envisages in the security package at the time of documentation.

- Ensure that all requisite insurance policies are taken and suitably endorsed in favor of the bank (Consortium Lenders).
- Remove the management/ Directors, whose names appear in RBI willful defaulters list from its board, or get their names deleted from the list.
- in case of defaults in repayment of the loan/ advances or in the payment of the interest thereon or any of the interest thereon or any of the agreed instalments of the loan on due dates by borrower, the bank and RBI will have and unqualified right to disclosed or publish the borrowers name or the name of the borrower's company and its managing directors as defaulter in such manner and though such medium as the bank or RBI their absolute discretion many think fit.
- The bank will have the right to share credit information as deemed appropriate with CIBIL or any other institution as approved by RBI from time to time.
- The company should not induct into its management board person whose name appears in the willful defaulters list of RBI/CIBIL (other than as a Nominee/ Professional Honorary directors). in case such a person is already on the management board of the borrowing company. it would take expeditious and effective steps for removal of that person from its board.

3. Term Loan of Rs. 1289.00 Lakhs from State Bank of Bikaner & Jaipur (Now State Bank of India) as per Sanction letter dated January 03, 2014.

(Rs. in Lakhs)

Particular					
Nature of Facility	**Sanctioned Amount**	**Rate of Interest**	**Repayment**	**Primary Security**	**Outstanding as on March 31, 2018**
Term Loan (Outstanding)	1289.00	Present effective rate is 9% p.a.	March 31, 2024	First Pari-Passu Charge on all Immovable and movable fixed assets of the company including equitable mortgage of factory land and building situated at A-53, RIICO growth center, Hamirgarh, Bhilwara.	1094.58

Collateral Security	
- Equitable mortgage of land situated at Plot No. X5-44, Parklands, Sector-76, Faridabad (Haryana) measuring 302 sq. yards standing in the name of Mr. Shubh Mangal valued approximately at 0.72 crore. - Equitable mortgage of a land admeasuring 385.66 sq. yard situated at plot no. 242, Kanchipuram, BSL Colony, Gandhi Nagar, Bhilwara. - EQM of Residential house No. 29, at Kamla Enclave, Bhilwara in the name of Mr. D.P. Mangal. - Second Pari Passu Charge on Current assets of the company (Present and Future)	
Guarantee	**Personal Guarantee: -** Dwarka Prasad Mangal S/o Gulab Chand Mangal Anand Mangal S/o Dwarka Prasad Mangal Shubh Mangal S/o Dwarka Prasad Mangal **Corporate Guarantee: -** Lagnam Infotech Solutions Private Limited

Financial Covenants
Any adverse deviations by more than 10% from the levels stipulated as below in respect of any two of the following items, penal interest of 1% will be levied for the period non-adherence. • Minimum security margin (loan outstanding/ net fixed assets) -1.28 • Minimum gross DSCR of 1.01 • TOL/TNW – 3.46 The measurement of deviation shall be once in a year with reference to the last annual audited statement of accounts after COD. The first financial period of 6 month or less shall not be reckoned for the purpose.
Key restrictive covenants
➢ Bank will have to right examine at all times the company books of accounts and to have company factories inspected from time to time, by officer(s) of the bank and/or qualified auditor and/or technical expert and/or management of the bank's choice. Cost of such inspection/ consultants will be borne by the company. ➢ the company should maintain adequate books and records, which should correctly reflect their financial position and scope of operations and should submit to the bank at regular intervals such statements as may be prescribed by the bank. ➢ The company should submit to the bank such financial statements as may be required by the bank from time to time, apart from the set of such statements to be furnished by the company to the bank as on the date of publication of the company's annual accounts. ➢ The company will keep the bank informed of the happening of any event likely to have a substantial effect of their profit or business if, for instance, the monthly production or sales are substantially less than what had been indicated to the bank, the company will inform accordingly with explanations and the remedial steps proposed to be taken. ➢ The company shall keep the bank advised of any circumstances adversely affecting financial position of their subsidiaries/ group companies or companies in which it has invested, including any action taken by any creditor the said company legally or otherwise. ➢ All unsecured loan/ deposits raised by the company for financing a project are always subordinate to the loans of the banks/financial institutions & should be permitted to repay only with prior of all the bank & financial institutions concerned. ➢ The bank will have a first charge on the profits of the company after provision of taxation, for repayment of instalments under term loan granted/ deferred payment guarantees executed by bank or other repayment obligations, if any due from the company to the bank. ➢ The company understand as a precondition of the credit facility sanctioned to it that in case the it commits defaults in compliance of the term & conditions and repayments of the term loan and/ or other pecuniary obligations to the bank/ other lenders, the bank/ lenders and/ or RBI will have an unqualified right to disclose or publish name(s) of the company and its directors as defaulters in such a manner and through such medium as the bank/ lenders or RBI in their absolute discretion may think fit. ➢ Each of the following events will attract penal interest of one percentage point over & above the normal interest applicable in the account, subject to maximum penal interest not exceeding 2% of account of item 11 • Irregularities in cash credit account. • Non-Submission of stock statements, (delay beyond 10 days of succeeding month to be considered as non-submission) • Non-submission of renewal data beyond three months from the due date of renewal. • Non-compliance with covenants. ➢ Besides the above, additional penal interest of two percentage point above the normal cash credit rates will be levied in case of EPC advance where exports do not materialize & overdue export bills.

4. Loan of Rs. 1500.00 Lakhs from HDFC Bank as per Latest Sanction letter dated June 23, 2017.

(Rs. in Lakhs)

Particular					
Nature of Facility	**Sanctioned Amount**	**Rate of Interest**	**Tenure**	**Primary Security**	**Outstanding as on March 31, 2018**
A). Fund Based Limits (Domestic)					
FBWC (Cash Credit Limit)	1000.00	1 Yr MCLR + 0.50% Presently 8.60%	12 Months	First pari-passu hypothecation charge over current assets of the company (Stocks and Book Debts) among consortium members for working capital	437.71
FBWC (Working Capital Demand Loan)	1000.00 (Sub Limit of FBWC)	Presently 8.30%	Upto 90 days		150.00
Export Credit	1000.00 (Sub Limit of FBWC)	INR Floating MCLR + 25 bps USD 3m LIBOR + 120 bps 6m LIBOR + 100 bps	Upto 180 days		268.21
Sub Total (A)	**1000.00**				**855.92**
B). Non-Fund Based Limits					
Letter of Credit/ Buyers Credit	1000.00 (Sub Limit of FBWC)		LC Upto 120 days from BL date/ BC Upto 90 days from BL date	First pari-passu hypothecation charge over current assets of the company (Stocks and Book Debts) among consortium members for working capital	
Sub Total (B)	**1000.00**				**0.00**
Total (A+B)	**1000.00**				**855.92**
C). Fund Based Limits (Export Credit)					
Export Bill Discounting Limit	500.00	Floating 3-mts MCLR + 10 bps Floating 6-mts MCLR +	Upto 90 days	Secured on LC Documents	0.00

		10 bps			
Sub Total (C)	**500.00**				**0.00**
Total (A+B+C)	**1500.00**				**855.92**

Collateral Security

First Pari- Passu Charge on specific properties as below

- Land situated at plot no. X5-44, Parkland Sec-76, Faridabad (Haryana) measuring 302 sq yard with market value 0.66 crore (Owned by Mr. Shubh Mangal)
- Equitable mortgage of a land admeasuring 385.66 sq yards situated at Bhilwara Plot No.: 242, Kanchipuram, BSL Colony, Gandhi Nagar, Bhilwara with market value 1.22 crore (Owned by Sh. Anand Mangal).
- Residential house no. 29, Kamla Enclave, Chittorroad, Bhilwara (fresh collateral) with market value of ` 2.14 crore (Owned by Sh. DP Mangal).
- Second Pari Passu Charge on Fixed assets of the Company (Present & Future)

Guarantee	**Personal Guarantee: -** Dwarka Prasad Mangal S/o Gulab Chand Mangal Anand Mangal S/o Dwarka Prasad Mangal Shubh Mangal S/o Dwarka Prasad Mangal **Corporate Guarantee: -** Lagnam Infotech Solutions Private Limited

Key Restrictive Covenants

The company during the tenure of the bank's credit facility, will not without the prior permission in writing: resort to any additional borrowing in the company

- Effect any change in shareholding pattern & management control in the company.
- Diversify into non-core areas viz business other than the current business.
- Undertake guarantee obligations or extended letter of comfort, on behalf of any other company/ person/ trust/ ant third party.
- Invest in, extend any advance/ loan, to any Group Companies/ Associates/ Subsidiary/ any other third party.
- Repay subordinated loans availed from directors/ Group companies.
- Effect any dividend payout/ capital withdrawal, in case delay in debt servicing or breach of financial covenants.
- Sell, assign, mortgage or otherwise dispose off any fixed assets.
  - In case borrower is rated, the bank rating to be extended to HDFC Bank's facilities within 3months from the date of sanction.
  - The bank reserve the right to review the facility extended in case of a rating downgrade – external or internal rating.
  - Proportionate cash flow to be routed through us.
  - Satisfactory CRILC at the time disbursement.

5. Loan of Rs. 1340.00 Lakhs from State Bank of India as per Latest Sanction letter dated November22, 2017.

(Rs. in Lakhs)

Particular					
Nature of Facility	**Sanctioned Amount**	**Rate of Interest**	**Repayment**	**Primary Security**	**Outstanding as on March 31, 2018**
A. Fund Based Working Capital					
Cash Credit (CC)	1000.00	Present effective rate is 8.60% p.a	12 Months	First Pari-passu charge on current	679.16
EPC/ PCFC (Within CC)	(270.00)				206.89

FBD/ FBP/ EBR (Within CC)	(270.00)			assets of the company (present & future)	
Sub Limit against book debts (Within CC)	(500.00)				
IBP/ IUBD/ LUBD/ ODBD (Within CC limit)	(150.0)				
Sub limit against advance to commission agent for procurement of cotton (Within CC limit)	(100.00)				
ILC/ FLC (Within CC)	(300.00)				886.05
Sub Total	**1000.00**				
B. Non Fund Based Working Capital					
Stand by line of credit by way of CC/ ILC/ FLC	100.00			First Pari-passu charge on current assets of the company (present & future)	152.73
Bank Guarantee	210.00				
Forward purchase contract limit	30.00				152.73
Sub Total	**340.00**				
Total	**1340.00**				**1038.78**

Collateral Security

First Pari- Passu Charge on the specific property as below.

- Land situated at plot no. X5-44, Parkland Sec-76, Faridabad (Haryana) measuring 302 sq yard with market value 0.66 crore (Owned by Mr. Shubh Mangal)
- Equitable mortgage of a land admeasuring 385.66 sq yards situated at Bhilwara Plot No.: 242, Kanchipuram, BSL Colony, Gandhi Nagar, Bhilwara with market value 1.22 crore (Owned by Sh. Anand Mangal)
- Residential house no. 29, Kamla Enclave, Chittorroad, Bhilwara (fresh collateral) with market value of ` 2.14 crore (Owned by Sh. DP Mangal)
- Second Pari Passu Charge on Fixed assets of the company (Present and Future)

Guarantee	**Personal Guarantee: -** Dwarka Prasad Mangal S/o Gulab Chand Mangal Anand Mangal S/o Dwarka Prasad Mangal Shubh Mangal S/o Dwarka Prasad Mangal

	Corporate Guarantee: - Lagnam Infotech Solutions Private Limited
Key Restrictive Covenants	

(I) Special covenants, if any

- The promoters/company to submit an undertaking that the Unsecured Loan (USL) will be subordinated to Bank's Loan and will not be withdrawn during currency of Bank's Loan.
- The promoters/company to undertake in writing not to withdraw either the accumulated profits or the capital without prior approval of the Bank.
- FFR I and II statements to be submitted as per norms.
- The company should increase the capital as estimated & projected.
- Valuation of the property obtained as collateral security to be arranged every 3 years.
- Commitment charges for working capital limits: If Average Utilization is
  - More than 75%: No charges
  - Between 50-75%: 0.25% p.a. (to be recovered on entire unutilized portion on quarterly basis.)
  - Less than 50%: 0.50% to be recovered on entire unutilized portion on quarterly basis
- An undertaking from the Company/directors guarantors to be obtained authorizing bank to disclose the name of the Company/ directors / guarantors to RBI/CIBIL etc., in case of default.

(II) Loan Cancellability Clause

Bank reserves to itself the absolute right to cancel the limits (either fully or partially) unconditionally without prior notice

- in case the limits/ part of the limits is not utilized by the unit.
- in case deterioration in the credit worthiness of the borrower/ borrowers in any manner whatsoever, and/ or in case of non-compliance of term and conditions of sanction.

(III) End use certificate

- An undertaking that the proceeds of the loan will be utilized for the purpose approved and will not be invested in capital market/ real estate/ in sister concerns to be submitted by the unit.
- A certificate to be obtained from borrower that the funds have been utilized for the purpose approved and in case of incorrect certification, initiation of prompt action as may be warranted, which may include withdrawal of the facilities sanctioned and legal resources as well.

Modifications, if any, required from standard covenants, all other covenants will apply.

6. **Loan of Rs. 21.19 lacs from HDFC Bank Limited.**

Nature of facility	Auto Premium Loan
Loan Amount	Rs. 21.19 Lakhs
EMI Amount	Rs. 44,261.00
Security	Secured by hypothecation of vehicle
Tenor	60 Months
Amount outstanding as on March 31, 2018	Rs. 17.83 Lakhs

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENT

Except as stated below there is no (i) pending litigations, suits, civil or criminal proceedings involving our Company, Director(s) or Promoters; (ii) actions taken by statutory or regulatory authorities involving our Company, Director(s) or Promoters; (iii) outstanding claims involving our Company, Director(s) or Promoter for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) pending litigations involving our Company, Director(s), or Promoter, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (vi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.

With respect to material litigation all pending litigation involving our Company, Director(s) and Promoters, other than criminal proceedings and statutory or regulatory actions, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of Rs. 5,00,000 and where the amount is not quantifiable, such pending cases are material from the perspective of the company's business, operations, prospects or reputation.

With respect to material outstanding dues to creditors where outstanding dues to any one of them exceeds Rs. 5,00,000/-

Further, our Company, our Promoter and/or our Director(s), have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Director(s), that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Unless otherwise stated, all information provided below is as of the date of this Prospectus.

PART I – LITIGATION RELATING TO OUR COMPANY

A. LITIGATION AGAINST OUR COMPANY

1. Litigation involving Civil Laws

NIL

2. Litigation involving Criminal Laws

NIL

3. Litigation involving Securities and Economic Laws

NIL

4. Litigation involving Labor Laws

i. ***Employees Provident Fund and Miscellaneous Provisions Act, 1952 (EPF Act)***

The Company had received a notice dated January 23, 2015 from the authorities constituted under EPF Act *vide* which it was alleged that the Company has not submitted Form 6A which is the consolidated annual contribution statement and Form 3A which is the member's annual contribution card with the EPF authorities as required under the EPF Act. On account of the aforesaid, the said notice directed the Company to submit Form 6A and Form 3A with the appropriate authorities. Thereafter, the Company submitted the required Form 6A and 3A *vide* its reply dated May 13, 2015. However, post submissions the company has not received any communication from the authorities.

5. Litigation involving Taxation

i. Outstanding Direct Tax Proceedings

a) For A.Y. 2013-14, our Company filed an application u/s 154 of the IT Act before the Deputy Commissioner of Income Tax, Bhilwara for rectification of mistake apparent from the records regarding treatment of Technology Upgradation Fund Scheme (TUFS) Subsidy as a Capital receipt and also regarding non-quantification of MAT credit in the assessment order dated 02.12.2015 passed by the assessing officer u/s 143(3) of the IT Act. Under the said order no demand was raised on the Company. However, in computation of the total income there was a mistake apparent from the records for which the aforementioned application u/s 154 of the IT Act was filed before the assessing officer. The assessing officer rejected our application *vide* its order dated 16.11.2017 by holding that this particular issue is not a "rectifiable mistake" as envisaged under the provisions of Section 154 of the IT Act. We have filed an appeal against the said order of the assessing officer before the Commissioner of Income Tax (Appeals) ("**CIT(A)**") and the matter is currently pending before the CIT(A).

b) For A.Y. 2014-15, assessment proceeding has been completed by Income Tax Officer, Ward – 1, Bhilwara in case of our Company u/s 143(3) of the IT Act *vide* its order dated 26.12.2016. The issue involved in the assessment proceedings, *inter alia*, was majorly in relation to treatment of TUFS (Technology Upgradation Fund Scheme) and RIPS (Rajasthan Investment Promotion Scheme) subsidy as a capital receipt or a revenue receipt under regular taxation provisions as well as under MAT provisions. The assessing officer considered the same as a revenue receipt and assessed the total income of our Company at Rs 5,09,660/-. Consequently, our Company filed an appeal against the assessment order before the CIT(A), Ajmer praying for relief. The CIT (A) *vide* its order dated 27.11.2017 held partially in our favor by holding that the subsidies are capital receipts for the purpose of regular taxation provisions, however, same shall be included in the calculation of book profit under MAT provisions. Aggrieved by the order of CIT(A), we have filed an appeal before the Hon'ble ITAT on 06.02.2018. Our Company has not received any notice of hearing for the same as on date.

c) **Outstanding demand appearing on www.tdscpc.gov.in website for the Company with respect to default in TDS compliances**

Financial Year	Period	Demand	Demand details	Current Status
2011-12	Q3	9,080.00	Short deduction of TDS - Rs. 7,840/- Interest on short deduction of TDS – Rs. 1,240/-	Demand is outstanding, TDS return is pending for revision
2012-13	Q1	620.00	Short deduction of TDS - Rs. 500/- Interest on short deduction of TDS – Rs. 115/-	Demand is outstanding, TDS return is pending for revision
2012-13	Q4	8,550.00	Short deduction of TDS – Rs. 5,514/- Interest on Short deduction of TDS – Rs. 2,268/-	Demand is outstanding, TDS return is pending for revision.

			Interest on late payment of TDS – Rs. 772/-	
2013-14	Q4	6,090.00	Interest on late payment of TDS – Rs. 6,090/-	Demand is outstanding, TDS return is pending for revision
2014-15	Q2	1,240.00	Interest on late payment of TDS – Rs. 1,240/-	Demand is outstanding, TDS return is pending for revision
2014-15	Q3	1,340.00	Short deduction of TDS – Rs. 150/- Interest on Short deduction of TDS – Rs. 25/- Interest on late payment of TDS – Rs. 1,165/-	Demand is outstanding, TDS return is pending for revision
2015-16	Q4	150.00	Short deduction of TDS – Rs. 150/- Interest on Short deduction of TDS – Rs. 3/-	Demand is outstanding, TDS return is pending for revision
2016-17	Q4	8,020.00	Interest on late payment of TDS – Rs. 1,165/- Interest u/s 220(2) of the IT Act – Rs. 380/-	Demand is outstanding, TDS return is pending for revision
2017-18	Q2	2,290.00	Short deduction of TDS – Rs. 2,229/- Interest on Short deduction of TDS – Rs. 66/-	Demand is outstanding, TDS return is pending for revision
2017-18	Q3	4,230.00	Short deduction of TDS – Rs. 4,008/- Interest on Short deduction of TDS – Rs. 79/- Interest on late payment – Rs. – 196/-	Demand is outstanding, TDS return is pending for revision
2017-18	Q4	13,980.00	Short deduction of TDS – Rs. 13,472/- Interest on Short	Demand is outstanding, TDS return is pending for revision

			deduction of TDS – Rs. 508/-	
Total		**55,590.00**		

Note: The above details have been extracted from the government website www.tdscpc.gov.in. The difference in the amount stated in 'Demand' column above and the breakup provided in 'Demand Details' exists on the said website also.

ii. **Outstanding Indirect Tax Proceedings**

a) A show cause notice C.NO V (55)04/05/BHL/2017/1822-29 dated 28.03.2017 was issued by the Deputy Commissioner, Central Excise and Service Tax Division, Bhilwara to our Company alleging that the Company has wrongly availed CENVAT Credit amounting to Rs 24,23,868/- in respect of capital goods and parts thereof. The alleged reason for issuance of the said show cause notice by the Commissioner was that the capital goods has been used by the Company for manufacturing exempted goods during the period from March 2012 to September 2016 and thereby have contravened the provisions of Rule6(4) and Rule 3 of the CENVAT Credit Rules, 2004. In response to the same our Company filed its submissions and the matter was personally discussed. However, the Assistant Commissioner, Central Goods and Service Tax, Bhilwara without accepting our submissions passed an order in original dated 29.12.2017 to dispose the matter under consideration. In the said order the Assistant Commissioner, Central Goods and Service Tax, Bhilwara confirmed the demand of CENVAT Credit amounting to Rs 24,23,868/- against our Company and has also imposed a penalty of Rs 24,23,868/-. Aggrieved by the order, our Company has preferred an appeal in this matter on 12.03.2018 and the same is pending before the Hon'ble Commissioner of Central Excise (Appeals), Jodhpur.

6. Litigation Involving Actions by Statutory/ Regulatory Authorities

NIL

B. LITIGATION BY OUR COMPANY

1. Litigation involving Civil Laws

NIL

2. Litigation Involving Actions by Statutory/ Regulatory Authorities

NIL

3. Litigation involving Criminal Laws

NIL

4. Litigation involving Labor Laws

NIL

5. Litigation involving Taxation

i. Outstanding Direct Tax Proceedings

NIL

ii. Outstanding Indirect Tax Proceedings

NIL

PART II – LITIGATIONS AGAINST OUR DIRECTOR(S), PROMOTER(S) AND GROUP ENTITIE(S)

A. CASES FILED AGAINST THE DIRECTOR(S), PROMOTER(S) AND GROUP ENTITIE(S)

1. Litigation involving Civil/Statutory Laws

NIL

2. **Litigation involving Criminal Laws**

   NIL

3. **Litigation involving Economic Offenses**

   NIL

4. **Litigation involving Tax Liabilities**

   i. **Outstanding Direct Tax Proceedings:**

   a) **DWARKA PRASAD MANGAL**

   Outstanding demands appearing on www.incometaxindiaefiling.gov.in website for Dwarka Prasad Mangal

A.Y.	Demand under Section	Demand identification number	Date on which demand was raised	Outstanding amount (Rs.)
2010-11	143(1)	2011201010000198796T	05.04.2011	31,916.00
Total				**31,916.00**

   b) **ANAND MANGAL**

   For A.Y. 2013-14, assessment proceeding was completed by the Income Tax Officer, ward – 71(1), New Delhi ("**Assessing Officer**") vide order dated 01.03.2016. The Assessing Officer made addition of Rs. 11,98,075/- to the total income of Mr. Anand Mangal. Addition was in relation to deemed income u/s 68 of the IT Act for cash of Rs. 6,00,000/- deposited by him in his bank account and for disallowance of deduction with respect to interest payment of Rs. 5,98,075/- claimed by him u/s 57 of the Act. Accordingly, demand of income tax to the tune of Rs. 2,05,410/- was raised by the Assessing Officer. Aggrieved by the aforesaid order, Mr. Anand Mangal has preferred an appeal before the CIT(A) – 21, New Delhi. Mr. Anand Mangal has filed his submissions explaining as to why these additions could not be made on 14.12.2017. The final order of CIT(A) is awaited and yet to be received.

   c) **LAGNAM PROCON (P) LTD.:**

   Outstanding demands appearing on www.incometaxindiaefiling.gov.in website for Lagnam Procon (P) Ltd.

A.Y.	Demand under Section	Demand identification number	Date on which demand was raised	Outstanding amount (Rs.)
2001-02	220(2)	2010200137018349822C	02.03.2011	131.00
2002-03	220(2)	2010200237018349812C	02.03.2011	10.00
2004-05	220(2)	2013200437058995204C	29.03.2014	3,423.00
2005-06	143(1)	2010200551053156943C	10.01.2006	18,230.00
2006-07	143(1)	2010200651053159331C	21.07.2007	1,39,196.00
2007-08	143(1)	2010200751053161553C	06.10.2008	1,113.00
2008-09	143(1)	2010200851053166413C	30.12.2009	26,542.00
2015-16	220(2)	2016201537071396412C	24.02.2017	247.00
Total				**1,88,893**

Note: Lagnam Procon (P) Ltd is not in receipt of any order/ intimation with respect to the aforesaid demands from the Income Tax, Department.

d) LAGNAM INFOTECH SOLUTIONS PVT. LTD.:

(i) Outstanding demand appearing on www.incometaxindiaefiling.gov.in website for Lagnam Infotech Solutions Pvt. Ltd.

A.Y.	Demand under Section	Demand identification number	Date on which demand was raised	Outstanding amount (Rs.)
2009-10	220(2)	2011200937032320373(	31.03.2012	152.00
2009-10	143(1)	2010200937015291972(	31.12.2010	1,08,680.00
2010-11*	143(3)	2012201010015840125(	31.12.2012	18,510.00
2011-12	154	2013201110017069744(	18.02.2014	24,540.00
2014-15	154	2016201437020278073(	05.07.2016	37,920.00
2015-16	220(2)	2016201537013388071(	25.05.2016	728.00
Total				**1,90,530**

*For A.Y. 2010-11, assessment proceeding has been completed by the Income Tax Officer Ward – 4(3), New Delhi ("**Assessing Officer**") vide order dated 31.12.2012. The Assessing Officer disallowed Rs. 16,052/- u/s 14A of the IT Act and accordingly made addition of the same to the total income of the Lagnam Infotech Solutions Pvt. Ltd. Currently, there is an outstanding demand of Rs. 18,510/- appearing on the income tax portal in respect of the same.

Note: Except for the demand in A.Y. 2010-11, Lagnam Infotech Solutions Pvt. Ltd. is not in receipt of any order/intimation with respect to the aforesaid demand from the Income Tax, Department.

(ii) Outstanding demand appearing on www.tdscpc.gov.in website for Lagnam Infotech Solutions Pvt. Ltd. with respect to default in TDS compliances

Financial Year	Period	Demand	Demand details	Current Status
2007-08	Q4	24,530.00	Short Payment of TDS – Rs 15,000/- Interest on short payment of TDS – 9,530/-	Demand is outstanding, TDS return is pending for revision
2010-11	Q4	40,480.00	Short Payment of TDS – Rs 25,470/- Interest on short payment of TDS – Rs 12,610/- Interest on late payment of TDS – Rs 1,960/-	Demand is outstanding, TDS return is pending for revision
2012-13	Q1	420.00	Interest on late payment of TDS – Rs 417/-	Demand is outstanding, TDS return is pending for revision

2012-13	Q3	390.00	Interest on late payment of TDS – Rs 387/-	Demand is outstanding, TDS return is pending for revision
2013-14	Q2	670.00	Interest on late payment of TDS – Rs 670/-	Demand is outstanding, TDS return is pending for revision
2013-14	Q4	620.00	Additional late payment interest against processing of latest correction – Rs 624/-	Demand is outstanding, TDS return is pending for revision
2014-15	Q3	240.00	Additional late payment interest against processing of latest correction – Rs 240/-	Demand is outstanding, TDS return is pending for revision
2014-15	Q4	1,380.00	Additional late payment interest against processing of latest correction – Rs 1,380/-	Demand is outstanding, TDS return is pending for revision
2015-16	Q4	1,150.00	Additional late payment interest against processing of latest correction – Rs 1,148/-	Demand is outstanding, TDS return is pending for revision
2016-17	Q3	810.00	Additional late payment interest against processing of latest correction – Rs 810/-	Demand is outstanding, TDS return is pending for revision
2016-17	Q4	360.00	Additional late payment interest against processing of latest correction – Rs 810/-	Demand is outstanding, TDS return is pending for revision
2017-18	Q1	180.00	Additional late payment interest against processing of latest correction – Rs 180/-	Demand is outstanding, TDS return is pending for revision
2017-18	Q2	7,890.00	Short deduction of TDS – Rs 7,890/- Interest on short payment of TDS – 313/-	Demand is outstanding, TDS return is pending for revision
Total		**79,120.00**		

Note: The above details have been extracted from the government website www.tdscpc.gov.in. The difference in the amount stated in 'Demand' column above and the breakup provided in 'Demand Details' exists on the said website also.

(iii) For A.Y. 2016-17, Assistant Commissioner of Income Tax, Circle 15(1), Delhi Lagnam Infotech Solutions Pvt. Ltd has issued a notice u/s 143(2) of the IT Act dated 08.08.2017 selecting the case of Lagnam Infotech Solutions Pvt. Ltd. for limited Scrutiny. The notice was issued to examine the tax aspects related to unlisted equity shares and to check the admissibility interest expenses claimed. Lagnam Infotech Solutions Pvt. Ltd. has submitted details/information asked by the Commissioner vide reply dated 22.08.2017. Last date of hearing was 16.04.2018 on which Lagnam Infotech Solutions Pvt. Ltd's authorized representative appeared and filed the required documents. Final order/further notice of hearing is awaited by Lagnam Infotech Solutions Pvt. Ltd.

B. CASES FILED BY OUR DIRECTOR(S), PROMOTER(S) AND GROUP ENTITIE(S)

1. Litigation involving Civil/ Statutory Laws

NIL

2. Litigation involving Criminal Laws

NIL

3. Litigation involving Economic Offenses

NIL

4. Litigation involving Tax Liabilities

NIL

PART III – AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company. It is clarified that such details available on our Company's website do not form a part of this Prospectus. Anyone placing reliance on any source of information including our Company's website would be doing so at their own risk.

Below are the details of the Creditors where outstanding amounts as on March 31, 2018:

S.No	Particular	Balance as on 31.03.2018 (Rs. In Lakhs)
1.	Total Outstanding dues to Micro and Small & Medium Enterprises	194.56
2.	Total Outstanding dues to creditors other than Micro and Small & Medium Enterprises	39.08
	Total	**233.64**

PART VI-MATERIAL DEVELOPMENTS

Except as stated in "Management's Discussion and Analysis of Financial Condition and Results of Operation" on page no. 252 of the Prospectus, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/ RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying out our present business (as applicable on date of this Prospectus) activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities.

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.

In order to operate our business of manufacturing of High Quality Cotton Yarn, we require various approvals and/ or licenses under various laws, rules and regulations as applied by each state. For further details in connection with the applicable regulatory and legal framework, see chapter titled *"Key Industry Regulations and Policies"* on page no. 176 of this Prospectus.

The Company has its business located at:

Registered Office& Factory unit: A-51-53, RIICO Growth Centre, Hamirgarh Bhilwara - 311001, Rajasthan

Manufacturing Unit: A-51-53, RIICO Growth Centre, Hamirgarh, Bhilwara- 311001, Rajasthan

The object clause of the Memorandum of Association enables Our Company to undertake its present business activities. The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.

APPROVALS FOR THE ISSUE

Corporate Approvals:

1. Our Board of Directors has, pursuant to a resolution passed at its meeting held on February 06, 2018, authorized the Issue subject to the approval by the shareholders of Our Company under Section 62(1)(c) of the Companies Act, 2013 such other authorities as may be necessary. Subsequently, the Board of Directors have approved this Prospectus at their meeting held on July 12, 2018
2. The shareholders of Our Company have authorized the Issue, pursuant to a special resolution under Section 62(1)(c) of the Companies Act, 2013, passed at their annual general meeting held on February 10, 2018.
3. **In-Principle approval from the Stock Exchange**

   Our Company has obtained in-principle approval dated 16th August,2018 from the National Stock Exchange of India Limited to use the name of NSE in this Prospectus for listing of Equity Shares on the SME Exchange of NSE.
4. **International Securities Identification Number with CDSL and NSDL**

   Our Company's International Securities Identification Number ("**ISIN**") is **INE548Z01017** with CDSL and **INE548Z01017** with NSDL.

INCORPORATION AND OTHERDETAILS

S. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation as "LAGNAM SPINTEX PRIVATE LIMITED" **CIN-** U17119RJ2010PTC032089	U17119RJ2010PTC032089	Issued under Companies Act, 1956	Registrar of Companies, Jaipur	11.06.2010	31.01.2018
2.	Certificate of Incorporation Consequent upon conversion to Public Limited Company as "LAGNAM SPINTEX LIMITED" **CIN-** U17119RJ2010PLC032089	U17119RJ2010PIC032089	Issued under Companies Act, 2013	Registrar of Companies, Jaipur	31.01.2018	Valid till cancelled

APPROVALS/ LICENSES RELATED TO OUR BUSINESSACTIVITIES

S. No.	Details of Registration/ Certificate	Issuing Authority	Registration No./ Reference No./ License No.	Applicable laws	Date of Issue/ Renewal	Date of Expiry
1.	Certificate of Importer- Exporter Code (IEC)	Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade, Jaipur	1311004564	The Foreign Trade (Development & Regulation) Act, 1992	16.06.2011	Valid till cancelled
2.	Certificate of Entitlement for exemption from Stamp Duty to the extent of 50%	Officer of the Commissioner of Industries, Jaipur, Rajasthan	Unique RIPS No.: RIPS-00004198-2342	Rajasthan Investment Promotion Scheme 2014	26.12.2017	The certificate shall be valid for two years or up to the date of expiry of the operative period of the Scheme, whichev

						er is earlier
3.	Certificate of Recognition One Star Export House	Joint Director General of Foreign Trade	130117000146	Foreign Trade Policy 2015-2020	Issued On: 09.06.2017 Effective From: 23.05.2017	22.05.2022
6.	Certificate for registration and License to work a factory for the premise of A-51 52, RIICO growth Centre, Hamirgarh Bhilwara and consist of cotton yarn	Chief Inspector of Factories and Boilers, Rajasthan, Jaipur	RJ/32385	Factories Act, 1948	28.05.2018	31.03.2019
7.	Certificate for registration and License to work a factory for the premise of A-53, RIICO growth Centre, Hamirgarh Bhilwara and consist of cotton yarn	Chief Inspector of Factories and Boilers, Rajasthan, Jaipur	RJ/29703	Factories Act, 1948	31.03.2018	31.03.2021
8.	Certificate of Registration for quality management system (ISO 9001:2015)	ROHS Certification Pvt. Ltd.	17IQAL26	-	05.05.2017	04.05.2020

TAX RELATED APPROVALS/LICENSES/REGISTRATIONS

S. No.	Authorization granted	Issuing Authority	Applicable Laws	Registration No./ Reference No./ License No.	Date of Issue	Validity
1.	Certificate of Registration for TIN	Commercial Tax Officer, Ministry of commerce	Rajasthan VAT Act, 2003	08411009903	06.04.2011	Valid until cancelled
3.	Certificate of Registration under Goods & Service Tax (GST)	Government of India and Government of Rajasthan	Central Goods and Service Tax Act, 2017 and Rajasthan Goods and Services Tax Act,	GSTIN-08AABCL8061A1ZT	05.03.2018	Valid from 20.09.2017 till cancelled

			2017			
4.	Permanent Account Number (PAN)	Income Tax Department, Government of India.	Income Tax Act, 1961	AABCL8061A	11.06.2010	Perpetual
5.	TAN	Income Tax Department	Income Tax Act, 1961	JDHL01827A	28.02.2018 (date of reissuance recording conversion from private limited to public limited)	Valid until cancelled
6.	Service Tax Registration	Central Board of Excise and Customs	Finance Act, 1994 read with Service Tax Rules, 1994	AABCL8061ASD001	09.08.2011	Valid until cancelled
8.	Central Sales Tax Registration Certificate	Assistant Commissioner of Commercial Tax	The Central Sales Tax Act, 1956 and Central Sales Tax (Registration and Turnover) Rules, 1957	08411009903	01.04.2011	Valid until cancelled
10.	Registration under central Excise	Central Board of Excise and Customs	Central Excise Rules, 2002	AABCL8061AEM001	16.08.2011	Valid until cancelled

LABOUR RELATEDAPPROVALS/REGISTRATIONS

The Company has obtained the following approvals related to labor/ employment:

S. No.	Details of Registration/ Certificate	Registration No./ Reference No./ License No./	Applicable Laws	Issuing Authority	Date of Issue	Date of expiry
1.	Employees Provident Fund Registration	RJUDR002221400	Employees' Provident Funds and Miscellaneous Provisions Act, 1952)	Assistant P.F. Commissioner (Compliance), Employees Provident Fund Organization, Udaipur (Rajasthan)	29.02.2012	Valid till cancelled
2.	Employees State Insurance Corporation	16000521760000101	Employees State Insurance Act, 1948	Assistant/ Deputy Director, Employees' State Insurance Corporation, Udaipur (Rajasthan)	09.02.2012	Valid till cancelled
3.	Registration Certificate under Contract Labor Act and endorsement thereof	CLPE/2018/6/132538	Contract Labour (Regulation and Abolition) Act, 1970	Registering Officer Contract Labour (Regulation and Abolition) Act, 1970 (Principal Employer), Rajasthan	15.03.2018	31.03.2021

OTHER BUSINESS RELATEDAPPROVALS

S. No.	Description	Authority	Registration/ Certification Number	Applicable Laws	Date of Issue of Certificate	Date of Expiry of Certificate
1.	Consent to Operate under the provisions of section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 with respect to A-53, RIICO growth Centre, Hamirgarh Bhilwara	Regional Officer, Bhilwara, Rajasthan State Pollution Control Board	File No.: F(Tech)/Bhilwara (Bhilwara)/624(1)/2010-2011/2504-2506 Unit Id: 19762	Water (Prevention & Control of Pollution) Act, 1974	11.07.2016	Valid from 01.04.2016 to 31.03.2021

2.	Consent to Operate under the provisions of section 21/(4) of the Air (Prevention & Control of Pollution) Act, 1981 with respect to A-53, RIICO growth Centre, Hamirgarh Bhilwara	Regional Officer, Bhilwara, Rajasthan State Pollution Control Board	File No.: F(Tech)/ Bhilwara (Bhilwara) / 624(1) / 2010-2011 / 2507-2508 Unit Id: 19762	Air (Prevention & Control of Pollution) Act, 1981	11.07.2016	Valid from 01.04.2016 to 31.03.2021.
3.	Consent to Establish under the provisions of section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 with respect to A-51-52, RIICO growth Centre, Hamirgarh Bhilwara	Regional Officer, Bhilwara, R ajasthan State Pollution Control Board	File No.: F(Tech)/Bhilwa ra (Bhilwara)/ 624(1)/ 2010-2011/ 326-327 Unit Id: 19762	Water (Prevention & Control of Pollution) Act, 1974	24.04.2018	Valid from 22.02.2018 to 31.01.2023 or date of Commence ment of production/ commissioni ng of the project or activities whichever is earlier
4.	Consent to Establish under the provisions of section 21/(4) of the Air (Prevention & Control of Pollution) Act, 1981 with respect to A-51-52, RIICO growth Centre, Hamirgarh Bhilwara	Regional Officer, Bhilwara, R ajasthan State Pollution Control Board	File No.: F(Tech) / Bhilwara (Bhilwara) / 624(1) / 2010-2011 / 630-631 Unit Id: 19762	Air (Prevention & Control of Pollution) Act, 1981	28.05.2018	Valid from 02.05.2018 to 30.04.2023 or date of Commence ment of production / commissioni ng of the project or activities whichever is earlier.
5	Textile Certification Global Organic Textile Standard (GOTS)	CU Inspection & Certification s India Private Limited	CU 830229	-	17.03.2018	14.06.2018

6	Oeko-Tex® Certificate for weaving and knitting yarns made of 100% cotton (open end), raw white (provenience India)	Hohenstein Textile Testing Institute GmbH & Co. KG	14.HIN.47714	-	22.11.2017	30.09.2018
7	Certificate to use USTERIZED trademark	Chief Executive Officer and Head of Textile Technology	-	-	06.10.2017	05.10.2018

INTELLECTUAL PROPERTY RELATEDAPPROVALS/REGISTRATIONS

1. **The Details of Trademark/ Copyright/ Patent/ Design Registered in the Name of the Company:**

S. No.	Trademark	Trademark Type	Class	Applicant	Application No. & Date	Registration Status
1.	Lagnam Spintex	Device	23	Lagnam Spintex Private Limited	3316941, July 23, 2016	Registered
2.	Lagnam Spintex	Device	24	Lagnam Spintex Private Limited	3316942, July 23, 2016	Registered

2. **The Details of Domain Names Registered in the Name of the Company:**

S. No.	Domain Name and ID	Sponsoring Registrar and IANA ID	Registrant Name and Registrant organization	Creation Date	Registration Expiry Date
1.	lagnamspintex.com	Registrar Name: GoDaddy.com LLC IANA ID: 146	Lagnam Spintex Limited	30.03.2018	30.03.2021

OTHER REGULATORY AND STATUTORY APPROVALS

Authority for the Issue

The Board of Director(s), pursuant to a resolution passed at their meeting held on February 06, 2018 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Extra Ordinary General Meeting held on February 10, 2018, authorized the Issue.

Our Company has obtained in-principle approval from the SME Platform of NSE for using its name in the Prospectus pursuant to an approval letter dated August 16th,2018. NSE is the Designated Stock Exchange.

Prohibition by SEBI, the RBI or other Governmental Authorities

None of our Company, our Promoters, our Promoter Group, our Director(s)and persons in control of our Company are or have ever been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other governmental authorities. Neither our Promoters, nor any of our Director(s) or persons in control of our Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

Neither our Company, nor any of our Promoters, Group Companies, nor our Director(s), nor the relatives (as per the Companies Act, 2013) of our Promoters are or have been identified as wilful defaulters by the RBI or any other governmental authorities.

The listing of securities of our Company has never been refused at any time by any stock exchange in India or abroad.

Association with Securities Market

We confirm that none of our Director(s) are associated with the securities market in any manner except for trading on day to day basis for the purpose of investment.

Eligibility for this Issue

Our Company is in compliance with the following conditions specified in Regulation 4(2) of the SEBI (ICDR) Regulations to the extent applicable.

a. Our Company, our Director(s) and the companies with which our Director(s) are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI:

b. Our Company has applied to the SME Platform of NSE for obtaining its in-principle listing approval for listing of the Equity Shares under this Issue and has received the in-principle approval from the SME Platform of NSE pursuant to its letter dated August 16th,2018. For the purposes of this Issue, NSE shall be the Designated Stock Exchange;

c. Our Company has entered into the tripartite agreements with NSDL & CDSL along with our Registrar for facilitating trading in dematerialized mode.

d. The Equity Shares are fully paid and there are no partly paid-up Equity Shares as on the date of filing this Prospectus.

Further, in compliance with Regulation 4 (5) of the SEBI (ICDR) Regulations, none of our Company, Promoters or Director(s) is a wilful defaulter, as on the date of this Prospectus.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M)(1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital will be more than INR 10 Crore but less than INR 25 Crore, and we

propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of NSE)

We confirm that:

a. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue has been hundred percent underwritten and that the Lead Managers to the Issue has underwritten more than 15% of the total Issue size. For further details pertaining to said underwriting please refer to *"General Information – Underwriting"* on page 80.

b. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight (8) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.

c. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Prospectus with SEBI nor has SEBI issued any observations on our Prospectus. Also, we shall ensure that our Lead Managers 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.

d. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the Lead Managers 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 73 of this Prospectus.

   We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange/s.

   As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations shall not apply to us in this Issue.

e. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE for listing on SME Platform of NSE.

f. Our Company has track record of distributable profits in terms of section 123 of Companies Act for at least two years out of immediately preceding three financial years.

g. The distributable Profit, Net tangible Assets and Net worth of our Company as per the restated financial statements is as set forth below:

Particulars	Year ended March 31, 2018 (Rupees in Lacs)	Year ended March 31, 2017 (Rupees in Lacs)	Year ended March 31, 2016 (Rupees in Lacs)
Distributable Profit[1]	468.49	367.09	208.50
Net tangible Assets[2]	5,188.90	4,816.60	5,037.03
Net Worth[3]	2,644.40	2,074.71	1,707.63

1. Distributable profits have been computed in terms section 123 of the Companies Act, 2013.
2. 'Net tangible assets' are defined as the sum of all net assets (i.e. non current assets, current assets less current liabilities) of our Company, excluding deferred tax asset and intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

3. "Net Worth" has been defined as the aggregate of the paid up share capital, share application money (excluding the portion included in other current liabilities) and reserves and surplus excluding revaluation reserve and after deducting miscellaneous expenditure, if any.

h. The post-issue paid up capital of our Company shall be at least INR 3 Crore. As detailed in chapter "Capital Structure "on 84 of this Prospectus, our Company will have a post issue paid up capital of Rs. 17,66,90,000/-

i. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

j. There is no winding up petition against the Company, which has been admitted by the court or a liquidator has not been appointed.

k. We confirm that no material regulatory or disciplinary action by a stock exchange or regulatory authority has been taken in the past three years against our Company.

l. We have a website: www.lagnamspintex.com

Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 113 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIALSOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. THE LEAD MERCHANT BANKER HOLANI CONSULTANTS PRIVATE LTD. HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSUREREQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT INTHE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MERCHANT BANKER, HOLANI CONSULTANTS PRIVATE LTD. IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURETHAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF ANDTOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, HOLANI CONSULTANTS PRIVATE LTD. HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [•] WHICH READS AS FOLLOWS:

"WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE-MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE 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 PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

b) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

c) **THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS COMPANIES ACT, 1956, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTOUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS**
5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE 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 COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE MAIN OBJECTS LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE 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 SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.

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, AS IN TERMS OF THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013, THE SHARES ISSUED IN THE PUBLIC ISSUE SHALL BE IN DEMAT FORM ONLY.***

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL-INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:**

    AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND 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 BANKER" AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS." COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE PROSPECTUS**

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH ISSUE 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 COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
3. **WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. NOTED FOR COMPLIANCE**
4. **WE CONFIRM THAT AGREEMENTS SHALL BE ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE EQUITY SHARES OF THE ISSUER.**
5. **WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS**
6. **WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

Note:

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Jaipur, in terms of Section 26 of the Companies Act 2013.

CAUTION – Disclaimer from our Company, our Director(s) and the Lead Managers

Our Company, its Director(s) and the Lead Managers accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, www.lagnamspintex.com, would be doing so at his or her own risk.

The Lead Managers accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered into between the Lead Managers and our Company dated July 05, 2018 and the Underwriting Agreement dated July 05, 2018 entered into between the Underwriter and our Company and the Market Making Agreement dated July 05, 2018 entered into among the Lead Managers, the Market Maker and our Company.

All information shall be made available by our Company and the Lead Managers to the Applicants and public at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Managers and their respective associates and affiliates may engage in transactions with and perform services for our Company and our respective affiliates and associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or our affiliates or associates for which they have received and may in future receive compensation.

Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares

of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian) HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, AIF, 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 IRDA, provident fund with minimum corpus of 2,500 Lakhs, pension fund with minimum corpus of 2,500 lakhs, NIF set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the 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 and Insurance funds set up and managed by the Department of Posts, India, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company this 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 Jaipur, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. 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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NATIONAL STOCK EXCHNAGE OF INDIA LIMITED

As required, a copy of this Issue Document has been submitted to NSE. NSE has given *vide* its letter dated August 16th,2018 permission to the Company to use the exchange's name in this Prospectus as one of the stock exchanges on which this Company's securities are proposed to be listed. The exchange has scrutinized draft issue document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the issue 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 issue document; nor does it warrant that this Company's securities will be listed or will continue to be listed on NSE; nor does it take any responsibility for the financial or other soundness of this Company, its Promoter, its management or any scheme or project of this Company. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent

inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which maybe suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended ("**Securities Act**") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "**U.S. persons**" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the 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, to any persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing

This Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the Prospectus in term of Regulation 106(M)(3) of SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Corporate Finance Department at their Office situated at: PlotNo.C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra.

A copy of the Prospectus, along with the documents required to be filed under Section 32of the Companies Act, 2013will be delivered for registration with the Registrar of Companies, Jaipur situated at Corporate Bhawan, G\6-7, Sardar Patel Road, Jaipur-302001, Rajasthan.

Listing

An application shall be made to Emerge Platform of National Stock Exchange of India Limited (i.e. SME Platform of NSE) for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within eight (8) days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at SME Platform of NSE are taken within 6 (six) Working Days of the Issue Closing Date.

The Company has obtained approval from NSE vide letter dated August 16th,2018t o use the name of NSE in this Prospectus for listing of equity shares on SME Platform of NSE.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act,2013 which is reproduced below:

"Any person who –

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act, 2013, includes, for frauds involving an amount of at least Rs. 10,00,000/- or one per cent. of the turnover of the company, whichever is lower, imprisonment for a term of not less than six months extending up to ten 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. Where the fraud involves an amount less than Rs. 10,00,000/- or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to Rs. 20,00,000/- or with both.

Track records of past issues handled by Holani Consultants Private Ltd.

Holani Consultants Private Ltd. have been issued certificate of registration dated 31.01.2018 by SEBI as Merchant Banker Category 1 with registration no. INM000012467. Given below is the statement on price information of past issues handled by Holani Consultants Private Ltd.:

S.No.	Issue Name	Issue Size (Rs. In Lacs.)	Issue Price (Rs.)	Listing Date	Opening Price on listing date	+/-% change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	E2E Networks Limited	2199.06	57	May 15, 2018	85/-	33.24% [-10.64%]	N.A.	N.A.

Track records of past issues handled by BOI Merchant Bankers Limited

BOI Merchant Bankers Ltd. have been issued certificate of registration dated 21.01.2015 by SEBI as Merchant Banker Category 1 with registration no. INM000012201. This is the first issue which is being handled by BOI Merchant Bankers Ltd. For More details, please refer to the website of BOI Merchant Bankers Ltd. at http://www.boimb.com/

Consents

Consents in writing of the Director(s), the Promoter, Chief Financial Officer, the Company Secretary & Compliance Officer, the Statutory Auditor, the Banker to the Company, the Lead

Managers, Registrar to the Issue, Banker to the Issue, Legal Advisor to the Issue, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 and 28 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Expert Opinion

Except for the reports in the section "Financial Statements" and "Statement of Tax Benefits" on page 218 and page 136 of this Prospectus from the Statutory Auditor and Peer Review Auditors, our Company has not obtained any expert opinions. We have received written consent from the Peer Review Auditors and Statutory Auditor for inclusion of their name. However, the term "expert" shall not be construed to mean an "expert"" as defined under the U.S. Securities Act 1933

Issue Related Expenses

The Issue related expenses comprise of fees payable to the Lead Manager(s), Legal Counsel, Auditors, processing fee to the SCSBs, Registrar to the Issue, printing and stationery expenses, advertising and marketing expenses, underwriting fees, selling commission and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange. For details of total expenses of the Issue, refer to chapter "Objects of the Issue" beginning on page 117 of this Prospectus.

Details of Fees Payable

Fees Payable to the Lead Managers

The total fees payable to the Lead Managers (including underwriting fees) will be as per the Issue Agreement and Underwriting Agreement among our Company and the Lead Managers, copy of which is available for inspection at the Registered Office of our Company.

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 March 15, 2018, a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Statutory Auditor and Advertisers, etc. will be as per the terms of their respective engagement letters, if any.

Commission and Brokerage Paid on Previous Issues of our Equity Shares

Since this is the Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

Previous Rights and Public Issues during the Last Five Years

We have not made any previous rights and/or public issues during the last five years 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 "*Capital Structure*" on page 84, we have not made any previous issues of shares for consideration otherwise than for cash.

Details of public/ rights issues by listed Group Companies, Subsidiaries and Associate in the last three years

As on the date of this Prospectus, none of our Group Companies, Subsidiaries or Associate is listed or has made any application for listing on any stock exchange in India or overseas.

Performance vis-à-vis objects

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 or Bond Issues or Redeemable Preference Shares

As on the date of this Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

Partly Paid-Up Shares

As on the date of this Prospectus, there are no partly paid-up Equity Shares of our Company.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing this Prospectus.

Option to Subscribe

a. Investors will get the allotment of specified securities in dematerialization form only.

b. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

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.

Investor Grievances and Redressal System

The Company has appointed Bigshare Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely, Bigshare Services Private Limited, will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company will constitute Stakeholders Relationship Committee in the meeting of our Board of Director(s) before listing of Equity Shares on Stock Exchange. For further details on the Committees, please refer to section titled "*Our Management*" beginning on page 189 of this Prospectus.

Our Company has appointed Mr. Rajeev Parashar as the Compliance Officer to redress the complaints, if any, of the investors participating in the Issue. Contact details for our Compliance Officer are as follows:

Name: Rajeev Parashar

Address: F-356, Behind Hotel Amit Palace, Rama Vihar, Bhilwara (Rajasthan)-311001

Phone No.: +91 94616-56067

Email:rparashar@lagnam.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc. Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in.

Status of Investor Complaints

We confirm that we have not received any investor compliant during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

Disposal of Investor Grievances by Listed Companies under the Same Management as the Company

As on the date of this Prospectus our Company does not have any Listed Group Company.

Changes in Auditors during the last three financial years

Since 01.04.2014, M/s SSMS & Associates are the auditor of the Company. There has not been any change in auditors of the Company in past three (3) financial years.

Capitalization of Reserves or Profits

Save and except as stated in "*Capital Structure*" on page 84, our Company has not capitalized its reserves or profits during the last five years.

Revaluation of assets

Our Company has not revalued its assets during the last five years.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Draft Prospectus, the Prospectus, Application Form, ASBA Application form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

AUTHORITY FOR THE ISSUE

The Issue of Equity Shares has been authorized by the Board of the Directors of our Company at their meeting held on February 6, 2018 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extra Ordinary General Meeting held with a shorter notice on February 10, 2018 in accordance with provisions of Section 62(1)(c) of the Companies Act, 2013.

RANKING OF EQUITY SHARES

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled "*Main Provisions of Articles of Association"* beginning on page number 348 of this Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, 2013, SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 and our Articles of Association. For further details, please refer to the chapter titled "*Dividend Policy"* on page 217 of this Prospectus.

FACE VALUE AND ISSUE PRICE PER SHARE

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. 41 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "*Basis for Issue Price*" beginning on page 133 of this Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

COMPLIANCE WITH SEBI ICDR REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2009. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for right shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/ or consolidation/ splitting, please refer to the section titled "*Main Provisions of Articles of Association*" beginning on page number 348 of this Prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI (ICDR) Regulations, 2009, the trading of the Equity Shares shall only be in dematerialized form for all investors. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated 14th March, 2018amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated 23rd February, 2018amongst CDSL, our Company and the Registrar to the Issue.

The trading of the Equity Shares will happen in the minimum contract size of 3,000 Equity Shares and the same may be modified by SME Platform of Stock Exchange from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 3,000 Equity Shares subject to a minimum allotment of 3,000 Equity Shares to the successful applicants in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012.

MINIMUM NUMBER OF ALLOTTEES

Further in accordance with the Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Bhilwara, Rajasthan, 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 with reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offer 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.

JOINT HOLDER

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint - tenants with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013 the sole applicant, or the first applicant along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the Applicant, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she was 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 death of the nominee during his/ her 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 our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a. to register himself or herself as the holder of the Equity Shares; or

b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

PERIOD OF OPERATION OF SUBSCRIPTION LIST OF PUBLIC ISSUE

ISSUE OPENS ON	**September 04, 2018**
ISSUE CLOSES ON	**September 07, 2018**

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 our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of Issue.

Further, in accordance with Regulation 106 (Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs. 1,00,000 /- (Rupees One Lakh) per application.

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

MIGRATION TO MAIN BOARD

Our company may migrate to the Main board of Stock Exchange from SME Platform at a later date subject to the following condition and/or such other conditions as applicable from time to time:

(a) If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor 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 Stock Exchanges 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 our company is more than Rs. 1,000 lakhs and upto Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The shares Issued through this Issue are proposed to be listed on the Stock Exchange with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing of shares issued through the prospectus. For further details of the market making arrangement please refer to chapter titled "*General Information"* beginning on page 73 of this Prospectus.

ARRANGEMENT FOR DISPOSAL OF ODD LOT

The trading of the equity shares will happen in the minimum contract size of 3,000 shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value

of such shareholding is less than the minimum contract size allowed for trading on the Stock Exchange.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS ISSUE

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/ RBI while granting such approvals.

OPTION TO RECEIVE SECURITIES IN DEMATERIALISED FORM

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall 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.

APPLICATION BY ELIGIBLE NRIs, FPI'S REGISTERED WITH SEBI, VCF'S, AIF'S REGISTERED WITH SEBI AND QFI'S

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter "*Capital Structure"* beginning on page 84 of this Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation/ splitting except as provided in the Articles of Association. For details please refer to the section titled "*Main Provisions of the Articles of Association"* beginning on page 348 of this Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer, whose post issue face value capital is more than ten crores rupees and up to twenty-five crores. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange"), in this case being the EMERGE Platform of National Stock Exchange of India Limited. For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue"* and "*Issue Procedure"* on page 301 and 308 of this Prospectus.

Following is the Issue structure:

Initial Public Issue of 60,00,000 Equity Shares of face value of Rs. 10/- each fully paid (the Equity Shares) for cash at a price of Rs. 41 (including a premium of Rs. 31 aggregating to Rs. 2,460 Lacs). The Issue comprises a Net Issue to the public of 57,00,000 Equity Shares (the "Net Issue"). The Issue and Net Issue will constitute 33.96% and 32.26% of the post-Issue paid up Equity Share capital of our Company.

The issue comprises a reservation of up to 3,00,000 equity Shares of Rs. 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

Particulars	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares	57,00,000 shares	3,00,000 shares
Percentage of Issue Size available for allocation	95% of the Issue Size	5% of the Issue Size
Basis of Allotment/ Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of 3,000 equity shares and further allotment in multiples of 3,000 equity shares each. For further details please refer to the section titled "Issue Procedure– Basis of Allotment" on page 308 of the Prospectus.	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only.	Through ASBA Process only
Minimum Application	***For QIB and NII:*** Such number of Equity Shares in multiples of 3000 Equity Shares such that the Application size exceeds Rs 2,00,000 ***For Retail Individuals:*** 3000 Equity Shares	Upto 3,00,000 Equity Shares of Face Value of Rs. 10.00 each
Maximum Application Size	***For QIB and NII:*** For all other investors the maximum application size is the Net Issue to public subject to limits as the investor has to adhere under the relevant laws and regulations as applicable.	Upto 3,00,000 Equity Shares of Face Value of Rs. 10.00 each

	For Retail Individuals: 3,000 Equity Shares	
Mode of Allotment	Compulsorily in Dematerialized mode	Compulsorily in Dematerialized mode
Trading Lot	3,000 Equity Shares	3000 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations
Terms of Payment	The Applicant shall have sufficient balance in the ASBA account at the time of submitting application and the amount will be blocked anytime within two days of the closure of the Issue.	

**50 % of the shares issued in the Net Issue to Public portion are reserved for applications whose value is upto Rs. 2,00,000 and the balance 50% of the shares are reserved for applications whose value is above Rs. 2,00,000.*

WITHDRAWAL OF THE ISSUE

In accordance with the SEBI ICDR Regulations, our Company in consultation with Lead Manager severally and not jointly, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. However, if our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published.

Further, the Stock Exchange shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public issue of Equity Shares, our Company will file a fresh issue document with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, non-retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

ISSUE PROGRAMME

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

Event	Indicative date
Issue opening date	September 04, 2018
Issue closing date	September 07, 2018
Finalization of basis of allotment with Designated Stock Exchange	September 12, 2018
Initiation of refunds	September 14, 2018
Credit of equity shares to Demat accounts of allottes	September 14, 2018
Commencement of trading of Equity shares on the Stock Exchange	September 18, 2018

Applications and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the applications and any revision to same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of applications by Retail Individual Investors after considering the total number of applications received up to the closure of timings and reported by the Lead Managers to the Stock Exchanges. It is clarified that applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days. Neither our Company nor the Lead Managers are liable for any failure in uploading the applications due to faults in any software/ hardware system or otherwise.

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document"), included below under "Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act 2013, to the extent applicable to a public issue. The General Information Document would be made available with the Lead Manager and would also be made available on the websites of the Stock Exchanges and the Lead Manager before opening of Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and shall not be liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus.

Please note that all the Applicants can participate in the Issue only through the ASBA process. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.

ASBA Applicants are required to submit ASBA Applications to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on http://www.sebi.gov.in. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue and Share Transfer Agent ("RTA") that have been notified by Stock Exchanges to act as intermediaries for submitting Application Forms shall be provided on the websites of Stock Exchanges. For details on their designated branches for submitting Application Forms, please see the above-mentioned Stock Exchanges' website.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Application Collecting Intermediaries. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non- Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Applicants Applicant only in dematerialized form. Applicants Applicant will not have the option of being Allotted Equity Shares in physical form.

Further the Equity shares on allotment shall be traded only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchanges, the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colors of the Application Form for various investors applying in the Issue are as follows:

Category	Color of Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals applying under the QIB Portion), applying on a repatriation basis (ASBA)	Blue

**Excluding electronic Application Form*

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

i) an SCSB, with whom the bank account to be blocked, is maintained

ii) a syndicate member (or sub-syndicate member)

iii) a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')

iv) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

v) a registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic applying system of stock exchange will be done by:

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic applying system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic applying system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

Availability of Prospectus and Application Forms

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of Stock Exchanges'.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Forms to respective SCSBs where the Applicant has a bank account and shall not submit it to any non-SCSB Bank.

WHO CAN APPLY?

In addition to the category of Applicants set forth under "***– General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue***", the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non- Institutional Investors (NIIs) category;
- Scientific and/or industrial research organisations authorized in India to invest in the Equity Shares.

OPTION TO SUBSCRIBE IN THE ISSUE

a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialized form only.

b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries at Application Collecting Centers, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and SME Platform of Stock Exchanges, the SCSBs, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

PARTICIPATION BY ASSOCIATED/ AFFILIATES OF LEAD MANAGER AND SYNDICATE MEMBERS

The Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager and the Syndicate Members, if any, may purchase the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRI'S APPLYING ON NON-REPATRIATION

Application must be made only in the names of individuals, limited companies or statutory corporations/institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depositary), foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares issued to the public. Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as NRO accounts.

APPLICATIONS BY ELIGIBLE NRI'S/RFPI's ON REPATRIATION BASIS

Application Forms have been made available for eligible NRIs at our Registered Office and at the Registered Office of the Lead manager. Eligible NRI Applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The eligible NRIs who intend to make payment through Non- Resident Ordinary (NRO) accounts shall use the Forms meant for Resident Indians and should not use the forms meant for the reserved category. Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRIs on repatriation basis. Allotment of equity shares to Non- Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

APPLICATIONS BY FPI INCLUDING FIIs

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or subaccount, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions application which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in color).

APPLICATIONS BY SEBI REGISTERED VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public issuing.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public issuing of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF

Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

APPLICATIONS BY MUTUAL FUNDS

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited liability partnerships can participate in the issue only through the ASBA process.

APPLICATIONS BY INSURANCE COMPANIES

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reasons thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (the 'IRDA Investment Regulations'), are broadly set forth below:

1. *Equity shares of a company:* The least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
2. *The entire group of the investee company:* not more than 15% of the respective funds in case of life insurer or 15% of investment assets in case of general insurer or re-insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
3. *The industry sector in which the investee company operates:* not more than 15% of the fund of a life insurer or a general insurer or a re-insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in case of investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or a general insurer and

the amount calculated under points (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

APPLICATIONS UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2500 Lacs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lacs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

a) With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.

b) With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.

c) With respect to Applications made by provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 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 Application Form.

d) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form

e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

The above information is given for the benefit of the Applicants. Our Company, the Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.

APPLICATIONS BY PROVIDENT FUNDS/PENSION FUNDS

In case of Applications made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company, the Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.

APPLICATIONS BY BANKING COMPANIES

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30.00% of the paid up share capital of the investee company or 30.00% of the banks' own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval).

APPLICATIONS BY SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

INFORMATION FOR THE APPLICANTS

1. Our Company and the Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the ROC and also publish the same in two national newspapers (one each in English and Hindi) and in one regional newspaper with wide circulation. This advertisement shall be in the prescribed format.
2. Our Company will file the Prospectus with the ROC at least three days before the Issue Opening Date.
3. Any Applicant who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office.
4. Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorised agent(s).
5. Applications should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application Forms submitted by Applicants whose beneficiary account is inactive shall be rejected.
6. The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
7. Except for applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The

demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.

8. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the Bankers to the Issue or the SCSBs do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

METHOD AND PROCESS OF APPLICATIONS

1. Applicants are required to submit their applications during the Issue Period only through the following Application Collecting intermediary

   i) an SCSB, with whom the bank account to be blocked, is maintained

   ii) a syndicate member (or sub-syndicate member), if any

   iii) a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')

   iv) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

   v) a registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.

The Intermediaries shall accept applications from all Applicants and they shall have the right to vet the applications during the Issue Period in accordance with the terms of the Prospectus.

The Applicant cannot apply on another Application Form after one Application Form has been submitted to Application Collecting Intermediaries Submission of a second Application Form to either the same or to another Application Collecting Intermediary will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue.

2. The intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

3. The upload of the details in the electronic applying system of stock exchange and post that blocking of funds will be done by as given below

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic applying system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic applying system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

4. Upon receipt of the Application Form directly or through other intermediary, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, and If sufficient funds are not available in the ASBA Account the application will be rejected.
5. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.
6. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal / failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

TERMS OF PAYMENT

Terms of Payment

The entire Issue price of Rs. 41 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, The Registrar to the Issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account post finalization of Basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment mechanism for Applicants

The Applicants shall specify the bank account number in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.

2. The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of the next Working day from the Issue Closing Date.
3. The Application collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be re will be responsible for blocking the necessary amounts in the ASBA Accounts (v) Application accepted and uploaded but not sent to SCSBs for blocking of funds.
4. Neither the Lead Managers nor our Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
5. The Stock Exchange will issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Application Collecting Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
   - Name of the Applicant;
   - IPO Name;
   - Application Form number;
   - Investor Category;
   - PAN (of First Applicant, if more than one Applicant);
   - DP ID of the demat account of the Applicant;
   - Client Identification Number of the demat account of the Applicant;
   - Numbers of Equity Shares Applied for;
   - Bank account number.
7. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
8. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
9. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

10. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Application Collecting Intermediaries shall have no right to reject applications, except on technical grounds.
11. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
12. The Application Collecting Intermediaries will be given time till 1.00 P.M on the next working day after the Issue Closing Date to verify the PAN No, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
13. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA applications.

ALLOCATION OF EQUITY SHARES

1. The Issue is being made through the Fixed Price Process wherein 3,00,000 Equity Shares shall be reserved for Market Maker. 28,50,000 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to Non- Retail Applicants.
2. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
3. Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
4. In terms of the SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
5. Allotment status details shall be available on the website of the Registrar to the Issue.

SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

a) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on July 05, 2018.

b) A copy of the Prospectus will be filed with the ROC in terms of Section 26 of the Companies Act.

PRE- ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the ROC, publish a pre-issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI

Regulations.

ISSUANCE OF ALLOTMENT ADVICE

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Read all the instructions carefully and complete the applicable Application Form;

3. Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

4. Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;

5. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;

6. If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;

7. Ensure that the signature of the First Applicant in case of joint Applications is included in the Application Forms;

8. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;

9. Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Application options;

10. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

11. Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;

12.Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

13. Ensure that the Demographic Details are updated, true and correct in all respects;

14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

15. Ensure that the category and the investor status is indicated;

16. Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;

17. Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

18. Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;

19. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;

20. Ensure that you have mentioned the correct ASBA Account number in the Application Form;

21.Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;

22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Dont's:

1. Do not apply for lower than the minimum Application size;

2. Do not apply/revise Application Amount less than the Issue Price;

3. Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

4. Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not submit the Application Forms to any non-SCSB bank or our Company;

6. Do not Application on a Application Form that does not have the stamp of the relevant Designated Intermediary;

7. Do not Application at Cut-off Price (for Applications by QIBs and Non-Institutional Applicants);

8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;

9. Do not Application for a Application Amount exceeding Rs. 200,000 (for Applications by Retail Individual Applicants);

10. Do not fill up the Application Form such that the Equity Shares Application for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;

11. Do not submit the General Index Register number instead of the PAN;

12. Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;

13.Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;

14. Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

15. Do not Application if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

16. Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Application Collecting Intermediaries. Application Forms, which do not bear the stamp of the Application Collecting Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (‘broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of Stock Exchanges’. With a view to broad base the reach of Investors by substantially enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed are available on the websites of Stock Exchanges’.

APPLICANT’S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details, PAN nos, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

SUBMISSION OF APPLICATION FORM

All Application Forms duly completed shall be submitted to the Application Collecting Intermediaries

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Applicants can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of Stock Exchanges where the Equity Shares are proposed to be listed are taken within 6 working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who—

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

UNDERTAKINGS BY THE COMPANY

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at SME Platform of Stock Exchanges where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our company;
4. That our Promoter's contribution in full has already been brought in;

5. That no further issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
7. If our Company does not proceed with the Issue after the Application/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Application/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. If our Company withdraw the Issue after the Application/Issue Closing Date, our Company shall be required to file a fresh Prospectus with the ROC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
9. Allotment is not made within the prescribed time period under applicable law; the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

UTILIZATION OF THE ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

1. all monies received out of the Fresh Issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the Fresh Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Fresh Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Fresh Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Further the Company declare that all monies received out of the Issue for Sale shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

EQUITY SHARES IN DEMATERIALSED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered into the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

a. Agreement dated March 14, 2018 among NSDL, the Company and the Registrar to the Issue;
b. Agreement dated February 23, 2018 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no INE548Z01017.

PART B

GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issue and the Issuer and should carefully read the Prospectus/ Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken *inter-alia* through the Book-Building Process as well as to the Fixed Price Issue. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **("SEBI ICDR Regulations, 2009").**

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Prospectus filed by the Issuer with the Registrar of Companies ("RoC"). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM to the Issue and on the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs ON EMERGE Platform of NATIONAL STOCK EXCHANGE OF INDIA LIMITED (SME PLATFORM)

2.1 INITIAL PUBLIC OFFER (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

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 or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 (the "Companies Act"), The Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

1. In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, issue has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total issue size.
2. 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, then 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.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The Book Running 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.
4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM 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.
5. The company should have track record of at least 3 years
6. The company should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be positive.
7. The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crores.
8. The issuer shall mandatorily facilitate trading in demat securities.
9. The issuer should not be referred to Board for Industrial and Financial Reconstruction.
10. No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company
11. 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
12. The Company should have a website. Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 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 is more than 1000 Lakhs but does not exceed Rs. 2500 Lakhs. Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares.

2.3 TYPES OF PUBLIC ISSUES – FIXED PRICE ISSUES AND BOOK BUILT ISSUES

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process **("Book Built issues")** or undertake a Fixed Price Issue **("Fixed Price Issues")**. An issuer may mention a Price or Price Band in the Prospectus (in case of a Fixed Price Issue) and Floor price or Price band in the Red Herring Prospectus (in case of a Book Built Issue) and determine the price at a later date before registering the prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The issuer shall announce the Price or the Floor Price or the Price Band through advertisement in

all newspapers in which the pre-issue advertisement was given at least five Working Days before the Issue Opening Date, in case of an IPO and at least one Working Day before the Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.4 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Issue Period for QIBs one Working Day prior to the Issue Closing Date if disclosures to that effect are made in the Prospectus. In case of revision of the Floor Price or Price Band in Book Built Issues the Issue Period may be extended by at least three Working Days, subject to the total Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM and the advertisement in the newspaper(s) issued in this regard

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:

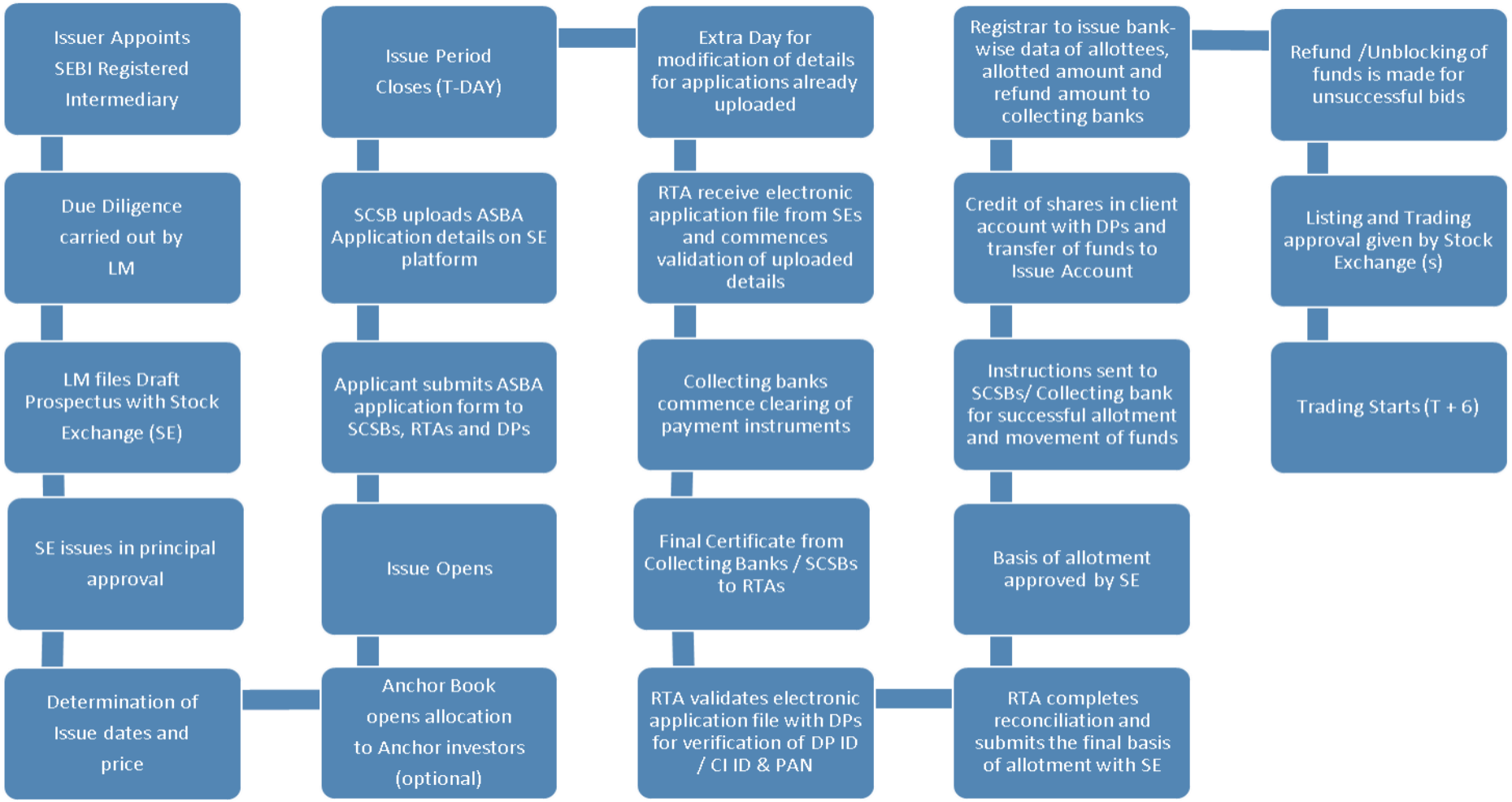
a) If the Paid-up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than 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 fulfilment 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 Fixed Price and Book Built Issues is as follows


Issuer Appoints SEBI Registered Intermediary
Due Diligence carried out by LM
LM files Draft Prospectus with Stock Exchange (SE)
SE issues in principal approval
Determination of Issue dates and price
Anchor Book opens allocation to Anchor investors (optional)
Issue Opens
Applicant submits ASBA application form to SCSBs, RTAs and DPs
SCSB uploads ASBA Application details on SE platform
Issue Period Closes (T-DAY)
Extra Day for modification of details for applications already uploaded
RTA receive electronic application file from SEs and commences validation of uploaded details
Collecting banks commence clearing of payment instruments
Final Certificate from Collecting Banks / SCSBs to RTAs
RTA validates electronic application file with DPs for verification of DP ID / CI ID & PAN
RTA completes reconciliation and submits the final basis of allotment with SE
Basis of allotment approved by SE
Instructions sent to SCSBs/ Collecting bank for successful allotment and movement of funds
Credit of shares in client account with DPs and transfer of funds to Issue Account
Registrar to issue bank-wise data of allottees, allotted amount and refund amount to collecting banks
Refund /Unblocking of funds is made for unsuccessful bids
Listing and Trading approval given by Stock Exchange (s)
Trading Starts (T + 6)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

1. Indian national's resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicants should specify that the Application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/ or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

SECTION 4: APPLYING IN THE ISSUE

Fixed Price Issue: Applicants should only use the specified Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Application Form for various categories of Applicants is as follows:

Category	Color of the Application Form (Excluding downloaded forms from SE website)*
Resident Indian, Eligible NRIs applying on a non- repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue
Anchor Investors (where applicable) &Applicants applying in the reserved category	Not Applicable

**excluding electronic Application Form*

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE APPLICATION FORM (FIXED PRICE ISSUE)

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Application Form are liable to be rejected. Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non- resident Applicants are reproduced below:

R Application Form

COMMON APPLICATION FORM

LAGNAM SPINTEX LIMITED - INITIAL PUBLIC ISSUE-R

Registered Office: A-51-53, RIICO Growth Centre, Hamirgarh, Bhilwara-311001, Rajasthan, India
Tel: +91 01482 289210, Fax: Not Available CIN: U17119RJ2010PLC032089
Email: rparashar@lagnam.com Website: www.lagnamspintex.com

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIB'S AND ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS

Lagnam Spintex

To,
The Board of Directors
LAGNAM SPINTEX LIMITED

FIXED PRICE SME ISSUE

ISIN - INE548Z01017

Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/ SCSB/ DP/ RTA STAMP & CODE
SUB-BROKER'S / SUB- AGENT'S STAMP & CODE	**ESCROW BANK/ SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT

Mr. / Ms. _____ Age _____

Address _____

E mail _____

Tel. No (with STD code) / Mobile _____

2. PAN OF SOLE/FIRST APPLICANT

3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID

4. APPLICATION DETAILS

No. of Equity Shares of Rs.10/- each applied at the Issue Price i.e. at Rs. 41/- per share [1 & 2]

(In Figures) _____ (In Words) _____

1 Please note that applications must be made in minimum of 3,000 shares and further multiples of 3,000 shares accordingly.
2 Please note that the trading of equity shares will be only in dematerialised mode on the NSE Emerge Platform.

5. CATEGORY

☐ Retail Individual
☐ Non-Institutional
☐ QIB

6. INVESTOR-STATUS

☐ Individual(s)	- IND
☐ Non- Resident Indians (Non- Repatriation Basis)	- NRI
☐ Hindu Undivided Family*	- HUF
☐ Bodies Corporate	- CO
☐ Banks & Financial Institutions	- FI
☐ Mutual Funds	- MF
☐ National Investment Funds	- NIF
☐ Insurance Funds	- IF
☐ Insurance Companies	- IC
☐ Venture Capital Funds	- VCF
☐ Alternative Investment Funds	- AIF
☐ Others (Please Specify)	- OTH

*HUF Should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS | **PAYMENT OPTION : Full Payment**

Amount Blocked (₹ in Figures) _____ (₹ in Words) _____

ASBA Bank A/c No. _____

Bank Name & Branch _____

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED FORM 2A AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

8 A. SIGNATURE OF SOLE / FIRST APPLICANT	8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER (s) (AS PER BANK RECORDS)	BROKERS / SCSB /DP /RTA STAMP (Acknowledging upload of Application in Stock Exchange System)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
	1)	
Date: ....., 2018	2)	
	3)	

TEAR HERE

Lagnam Spintex **LAGNAM SPINTEX LIMITED- INITIAL PUBLIC ISSUE-R** **Acknowledgment Slip for Broker /SCSB/DP/RTA** Application Form No. _____

DPID / CLID _____ PAN _____

Received from Mr./Ms. _____

Address _____

Telephone/Mobile _____ E-mail _____

No. of Equity Shares applied for	
in Figures	
in Words	
Amount Blocked (₹ in figures)	

SCSB Branch Stamp & Signature

ASBA Bank A/c No.	Name of Bank & Branch

TEAR HERE

LAGNAM SPINTEX LIMITED- INITIAL PUBLIC ISSUE-R

	In Figures	In Words
No.of Equity Shares		
Amount Blocked (₹)		

Stamp & Signature of Broker / SCSB / DP /RTA

Name of Sole/ First Applicant

Acknowledgment Slip for Applicant

ASBA Bank A/c No.: _____

Bank & Branch: _____

Application Form No. _____

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

NR Application Form

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

COMMON APPLICATION FORM	LAGNAM SPINTEX LIMITED - INITAL PUBLIC ISSUE-NR Registered Office: A-51-53, RIICO Growth Centre, Hamirgarh, Bhilwara-311001, Rajasthan, India Tel: +91 01482 289210, Fax: Not Available CIN: U17119RJ2010PLC032089 Email: rparashar@lagnam.com Website: www.lagnamspintex.com	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS

Lagnam Spintex

To,
The Board of Directors
LAGNAM SPINTEX LIMITED

FIXED PRICE SME ISSUE

ISIN - INE548Z01017

Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/ SCSB/ DP/ RTA STAMP & CODE
SUB-BROKER'S / SUB- AGENT'S STAMP & CODE	ESCROW BANK/ SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT

Mr. / Ms. _____ Age _____

Address _____

E mail _____

Tel. No (with STD code) / Mobile _____

2. PAN OF SOLE/FIRST APPLICANT

3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID

4. APPLICATION DETAILS

No. of Equity Shares of Rs.10/- each applied at the Issue Price i.e. at Rs. 41/- per share [1 & 2]

(In Figures) _____ (In Words) _____

1 Please note that applications must be made in minimum of 3,000 shares and further multiples of 3,000 shares accordingly.
2 Please note that the trading of equity shares will be only in dematerialised mode on the NSE Emerge Platform.

5. CATEGORY

- ☐ Retail Individual
- ☐ Non-Institutional
- ☐ QIB

6. INVESTOR-STATUS

☐	Non-Resident Indians (Repatriation basis)	NRI
☐	FII or Sub Account not a Corporate / Foreign Individual	FII
☐	FII Sub Account Corporate/ Individual	FII SA
☐	Foreign Venture Capital Investor	FVCI
☐	Foreign Portfolio Investors	FPI
☐	Others (Please Specify) _____	OTH

7. PAYMENT DETAILS | **PAYMENT OPTION : Full Payment**

Amount Blocked (₹ in Figures) _____ (₹ in Words) _____

ASBA Bank A/c No. _____

Bank Name & Branch _____

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED FORM 2A AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

8 A. SIGNATURE OF SOLE / FIRST APPLICANT	8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER (s) (AS PER BANK RECORDS)	BROKERS / SCSB /DP /RTA STAMP (Acknowledging upload of Application 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)	
Date: ....., 2018	3)	

TEAR HERE

LAGNAM SPINTEX LIMITED- INITAL PUBLIC ISSUE -NR — Acknowledgment Slip for Broker /SCSB/DP/RTA — Application Form No.

DPID / CLID _____ PAN _____

Received from Mr./Ms. _____

Address _____

Telephone/Mobile _____ E-mail _____

No. of Equity Shares applied for	
in Figures	
in Words	
Amount Blocked (₹ in figures)	

SCSB Branch Stamp & Signature

ASBA Bank A/c No.	Name of Bank & Branch

TEAR HERE

LAGNAM SPINTEX LIMITED - INITAL PUBLIC ISSUE -NR

	In Figures	In Words
No.of Equity Shares		
Amount Blocked (₹)		

Stamp & Signature of Broker / SCSB / DP /RTA

Name of Sole/ First Applicant

Acknowledgment Slip for Applicant

ASBA Bank A/c No.: _____

Bank & Branch: _____

Application Form No.

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

b) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

c) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

   Any person who:

   - makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or
   - makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
   - otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,

   Shall be liable for action under section 447 of the said Act.

d) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST APPLICANT

a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim ("PAN Exempted Applicants"). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary

account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

d) Application Forms which provide the GIR Number instead of PAN may be rejected.

e) Applications by Applicants whose demat accounts have been "suspended for credit" are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS

a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the **Application Form is liable to be rejected.**

b) Applicant should ensure that the beneficiary account provided in the Application Form is active.

c) Applicant should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to the issue.

d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

4.1.4 FIELD NUMBER 4: APPLICANTDETAILS

(a) The Issuer may mention Price in the Prospectus. However, a prospectus registered with RoC contains one price.

(b) Minimum and Maximum Application Size

i. For Retail Individual Applicants

The Application must be for a minimum of 3,000 Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for 3,000 Equity Shares.

ii. For Other Applicants (Non- Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of 3,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non- Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non- Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.

(c) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to any other Application Collecting Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(d) Applicants are requested to note the following procedures may be followed by the

Registrar to the Issue to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FPI sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.

ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(e) The following applications may not be treated as multiple Applications:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.

iii. Applications by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS

(a) The categories of Applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Applications, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

(b) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Applicant may refer to the Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

(a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

(c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.

(d) Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

(a) Please note that, providing bank account details in the space provided in the Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

4.1.7.1 Payment instructions for Applicants

(a) Applicants may submit the Application Form in physical mode to the Application Collecting Intermediaries.

(b) Applicants should specify the Bank Account number in the Application Form.

(c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

(d) Applicants shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one Bank Account, a maximum of five Application Forms can be submitted.

(f) Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained. In case Applicant applying through Application Collecting Intermediary other than SCSB, after verification and upload, the Application Collecting Intermediary shall send to SCSB for blocking of fund.

(g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

(h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.

(i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

(j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

(k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of allotment and subsequent transfer of the Application Amount against the Allotted Equity Shares, if any, to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

(l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.1.8 Unblocking of ASBA Account

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected/ partial/ non-allotment ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

4.1.8.1 Discount (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.1.8.2 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.

(d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediaries, as applicable, for submission of the Application Form.

(a) All communications in connection with Applications made in the Issue should be addressed as under:

   i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, unblocking of funds, the Applicants should contact the Registrar to the Issue.

   ii. In case of applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.

   iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.

(b) The following details (as applicable) should be quoted while making any queries -

   i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount blocked on application And ASBA Account Number and Name.

   ii. In case of ASBA applications, ASBA Account number in which the amount equivalent to the application amount was blocked.

   For further details, Applicant may refer to the Prospectus and the Application Form.

4.2. INSTRUCTIONS FOR FILING THE REVISION FORM

a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their Application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.

b) RII may revise/ withdraw their Application till closure of the Issue period.

c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.

d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had placed the original Application.

A sample Revision form is reproduced below: -

Revision Form – R

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

COMMON APPLICATION REVISION FORM

LAGNAM SPINTEX LIMITED - INITIAL PUBLIC ISSUE -R

Registered Office: A-51-53, RIICO Growth Centre, Hamirgarh, Bhilwara-311001, Rajasthan, India
Tel: +91 01482 289210, Fax: Not Available CIN: U17119RJ2010PLC032089
Email: rparashar@lagnam.com Website: www.lagnamspintex.com

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIB'S AND ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS

Lagnam Spintex

To,
The Board of Directors
LAGNAM SPINTEX LIMITED

FIXED PRICE SME ISSUE

ISIN - INE548Z01017

Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/ SCSB/ DP/ RTA STAMP & CODE
SUB-BROKER'S / SUB- AGENT'S STAMP & CODE	**ESCROW BANK/ SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT

Mr. / Ms.

Age

Tel. No (with STD code)/Mobile

2. PAN OF SOLE/FIRST APPLICANT

3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CSDL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY APPLICATION ☐ PHYSICAL

4. FROM (as per last Application or Revision)

Options	No. of Equity Shares applied (Application must be in multiples of 3,000 equity shares) (In Figures)						Price per Equity share (₹) 41/- (In Figures) Issue Price				Discount, if any				Net Price			
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1
Option 1																			
(OR) Option 2																			
(OR) Option 3																			

OLD APPLICATION

5. TO (Revised Application)

Options	No. of Equity Shares applied (Application must be in multiples of 3,000 equity shares) (In Figures)						Price per Equity share (₹) 41/- (In Figures) Issue Price				Discount, if any				Net Price			
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1
Option 1																			
(OR) Option 2																			
(OR) Option 3																			

REVISED APPLICATION

6. PAYMENT DETAILS | **PAYMENT OPTION : Full Payment**

Additional Amount Blocked (₹ in Figures) (₹ in Words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED FORM 2A AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

7 A. SIGNATURE OF SOLE / FIRST APPLICANT	7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER (s) (AS PER BANK RECORDS)	BROKERS / SCSB /DP /RTA STAMP (Acknowledging upload of Application in Stock Exchange System)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
Date: ....., 2018	1)	
	2)	
	3)	

TEAR HERE

Lagnam Spintex

LAGNAM SPINTEX LIMITED- INITIAL PUBLIC ISSUE - REVISION -R

Acknowledgment Slip for Broker /SCSB/DP/RTA

Application Form No.

DPID / CLID | PAN

Additional Amount Blocked(₹ in Figures) | Bank & Branch | SCSB Branch Stamp & Signature

ASBA Bank A/c No.

REVISED APPLICATION

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

LAGNAM SPINTEX LIMITED- INITIAL PUBLIC ISSUE- REVISION -R

	Option 1	Option 2	Option 3
No.of Equity Shares			
Offer Price			
Additional Amount Blocked (₹)			

REVISED APPLICATION

Stamp & Signature of Broker / SCSB / DP /RTA

Name of Sole / First Applicant

Acknowledgment Slip for Applicant

ASBA Bank A/c No.:

Bank & Branch:

Application Form No.

TEAR HERE

Revision Form – NR

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

COMMON APPLICATION REVISION FORM

LAGNAM SPINTEX LIMITED - INITIAL PUBLIC ISSUE -NR

Registered Office: A-51-53, RIICO Growth Centre, Hamirgarh, Bhilwara-311001, Rajasthan, India
Tel: +91 01482 289210, Fax: Not Available CIN: U17119RJ2010PLC032089
Email: rparashar@lagnam.com Website: www.lagnamspintex.com

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS

Lagnam Spintex

To,
The Board of Directors
LAGNAM SPINTEX LIMITED

FIXED PRICE SME ISSUE

ISIN - INE548Z01017

Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/ SCSB/ DP/ RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**ESCROW BANK/ SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT

Mr. / Ms.

Age

Tel. No (with STD code)/Mobile

2. PAN OF SOLE/FIRST APPLICANT

3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CSDL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY APPLICATION ☐ PHYSICAL

4. FROM (as per last Application or Revision)

Options	No. of Equity Shares applied (Application must be in multiples of 3,000 equity shares) (In Figures)							Price per Equity share (₹) 41/- (In Figures) Issue Price				Discount, if any				Net Price			
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1
Option 1																			
(OR) Option 2																			
(OR) Option 3																			

OLD APPLICATION

5. TO (Revised Application)

Options	No. of Equity Shares applied (Application must be in multiples of 3,000 equity shares) (In Figures)							Price per Equity share (₹) 41/- (In Figures) Issue Price				Discount, if any				Net Price			
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1
Option 1																			
(OR) Option 2																			
(OR) Option 3																			

REVISED APPLICATION

6. PAYMENT DETAILS | **PAYMENT OPTION : Full Payment**

Additional Amount Blocked (₹ in Figures) (₹ in Words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED FORM 2A AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

7 A. SIGNATURE OF SOLE / FIRST APPLICANT	7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER (s) (AS PER BANK RECORDS)	BROKERS / SCSB /DP /RTA STAMP (Acknowledging upload of Application 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)	
Date: ....., 2018	3)	

TEAR HERE

Lagnam Spintex

LAGNAM SPINTEX LIMITED- INITIAL PUBLIC ISSUE - REVISION -NR

Acknowledgment Slip for Broker /SCSB/DP/RTA

Application Form No.

DPID / CLID PAN

Additional Amount Blocked(₹ in Figures) Bank & Branch

ASBA Bank A/c No.

SCSB Branch Stamp & Signature

Received from Mr./Ms.

Telephone / Mobile Email

REVISED APPLICATION

TEAR HERE

LAGNAM SPINTEX LIMITED- INITIAL PUBLIC ISSUE -REVISIN-NR

	Option 1	Option 2	Option 3
No.of Equity Shares			
Offer Price			
Additional Amount Blocked(₹)			

Stamp & Signature of Broker / SCSB / DP /RTA

Name of Sole / First Applicant

Acknowledgment Slip for Applicant

ASBA Bank A/c No.:

Bank & Branch:

Application Form No.

REVISED APPLICATION

4.2.1. FIELD NUMBER 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST AAPLICANT, PAN OFSOLE/FIRST APPLICANT& DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2. FIELD NUMBER 4 & 5: APPLICATION OPTIONS REVISION 'FROM' AND 'TO'

(a) Apart from mentioning the revised number of shares in the Revision Form, the Applicant must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form.

(b) In case of revision of applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the application amount should exceed Rs. 2,00,000/- due to revision and the application may be considered, subject to eligibility, for allocation under the Non-Institutional Category.

4.2.3. FIELD NUMBER 6: PAYMENT DETAILS

(a) All Applicants are required to make payment of the full application amount along with the Revision Form.

(b) Applicant may Issue instructions to block the revised amount in the ASBA Account, to Designated Branch through whom such Applicant had placed the original application to enable the relevant SCSB to block the additional application amount, if any.

4.2.4. SIGNATURES AND ACKNOWLEDGEMENTS

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3. SUBMISSION OF REVISION FORM/APPLICATION FORM

4.3.1. Applicants may submit completed Application cum Application form / Revision Form in the following manner: -

Mode of Application	Submission of Application Form
All investors Application	To the Application Collecting Intermediaries as mentioned in the Prospectus/ Application Form

SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE

5.1 APPLICANTS MAY NOTE THAT THERE IS NO APPLICATION FORM IN A FIXED PRICE ISSUE

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Application Collecting Intermediaries and apply only through ASBA facility.

ASBA Applicants may submit an Application Form either in physical/electronic form to the Application Collecting Intermediaries authorizing blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net issue to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

5.2 GROUNDS OF REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 2,000;
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole/ first Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date, unless the extended time is permitted by SME Platform of BSE Limited.

- Details of ASBA Account not provided in the Application form.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section the GID.

APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE APPLICATION COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE

This being Fixed Price Issue, this section is not applicable for this Issue.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

7.1 BASIS OF ALLOTMENT

Allotment will be made in consultation with the 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:

(a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).

(b) The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

(c) For applications where the proportionate allotment works out to less than 3,000 equity shares the allotment will be made as follows:

i. Each successful Applicant shall be allotted 3,000 equity shares; and
ii. The successful Applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

(d) If the proportionate allotment to an Applicant works out to a number that is not a multiple of 3,000 equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of 3,000 equity shares subject to a minimum allotment of 3,000 equity shares.

(e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicants in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 3,000 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 issue 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 per Regulation 43 (4) of SEBI (ICDR), as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

ii. The balance net issue of shares to the public shall be made available for allotment to

- individual applicants other than retails individual investors and
- other investors, including corporate bodies/ institutions irrespective of number of shares applied for.

iii. The unsubscribed portion of the net issue to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director/ Managing Director of NSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue**.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON-RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus/ Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, 2013 and as disclosed in the Prospectus.

8.2.2 NON-RECEIPT OF 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 be 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.

8.3 MODE OF REFUND

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Applications and also for any excess amount blocked on Application.

8.3.1 Mode of making refunds

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Applications or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum/ or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Issue Closing Date, if Allotment is not made.

RESTRICTION OF FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government, the FDI Policy and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), issued consolidates FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular. The Government has also enacted Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 in suppression of Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000.

Investment by Foreign Portfolio Investors (FPIs)/ Foreign Institutional Investor (FIIs)

FPIs are permitted to subscribe to Equity Shares of an Indian Company in a public issue without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. SEBI registered FPIs have been permitted to purchase shares of an Indian company through Issue, subject to total FPI investment being within the individual FPI investment limit of below 10% of the paid-up equity capital of the Indian Company and subject to the total cap of all FPIs put together being 24% of the paid-up equity capital of the Indian company. However, this limit of 24% may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

As per Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, any FII or a sub account registered under the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 and holding a valid certificate of registration from SEBI shall be deemed to be a FPI till the expiry of the block of three years from the enactment of the Securities Exchange Board of India (FPI) Regulations, 2014.

Subscription by Non-Resident Indians (NRI) or Overseas Citizen of India (OCI) on Repatriation Basis

A NRI or OCI may purchase or sell shares of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions that NRIs or OCIs may purchase and sell shares through a branch designated by an authorised dealer for the purpose; and the total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the company.

Investment by NRI or OCI on Non-repatriation basis

As per Schedule 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, purchase by a NRI/ OCI, including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs/ OCIs, on non-repatriation basis of shares and convertible debentures or warrants issued by a company without any limit either on the stock exchange or outside it will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. However, NRI/ OCI, including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs/ OCIs, is prohibited from making any investment, under Schedule 4, in capital instruments or units of a Nidhi company or a company engaged in agricultural/ plantation activities or real estate business or construction of farm houses or dealing in transfer of development rights.

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.

No person shall make an application in the Issue, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

As per the existing policy of the Government of India, OCBs cannot participate in any Public Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be "qualified institutional investors" (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule II to the Companies Act and the SEBI Regulations, the main provisions of our Articles relating, inter alia, to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/ or on their consolidation/ splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/ defined terms herein have the same meaning given to them in our Articles.

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 **LAGNAM SPINTEX LIMITED**	
(f)	"Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	**Executor or Administrator**
(g)	"Legal Representative" means a person who in law represents the estate of a deceased Member.	**Legal Representative**
(h)	Words importing the masculine gender also include the feminine gender.	**Gender**
(i)	"In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	**In Writing and Written**
(j)	The marginal notes hereto shall not affect the construction thereof.	**Marginal notes**
(k)	"Meeting" or "General Meeting" means a meeting of members.	**Meeting or**

		General Meeting
(l)	"Month" means a calendar month.	**Month**
(m)	"Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	**Annual General Meeting**
(n)	"Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof	**Extra-Ordinary General Meeting**
(o)	"National Holiday" means and includes a day declared as National Holiday by the Central Government.	**National Holiday**
(p)	"Non-retiring Directors" means a director not subject to retirement by rotation	**Non-retiring Directors**
(q)	"Office" means the registered Office for the time being of the Company.	**Office**
(r)	"Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act	**Ordinary and Special Resolution**
(s)	"Person" shall be deemed to include corporations and firms as well as individuals.	**Person**
(t)	"Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	**Proxy**
(u)	"The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	**Register of Members**
(v)	"Seal" means the common seal for the time being of the Company.	**Seal**
(w)	Words importing the Singular number include where the context admits or requires the plural number and vice versa	**Singular number**
(x)	"The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company	**Statutes**
(y)	"These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	**These presents**
(z)	"Variation" shall include abrogation; and "vary" shall include abrogate.	**Variation**
(aa)	"Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	**Year and Financial Year**
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	**Expressions in the Act to bear the same meaning in Articles**
	CAPITAL	
3	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	**Authorized Capital.**
4	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential	**Increase of capital by the Company how carried into effect.**

	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.	
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 however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	**Non-Voting Shares**
7	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	**Redeemable Preference Shares**
8	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	**Voting rights of Preference Shares**
9	On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions-shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption; (b) No such Shares shall be redeemed unless they are fully paid; (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; (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	**Provisions to apply on issue of Redeemable Preference Shares**

	(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be affected 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	The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce (a) the share capital; (b) any capital redemption reserve account; or (c) any security premium account 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.	**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 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.	**ESOP**
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	**Consolidation, Sub-Division and Cancellation**

	diminish the amount of its share capital by the amount of the shares so cancelled.	
16	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	**Issue of Depository Receipts**
17	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	**Issue of Securities**
	MODIFICATION OF CLASS RIGHTS	
18	a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three- fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.	**Modification of rights**
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	**New Issue of Shares not to affect rights attached to existing shares of that class**
19	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	**Shares at the disposal of the Directors.**
20	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause	**Power to issue shares on preferential**

	(a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	**basis.**
21	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	**Shares should be Numbered progressively and no share to be subdivided.**
22	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	**Acceptance of Shares.**
23	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	**Directors may allot shares as full paid-up or partly paid up**
24	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allotted thereof, and shall be paid by him, accordingly.	**Deposit and call etc. to be a debt payable immediately.**
25	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	**Liability of Members.**
26	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	**Registration of Shares.**
	RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT	
27	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	CERTIFICATES	
28	a. Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within	**Share Certificates.**

	two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. 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. b. Any two or more joint allotted 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. 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	
29	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	**Issue of new certificates in place of those defaced, lost or destroyed.**

	issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. 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. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.	
30	(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.	**The first named joint holder deemed Sole holder.**
	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	**Maximum number of joint holders.**
31	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	**Company not bound to recognize any interest in share other than that of registered holders.**
32	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	**Installment on shares to be duly paid.**
	UNDERWRITING AND BROKERAGE	
33	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be	**Commission**

	satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	
34	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	**Brokerage**
	CALLS	
35	1. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. 2. A call may be revoked or postponed at the discretion of the Board. 3. A call may be made payable by installments.	**Directors may make calls**
36	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	**Notice of Calls**
37	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing 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.**
38	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	**Calls on uniform basis.**
39	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favor.	**Directors may extend time.**
40	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	**Calls to carry interest.**
41	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	**Sums deemed to be calls.**

42	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	**Proof on trial of suit for money due on shares.**
43	Neither a judgment nor a decree in favor 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.**
44	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits. (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.	**Payments in Anticipation of calls may carry interest**
	LIEN	
45	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be	**Company to have Lien on shares.**

	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.	
46	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorize 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.	**As to enforcing lien by sale.**
47	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	**Application of proceeds of sale.**
	FORFEITURE AND SURRENDER OF SHARES	
48	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	**If call or installment not paid, notice maybe given.**
49	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine	**Terms of notice.**

	from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	
50	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or 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.**
51	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	**Notice of forfeiture to a Member**
52	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	**Forfeited shares to be property of the Company and maybe sold etc.**
53	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, 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 payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	**Members still liable to pay money owing at time of forfeiture and interest.**
54	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	**Effect of forfeiture.**
55	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company 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.**
56	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	**Title of purchase and allotted of Forfeited shares.**
57	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect	**Cancellation of share certificate**

	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.	**in respect of forfeited shares.**
58	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favor, 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.	**Forfeiture may be remitted.**
59	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	**Validity of sale**
60	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	**Surrender of shares.**
	TRANSFER AND TRANSMISSION OF SHARES	
61	a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	**Execution of the instrument of shares.**
62	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange	**Transfer Form.**
63	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the	**Transfer not to be registered exception production of**

	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.	**instrument of transfer.**
64	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;	**Directors may refuse to register transfer.**
65	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	**Notice of refusal to be given to transferor and transferee.**
66	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	**No fee on transfer.**
67	The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made there under 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 a year as it may seem expedient to the Board.	**Closure of Register of Members or debenture holder or other security holders.**
68	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	**Custody of transfer Deeds.**
69	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the	**Application for transfer of partly**

	application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	**paid shares.**
70	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	**Notice to transferee.**
71	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. b) Before recognizing any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. 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 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.	**Recognition of legal representative.**
72	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.	**Titles of Shares of deceased Member**
73	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.	**Notice of application when to be given**

74	**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 favor 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).**
75	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	**Refusal to register nominee.**
76	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	**Board may require evidence of transmission.**
77	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	**Company not liable for disregard of a notice prohibiting registration of transfer.**
78	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	**Form of transfer Outside India.**
79	No transfer shall be made to any minor, insolvent or person of unsound mind.	**No transfer to insolvent etc.**

	NOMINATION	
80	i. Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013shall apply in respect of such nomination. 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 72of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 iii. The Company shall not be in any way responsible for transferring the securities consequent upon such nomination. 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.	**Nomination**
81	A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either- **i. to be registered himself as holder of the security, as the case may be; or** **ii. to make such transfer of the security, as the case may be, as the deceased security holder, could have made;** **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;** 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**. 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,	**Transmission of Securities by nominee**

	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.	
	DEMATERIALISATION OF SHARES	
82	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	**Dematerialization of Securities**
	JOINT HOLDER	
83	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	**Joint Holders**
84	a. The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	**Joint and several liabilities for all payments in respect of shares.**
	b. on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	**Title of survivors.**
	c. Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	**Receipts of one sufficient.**
	d. only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	**Delivery of certificate and giving of notices to first named holders**
	SHARE WARRANTS	
85	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	**Power to issue share warrants**
86	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	**Deposit of share warrants**

	as the holder of the Share included in the deposit warrant. b. Not more than one person shall be recognized as depositor of the Share warrant. c. The Company shall, on two day's written notice, return the deposited share warrant to the depositor	
87	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. 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.	**Privileges and disabilities of the holders of share warrant**
88	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	**Issue of new share warrant coupons**
	CONVERSION OF SHARES INTO STOCK	
89	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	**Conversion of shares into stock or reconversion.**
90	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	**Transfer of stock.**
91	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	**Rights of stock holders.**
92	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.	**Regulations.**
	BORROWING POWERS	
93	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-	**Power to borrow.**

	stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, anybody corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	
94	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	**Issue of discount etc. or with special privileges.**
95	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, 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.**
96	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	**Bonds, Debentures etc. to be under the control of the Directors.**
97	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favor such mortgage or security is executed.	**Mortgage of uncalled Capital.**
98	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or 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	**Indemnity may be given.**

	loss in respect of such liability.	
	MEETINGS OF MEMBERS	
99	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	**Distinction between AGM & EGM.**
100	**a. The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members**	**Extra-Ordinary General Meeting by Board and by requisition**
	b. If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	**When a Director or any two Members may call an Extra Ordinary General Meeting**
101	**No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.**	**Meeting not to transact business not mentioned in notice.**
102	**The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.**	**Chairman of General Meeting**
103	**No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.**	**Business confined to election of Chairman whilst chair is vacant.**
104	**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.** **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.**	**Chairman with consent may adjourn meeting**

	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. **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.**	
105	**In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.**	**Chairman's casting vote.**
106	**Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.**	**In what case poll taken without adjournment.**
107	**The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.**	**Demand for poll not to prevent transaction of other business.**
	VOTES OF MEMBERS	
108	**No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.**	**Members in arrears not to vote.**
109	**Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.**	**Number of votes each member entitled.**
110	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	**Casting of votes by a member entitled to more than one vote.**
111	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	**Vote of member of unsound mind and of minor**

112	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	**Postal Ballot**
113	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	**E-Voting**
114	a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint 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. b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	**Votes of joint members.**
115	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorized as mentioned in Articles	**Votes may be given by proxy or by representative**
116	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorize 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 authorized by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	**Representation of a body corporate.**
117	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	**Members paying money in advance.**
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	**Members not prohibited if share not held for any specified period.**
118	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give	**Votes in respect of shares of deceased or insolvent members.**

	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.	
119	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorized under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	**No votes by proxy on show of hands.**
120	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	**Appointment of a Proxy.**
121	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	**Form of proxy.**
122	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	**Validity of votes given by proxy not withstanding death of a member.**
123	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	**Time for objections to votes.**
124	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	**Chairperson of the Meeting to be the judge of validity of any vote.**
	DIRECTORS	
125	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	**Number of Directors**
126	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	**Qualification shares.**
127	The following shall be the First Director of the Company 1. Veena Mangal	**First Directors.**

	2. Dwarka Prasad Mangal	
128	(a) Subject to the provisions of the Companies Act, 2013and 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 (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. (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. (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.	**Nominee Directors.**
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, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	**Travelling expenses Incurred by Director on Company's business.**
	PROCEEDING OF THE BOARD OF DIRECTORS	
134	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (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.	**Meetings of Directors.**
135	(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. (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.	**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 from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	**Directors may appoint committee.**
139	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	**Committee Meeting show to be governed.**
140	a) A committee may elect a Chairperson of its meetings. 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	**Chairperson of Committee Meetings**

	to be Chairperson of the meeting.	
141	a) A committee may meet and adjourn as it thinks fit. 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.	**Meetings of the Committee**
142	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	**Acts of Board or Committee shall be valid not withstanding effect in appointment.**
	CASUAL VACANCY	
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 authorized to carry on, in any part of India.	**To acquire any property, rights etc.**
	2. Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	**To take on Lease.**

	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 pro parties of the Company.**
	6. To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	**To open Bank accounts.**
	7. Subject to the provision of the act 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	**To conduct legal proceedings.**

	thereon.	
	11. To act on behalf of the Company in all matters relating to bankruptcy insolvency.	**Bankruptcy & Insolvency**
	12. To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	**To issue receipts & give discharge.**
	13. Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realize such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	**To invest and deal with money of the Company.**
	14. To execute in the name and on behalf of the Company in favor 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, 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.**
	17. 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 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	**Transfer to Reserve Funds.**

	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.	
	18. 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, laborer's, 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.	To appoint and remove officers and other employees.
	19. At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorized 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 favor of the members or any of the members of any local Board established as aforesaid or in favor of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favor 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.	To appoint Attorneys.

	20. Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	To enter into contracts.
	21. From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	To make rules.
	22. To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	To effect contracts etc.
	23. To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	To apply & obtain concessions licenses etc.
	24. 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.
	25. To redeem preference shares.	To redeem preference shares.
	26. 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 any moral or other claim shall have 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.
	27. To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.	
	28. 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.	
	29. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by	

	providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
	30. 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.	
	31. 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.	
	32. 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.	
	33. 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.	
	34. To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose of, 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.	
	35. 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 payment in satisfaction for the same in cash or otherwise as it thinks fit.	
	36. 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.	
	37. 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.	
	MANAGING AND WHOLE-TIME DIRECTORS	
146	**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.** **b. A Managing Director or Joint Managing Director shall not while he continues to hold that office be subject to retirement by rotation and he shall not be taken into account in determining the rotation of retirement of Directors or the number of Directors to retire but he shall, subject to the terms of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the Directors of the Company, and if he ceases to hold the office of Directors from any cause shall ipso facto and immediately cease to be Managing Director.**	**Power to appoint Managing / Whole time Directors.**
147	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	**Remuneration of Managing or Whole time Director.**
148	1. Subject to control, direction and supervision of the Board of Directors, the day-today 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. 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. 3. The Company's General Meeting may also from time to time appoint	**Powers and duties of Managing Director or Whole-time Director.**

	any Managing Director or Managing Directors or Whole time Director or Whole time Directors of the Company and may exercise all the powers referred to in these Articles. 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. 5. Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and specially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.	
	CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER	
149	a) Subject to the provisions of the Act,— i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. 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.	**Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer**
	THE SEAL	
150	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. 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.	**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	**Deeds how executed.**

	authorized by it in that behalf, and in the presence of at least one director and of the secretary or such other person as the Board may appoint for the purpose; and that director 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	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. 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. 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.	**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 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. **b)** The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve	**Transfer to reserves**
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	**Dividends in**

	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.	**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 from the interest or dividend payable to any member all such sums of money so due from him to the Company.	**No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.**
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	a. Any dividend, interest or other monies payable in cash in respect of shares may be paid by e-transfer /cheque or warrant sent through the post directed to the registered address / Registered Mail ID as the case may be, of the holder or, in the case of joint holders, to the registered address of register of members, or to such person and to such address as the holder or joint holders may in writing direct. **b.** Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	**Dividends how remitted.**
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 before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	**No interest on Dividends.**
	CAPITALIZATION	
166	1. The Company in General Meeting may, upon the recommendation of the Board, resolve: a. that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and b. that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.	**Capitalization.**
	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:	

	i. paying up any amounts for the time being unpaid on any shares held by such members respectively; 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 iii. partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).	
	3. A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares	
	4. The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.	
167	1) Whenever such a resolution as aforesaid shall have been passed, the Board shall a. make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and b. generally to do all acts and things required to give effect thereto.	**Fractional Certificates.**
	2) The Board shall have power - (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 (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the 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.	
	3) Any agreement made under such authority shall be effective and binding on all such members	
	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.	
168	(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. (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	**Inspection of Minutes Books of General Meetings.**

	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.	
169	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. 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 authorized by the Board or by the company in general meeting.	**Inspection of Accounts**
	FOREIGN REGISTER	
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 authorized 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 Authorized Officer of the Company and need not be under the Common Seal of the Company.	**Authentication of documents and proceedings.**
	WINDING UP	
173	Subject to the provisions of Chapter XX of the Act and rules made thereunder— **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.** **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.** **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.**	
	INDEMNITY	
174	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	**Directors' and others right to indemnity.**

	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.	
175	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 lossor 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.	**Not responsible for acts of others**
	SECRECY	
176	a) **Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.**	**Secrecy**
	b) **No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require**	**Access to property information etc.**

	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.	

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus to be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at A-51-53, RIICO Growth Centre Hamirgarh Bhilwara, Rajasthan, India, 311001 from date of filing the Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Material Contracts

1. Issue Agreement dated 05th July, 2018 between our Company and the LM.
2. Registrar Agreement dated March 15,2018 between our Company and Bigshare Services Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated 05th July, 2018 between our Company and Underwriters viz. LMs
4. Market Making Agreement dated 05th July, 2018 between our Company, Market Maker and the LMs.
5. Bankers to the Issue Agreement dated 05th July, 2018 amongst our Company, the LMs, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated March 14, 2018
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated February 23, 2018

Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company along with certificates of incorporation as amended from time to time.
2. Resolutions of the Board of Directors dated February 06, 2018 in relation to the Issue and other related matters.
3. Shareholder's resolution passed at the Extra-ordinary General meeting dated February 10, 2018 authorizing the Issue.
4. Statement of Tax Benefits dated April 25, 2018 issued by our Peer Reviewed Auditor, M/s. SSMS & Associates., Chartered Accountants.
5. Report of the Peer Reviewed Auditor, M/s. SSMS & Associates., Chartered Accountants, dated April 25, 2018 on the Restated Financial Statements for the financial years ended as on March 31, 2018, 2017, 2016, 2015 & 2014 of our Company.
6. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Reviewed Auditors, Banker to the Company, Legal Advisor to the Issue, the Book Running Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Bankers to the Issue and Refund Banker to the Issue, to act in their respective capacities.
7. Copy of In-Principal approval from National Stock Exchange of India vide letter dated August 16th 2018, to use its name in this Issue document for listing of Equity Shares on Emerge Platform of National Stock Exchange of India.
8. Copy of agreement dated April 01, 2017 for reappointment and remuneration of our Managing Director, Anand Mangal and Chairman Cum Whole Time Director, Dwarka Prasad Mangal.

9. Copy of Audited Financials for the Financial year ended as on March 31, 2018, 2017, 2016, 2015 & 2014 of our Company

10. Copy of Board resolution for authorizing May 12th,2018 of Lagnam Infotech Solutions Private Limited (acting as a Promoter of the Issuer Company) in relation to sign the Issue Document on the behalf of the company.

11. Copy of Pledge agreement as on dated 25th June,2018 in favour of State Bank of India and Punjab National bank on behalf of Lagnam Spintex Limited

Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the undersigned, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and the guidelines issued by the Government of India or the regulations/ guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the 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 all the Directors of Our Company

Name and Designation	Signature
Dwarka Prasad Mangal *Chairman and Whole Time Director*	
Anand Mangal *Managing Director*	
Vijay Singh Bapna *Director*	
Jagdish Chandra Ladda *Independent Director*	
Anil Shah *Independent Director*	
Dipali Mathur *Independent Director*	

Signed by Chief Financial Officer and Company Secretary & Compliance Officer of the Company.

Devilal Bansilal Mundra
Chief Financial Officer

Rajeev Parashar
Company Secretary & Compliance Officer

Place: Bhilwara

Date: 17.08.2018

Annexure A

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY HOLANI CONSULTANTS PRIVATE LIMITED

S.No	Issue Name	Issue Size (Rs. In Lacs.)	Issue Price (Rs.)	Listing Date	Opening Price on listing date	+/-% change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	E2E Networks Limited	2199.06	57	May 15, 2018	85/-	33.24% [-10.64%]	52.63% [2.35%]	N.A.

Note: As per SEBI circular no. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. However, since only one issue had been handled earlier by Holani Consultants Private Limited, the same has been mentioned.

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY BOI MERCHANT BANKERS LIMITED

S.No	Issue Name	Issue Size (Rs. In Lacs.)	Issue Price (Rs.)	Listing Date	Opening Price on listing date	+/-% change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note: As per SEBI circular no. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. This being the first issue handled by BOI Merchant Bankers Limited, the data is reported as Nil.

SUMMARY STATEMENT OF DISCLOSURE OF HOLANI CONSULTANTS PRIVATE LIMITED

Financial Year	Total No. of IPO	Issue Size (Cr)	No. of IPOs trading at discount on 30th calendar day from listing date			No. of IPOs trading at premium on 30th calendar day from listing date			No. of IPOs trading at discount on 180th calendar day from listing date			No. of IPOs trading at premium on 180th calendar day from listing date		
			Over 50 %	Between 25 – 50 %	Less than 25 %	Over 50%	Between 25 – 50 %	Less than 25 %	Over 50 %	Between 25 – 50 %	Less than 25 %	Over 50 %	Between 25 – 50 %	Less than 25 %
2017-18	1*	2199.06	Nil	Nil	Nil	Nil	1	Nil	Nil	Nil	Nil	Nil	Nil	Nil

*The script of E2E Networks Limited was listed on May 15th, 2018

SUMMARY STATEMENT OF DISCLOSURE OF BOI MERCHANT BANKERS LIMITED

Financial Year	Total No. of IPO	Issue Size (Cr)	No. of IPOs trading at discount on 30th calendar day from listing date			No. of IPOs trading at premium on 30th calendar day from listing date			No. of IPOs trading at discount on 180th calendar day from listing date			No. of IPOs trading at premium on 180th calendar day from listing date		
			Over 50 %	Between 25 – 50 %	Less than 25 %	Over 50 %	Between 25 – 50%	Less than 25 %	Over 50 %	Between 25 – 50 %	Less than 25 %	Over 50 %	Between 25 – 50 %	Less than 25 %
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil